

Integra Realty Resources
Sacramento

Appraisal of Real Property

East of S. Brewer Road and North of Phillip Road
Vacant Land
East of S. Brewer Road and North of Phillip Road
Roseville, Placer County, California 95747

Prepared For:
City of Roseville

Effective Date of the Appraisal:
October 23, 2020

Report Format:
Appraisal Report – Standard Format

IRR - Sacramento
File Number: 193-2020-0489





East of S. Brewer Road and North of Phillip Road
Roseville, California



November 6, 2020

Laura Matteoli
Development Director
City of Roseville
311 Vernon Street
Roseville, CA 95678

SUBJECT: Market Value Appraisal
East of S. Brewer Road and North of Phillip Road
Roseville, Placer County, California 95747

IRR - Sacramento File No. 193-2020-0489

Dear Ms. Matteoli:

Integra Realty Resources – Sacramento is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property. The client for the assignment is City of Roseville, and the intended use is for property disposition purposes.

The subject property comprises 243.40± acres of vacant land that represents a portion of three contiguous Assessor's parcels (017-010-033; 017-090-054 -055) which in total comprise 418.90± acres. The assembled site is zoned for public/quasi-public use by the city of Roseville. This report considers the value of the subject property based on its highest and best economic use, which is agricultural development. This valuation is subject to a hypothetical condition the subject is a 243.40± acre parcel that is zoned for agricultural development and is legally transferable. While there are existing improvements on the subject site, they are deemed to be at the end of their useful lives and are planned for demolition by the city of Roseville. Consequently, no contributory value is given to the existing improvements. The subject property is located within the city limits of Roseville proximate to the western boundary. Consequently, the subject is located within the path of suburban growth. Consequently, the subject property is representative of transitional land. For the purpose herein, and specific to the subject property, transitional land refers to property that is moving from a once agricultural use to a more suburban/urban use. A more

detailed description of the subject property and related market area characteristics is contained within the attached report.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of City of Roseville.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	October 23, 2020	\$3,650,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

None.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. The subject property comprises 243.40± acres of vacant land that represents a portion of three contiguous Assessor's parcels (017-010-033; 017-090-054 -055) which in total comprise 418.90± acres. The assembled site is zoned for public/quasi-public use by the city of Roseville. This report considers the value of the subject property based on its highest and best economic use, which is agricultural development. This valuation is subject to a hypothetical condition the subject is a 243.40± acre parcel that is zoned for agricultural development and is legally transferable.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (coronavirus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to "shelter in place," causing widespread closures of

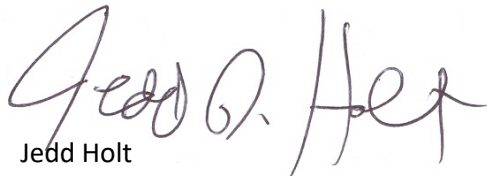


businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. Our analysis of these and related issues is presented in the attached report. The value expressed herein represents our opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time.

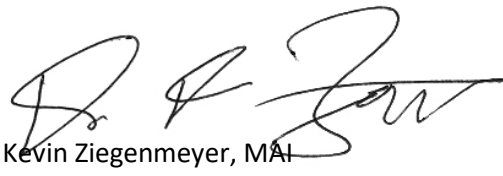
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - SACRAMENTO



Jedd Holt
Certified General Real Estate Appraiser
California Certificate # AG043883
Telephone: 916-435-3883, ext. 242
Email: jholt@irr.com



Kevin Ziegenmeyer, MAI
Certified General Real Estate Appraiser
California Certificate # AG013567
Telephone: 916-435-3883, ext. 224
Email: kziegenmeyer@irr.com

Table of Contents

Executive Summary	1	Valuation	35
General Information	3	Valuation Methodology	35
Identification of Subject	3	Sales Comparison Approach	36
Sale History	3	Analysis and Adjustment of Sales	40
Pending Transactions	3	Land Value Conclusion	44
Purpose of the Appraisal	3	Reconciliation and Conclusion of Value	45
Definition of Market Value	3	Exposure Time	45
Definition of Property Rights Appraised	4	Marketing Period	46
Intended Use and User	4	Certification	47
Applicable Requirements	4	Assumptions and Limiting Conditions	49
Report Format	5	Addenda	
Prior Services	5	A. Appraiser Qualifications	
Scope of Work	5	B. Comparable Data	
Economic Analysis	7	C. Engagement Letter	
Area Analysis	7		
Surrounding Area Analysis	14		
Community Uses	16		
Agricultural Trends	17		
General Public Market Sentiment	23		
Property Analysis	25		
Land Description and Analysis	25		
Real Estate Taxes	32		
Highest and Best Use	33		



Executive Summary

Address	East of S. Brewer Road and North of Phillip Road Roseville, Placer County, California 95747	
Property Type	Land - Agricultural	
Owner of Record	City of Roseville	
Tax ID	017-010-033; 017-090-054 & -055 (Portion)	
Land Area (Gross)	243.40 acres; 10,602,504 SF	
Zoning Designation	P/QP, Public/Quasi-Public	
Highest and Best Use	Agricultural use	
Exposure Time; Marketing Period	9-12 months; 12 months	
Effective Date of the Appraisal	October 23, 2020	
Date of the Report	November 6, 2020	
Property Interest Appraised	Fee Simple	
Sales Comparison Approach		
Number of Sales	5	
Range of Sale Dates	Aug 18 to Aug 20	
Range of Prices per Acre (Unadjusted)	\$11,448 - \$26,828	
Market Value Conclusion	\$3,650,000	(\$14,996/Acre)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of Roseville may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

None.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. The subject property comprises 243.40± acres of vacant land that represents a portion of three contiguous Assessor's parcels (017-010-033; 017-090-054 -055) which in total comprise 418.90± acres. The assembled site is zoned for public/quasi-public use by the city of Roseville. This report considers the value of the subject property based on its highest and best economic use, which is agricultural development. This valuation is subject to a hypothetical condition the subject is a 243.40± acre parcel that is zoned for agricultural development and is legally transferable.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)

Strengths

- The subject property is situated within the path of growth for the city of Roseville adjacent to two master planned communities to the east and south.
- Demand for agricultural properties has been steady over the past several years

Weaknesses

- Backbone infrastructure (utilities, sewer, and drainage) improvements will be necessary for development of the site to its ultimate highest and best use.
- A portion of the site is within the 100-year floodplain. In total, 111.60 acres are considered undevelopable.

Opportunities

- The subject is located within the path of growth and should benefit from the continued growth of Roseville and the on-going development of the immediate area.

Threats

- The impact of COVID-19 on economic conditions is considered throughout this appraisal. The Market Analysis section looks at the best available empirical data while the valuation sections turn to parallels with prior recessions along with real time data sources that provide guidance on input metrics applied within the various approaches.

General Information

Identification of Subject

The subject property comprises 243.40± acres of vacant land that represents a portion of three contiguous Assessor's parcels (017-010-033; 017-090-054 -055) which in total comprise 418.90± acres. The assembled site is zoned for public/quasi-public use by the city of Roseville. This report considers the value of the subject property based on its highest and best economic use, which is agricultural development. This valuation is subject to a hypothetical condition the subject is a 243.40± acre parcel that is zoned for agricultural development and is legally transferable. While there are existing improvements on the subject site, they are deemed to be at the end of their useful lives and are planned for demolition by the city of Roseville. Consequently, no contributory value is given to the existing improvements. The subject property is located within the city limits of Roseville proximate to the western boundary. Consequently, the subject is located within the path of suburban growth. Consequently, the subject property is representative of transitional land. For the purpose herein, and specific to the subject property, transitional land refers to property that is moving from a once agricultural use to a more suburban/urban use. A legal description of the property was requested but not provided.

Property Identification

Address	East of S. Brewer Road and North of Phillip Road Roseville, California 95747
Tax ID	017-010-033; 017-090-054 & -055 (Portion)
Owner of Record	City of Roseville

Sale History

To the best of our knowledge, no arm's length sale or transfer of ownership has occurred within the past three years. In addition, the subject is not currently being marketed for sale.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property as of the effective date of the appraisal, October 23, 2020. The date of the report is November 6, 2020. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

“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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

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

Definition of Property Rights Appraised

Fee simple estate is defined as, “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.”

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

Intended Use and User

The intended use of the appraisal is for property disposition purposes. The client and intended user is the City of Roseville. The appraisal is not intended for any other use or user. No party or parties other than City of Roseville may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal guidelines of City of Roseville.

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

We use only the sales comparison approach in developing an opinion of value for the subject. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length

nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Jedd Holt conducted an on-site inspection of the property on October 23, 2020. Kevin Ziegenmeyer conducted an on-site inspection of the property on November 4, 2020.

Economic Analysis

Area Analysis

Introduction

The worldwide outbreak of the COVID-19 virus and the subsequent chain of events enacted in an effort to minimize the impacts of the pandemic are still in process and evolving. Healthcare and economic responses to this crisis are unfolding in the present, with limited quantifiable data available to gauge the future impact on the local, state and national economies. The following analysis is largely based on historical information as a means of identifying past demographic and general economic trends, both of which will be impacted as more time passes and data becomes available for analysis.

The Sacramento MSA is comprised of four counties – Sacramento, Placer, El Dorado and Yolo – and spans from the Sacramento River Delta in the west to the Sierra Nevada mountain range in the east. It represents portions of two key regions in California – the Central Valley and the Sierra Nevada mountains. The Sacramento MSA is the most populous metropolitan area in the Central Valley and the fifth-largest in the state of California. The region’s largest city, Sacramento, is the State Capital and the seat of government for Sacramento County. Sacramento is located approximately 385 miles north of Los Angeles, 500 miles south of Oregon, 85 miles northeast of San Francisco, 105 miles west of South Lake Tahoe, and 135 miles southwest of Reno, Nevada. The region has relatively stable seismic conditions, especially compared to the San Francisco Bay Area and Southern California. Sacramento and adjoining cities rank among the lowest in the state for the probability of a major earthquake.

Population

The region has a population of over 2.37 million and has grown at a moderate, average rate of 1.1% per year for the past five years. The following table illustrates recent population trends for each county in the region. The figures are estimated as of January each year.

Population Trends							
County	2015	2016	2017	2018	2019	2020	%/Yr
Sacramento	1,481,751	1,496,385	1,512,721	1,527,132	1,541,301	1,555,365	1.0%
Placer	371,264	376,508	383,598	389,387	395,978	403,711	1.7%
El Dorado	182,540	183,684	185,147	188,185	190,018	193,227	1.2%
Yolo	210,801	215,016	218,039	219,990	220,896	221,705	1.0%
Total	2,246,356	2,271,593	2,299,505	2,324,694	2,348,193	2,374,008	1.1%

Source: California Department of Finance

Placer and El Dorado Counties have led the region with growth of 1.7% and 1.2% per year, respectively. Most of this growth has occurred in the cities of Roseville, Rocklin, Lincoln and El Dorado Hills. The region’s growth is attributed in large to in-migration of residents from other locations.

The population in the region is expected to continue growing. According to the California Department of Finance, the population in the Sacramento MSA is projected to increase to around 2,601,607 by

2030 and 2,914,939 by 2050. The region’s growth is expected to outpace the growth of most other metropolitan areas in California, as well as the state as a whole.

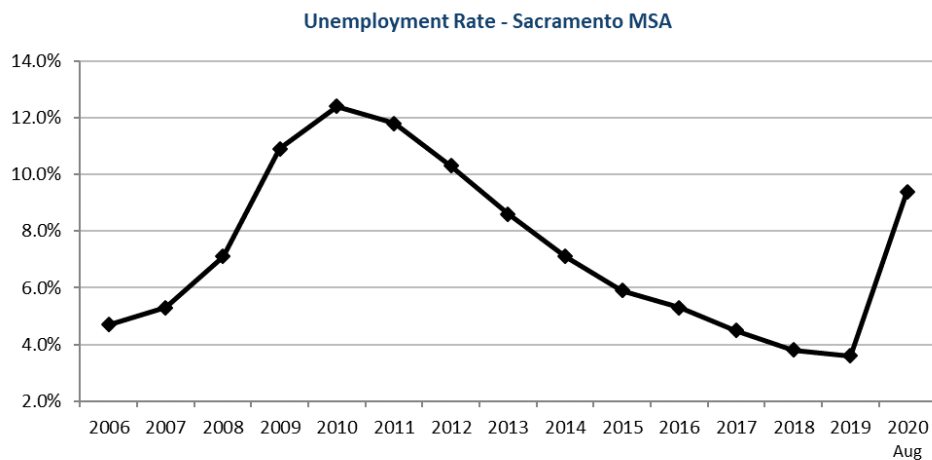
Employment & Economy

Historically, the Sacramento region has been one of the more stable employment centers in California, with a significant number of jobs in State government. The California Employment Development Department has reported the following employment data for the Sacramento MSA over the past five years.

Employment Trends						
	2014	2015	2016	2017	2018	2019
Labor Force	1,044,700	1,052,800	1,068,400	1,075,300	1,089,600	1,101,000
Employment	970,300	991,200	1,011,900	1,026,400	1,048,200	1,061,400
Job Growth	14,400	20,900	20,700	14,500	21,800	13,200
Unemployment Rate	7.1%	5.9%	5.3%	4.5%	3.8%	3.6%

Source: California Employment Development Department

For most areas within the state and nation, including the Sacramento MSA, unemployment declined from 2004 through 2006, increased from 2007 to 2010, and declined between 2011 to 2019. Unemployment spiked in April 2020 as a result of COVID-19 business closures and remains elevated. A depiction of the unemployment rate trend since 2006 is provided below.



Source: California Employment Development Department

The region experienced a significant decline in jobs in 2009, but the rate of decline moderated in 2010, and job growth was positive in each year from 2011 through 2019. Prior to the coronavirus outbreak, unemployment rates had been at historical lows in recent years. The 2017 unemployment rate of 4.5% was the lowest experienced since 2001 and the 2018 and 2019 rates further decreased, closing out 2019 with an average rate of 3.6%. However, this downward trend has shifted as a result of the current COVID-19 crisis. In an effort to prevent the spread and impact of the virus, statewide public health Stay-At-Home orders were on March 19th, which directed residents to stay at home except to perform essential activities necessary for the health and safety of individuals and their families. These



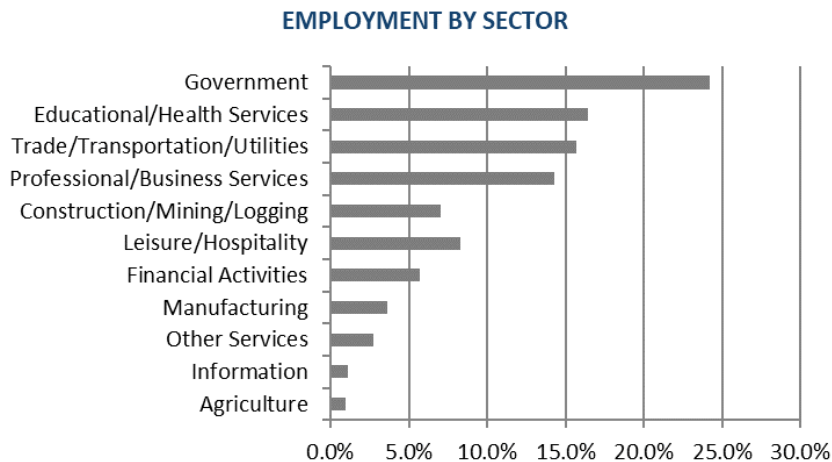
unprecedented measures left just "essential" businesses open. The closure of non-essential businesses has had a significant impact on employment, with some sectors of the workforce impacted more significantly than others.

The average annual unemployment rate in the Sacramento MSA was 3.6% in 2019 and remained in the 3.8%-4.8% range during the first quarter 2020. However, the California Employment Development Department reports an unemployment rate of 14.0% in April 2020 and 13.6% in May 2020. As of August 2020, the rate has dropped slightly to 9.4%, which is above the year ago estimate of 3.7%. This compares to rates of 11.6% for California and 8.5% for the nation in August 2020.

It was reported 89,500 jobs were lost year-over-year as of August 2020 (8.7%). The greatest job loss was in the Leisure/Hospitality sector with 32,800 jobs lost, followed by the Trade/Transportation/Utilities sector with 13,700 jobs lost and Educational/Health Services with 11,600 jobs lost.

The local economy has transitioned from a government and agricultural center to a more diverse economy. Growing industries in the region include healthcare, technology, clean energy and life sciences. The region is a western hub for data processing, customer call centers and other corporate back office support activities. However, the Sacramento market is also largely dependent on the services sector and, as a result, it may be impacted more significantly by the economic disruption caused by COVID-19. The degree of impact will depend at some level on local, state and federal government economic responses and relief aid.

The following chart indicates the percentage of total employment for each sector within the region as of August 2020.



Source: California Employment Development Department

The region’s largest employment sectors are Government, Educational and Health Services, Trade/Transportation/Utilities (including retail and wholesale trade), and Professional and Business Services. Government jobs account for approximately 24% of total employment in the region. This percentage has declined in the past couple of decades – government employment was near 30% of



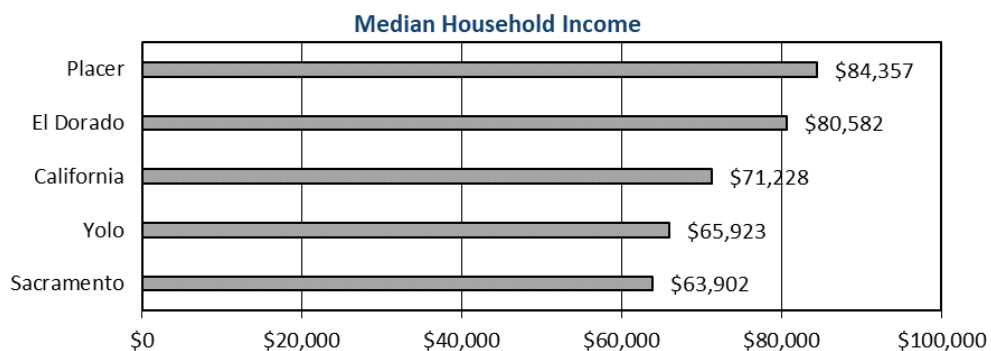
the total in 1990. The region’s largest employers are listed in the following table (based on the number of employees in the four-county region).

Largest Employers			
	Employer	Industry	Employees
1	State of California	Government	81,085
2	Kaiser Permanente	Healthcare	17,419
3	Sutter Health	Healthcare	15,497
4	U.S. Government	Government	13,256
5	UC Davis Health System	Healthcare	12,674
6	Sacramento County	Government	11,330
7	University of California Davis	Education	10,032
8	Dignity Health (formerly Mercy)	Healthcare	7,000
9	Elk Grove Unified School District	Education	6,381
10	Intel Corp.	Semiconductors	6,200

Source: Sacramento Business Journal, Book of Lists 2019

Household Income

Median household income represents a broad statistical measure of well-being or standard of living in a community. The median income level divides households into two equal segments with one half of households earning less than the median and the other half earning more. The median income is considered to be a better indicator than the average household income as it is not dramatically affected by unusually high or low values. The following chart illustrates the median household income (in 2018 inflation-adjusted dollars) for each county in the region, as well as the state of California.



Source: U.S. Census Bureau, QuickFacts

Placer and El Dorado Counties exhibit the highest income levels in the Sacramento region. Household incomes in these counties are among the highest in California.



Transportation

A significant strategic advantage of the Sacramento region is its proximity to large markets and its transportation accessibility to these markets provided by extensive highway, rail, water and air systems.

The Sacramento region has over 800 miles of maintained state highways. The hub of freeways in the region makes the Sacramento area a good center for freight distribution. U.S. Highway 50, Interstate 80, and the Capital City Freeway are the principal routes for commuters living in the densely populated eastern suburbs. Commuters from the north and south of Sacramento travel on Interstate 5 and State Highway 99. State Highways 65 and 70 link Placer County to Yuba and Sutter Counties to the north. Interstate 5 provides a direct route to Redding, Oregon and Washington to the north and Los Angeles to the south. Interstate 80 extends travel to Nevada and Utah to the east and the San Francisco Bay Area to the west. Lake Tahoe and Nevada are accessible within a couple hours traveling east on U.S. Highway 50, which originates in Sacramento. State Highway 99 provides access from the upper Sacramento Valley through the San Joaquin Valley to the south.

The main public transit system in the Sacramento area is operated by Sacramento Regional Transit District (SacRT), with additional service provided by other local public and private transit operators. SacRT covers nearly 400 square miles and transports approximately 23 million passengers annually by means of 205 buses, 23 shuttle vans and 97 light rail vehicles. Light Rail began operation in 1987 along a two-pronged route linking Downtown Sacramento with populous suburbs to the east and north. In 2003 and 2004, SacRT completed extensions to the Meadowview area in South Sacramento (Blue Line) and Sunrise Boulevard in Rancho Cordova (Gold Line) to the east. In 2005, an eastward extension to the city of Folsom was completed. In 2012, SacRT completed the first phase of the Green Line to the Airport light rail extension project with the opening of the Green Line to the River District. This 1.1-mile light rail extension to the north connected Downtown Sacramento to the River District. In August 2015, SacRT opened the second phase of the Blue Line project, which extended the line 4.3 miles south to Cosumnes River College.

The Sacramento region has access to a number of railroads. The north-south and east-west main lines of the Union Pacific Railroad intersect in Sacramento; Sacramento also has access to the Burlington Northern Santa Fe Railway as a result of the merger of Union Pacific and Southern Pacific in 1996. Union Pacific's major freight classification facility for Northern California, Nevada and Oregon is located in Roseville (Placer County). Amtrak provides daily passenger service from Sacramento. The Capital Corridor system provides high-speed commuter rail service from Roseville to San Jose.

The region has good water transportation capabilities. The Port of Sacramento is a deep-water port located 79 miles northeast of San Francisco in the city of West Sacramento, serving ocean-going vessels handling a variety of cargo types. The 30-foot depth of the channel, along with extensive rail and truck cargo handling facilities, make the Port highly productive for long distance shipping. The Port is equipped for handling bulk cargo and some agricultural and forest products.

Finally, the region includes several air transport facilities. Most notably, Sacramento International Airport is served by 12 passenger carriers and numerous cargo carriers. Major expansions of the terminals and parking facilities were completed between 2004 and 2012. In 2017, 10.9 million

passengers traveled through Sacramento International Airport; 12.05 million passengers traveled during 2018 and 13.17 million passengers traveled in 2019. The region is also served by Sacramento Executive Airport, Lincoln Regional Airport, McClellan Airfield, Mather Airport (the latter two being former Air Force Bases) and several smaller airports and airfields.

Recreation & Culture

The Sacramento region offers innumerable recreational and cultural opportunities. The American River Parkway offers 5,000 acres of recreation area along both sides of the river for 30 miles, with Folsom Lake situated at the eastern end. The Sacramento-San Joaquin Delta has over 1,000 miles of waterways. The rivers and lakes within the Sacramento Area offer boating, fishing and water-skiing opportunities. In addition, numerous parks and golf courses are located throughout the region. Professional sports teams in Sacramento include an NBA team (the Sacramento Kings) and a Triple-A minor league baseball team (the River Cats).

Cultural attractions in the region include the Old Sacramento Historic District, California State Railroad Museum, Crocker Art Museum, Historic Governor's Mansion, Sutter's Fort State Historic Park and Sacramento Zoo. Sacramento is home to several theaters and performing arts centers offering world-class shows. Annual events in Sacramento include the California State Fair and the Music Circus.

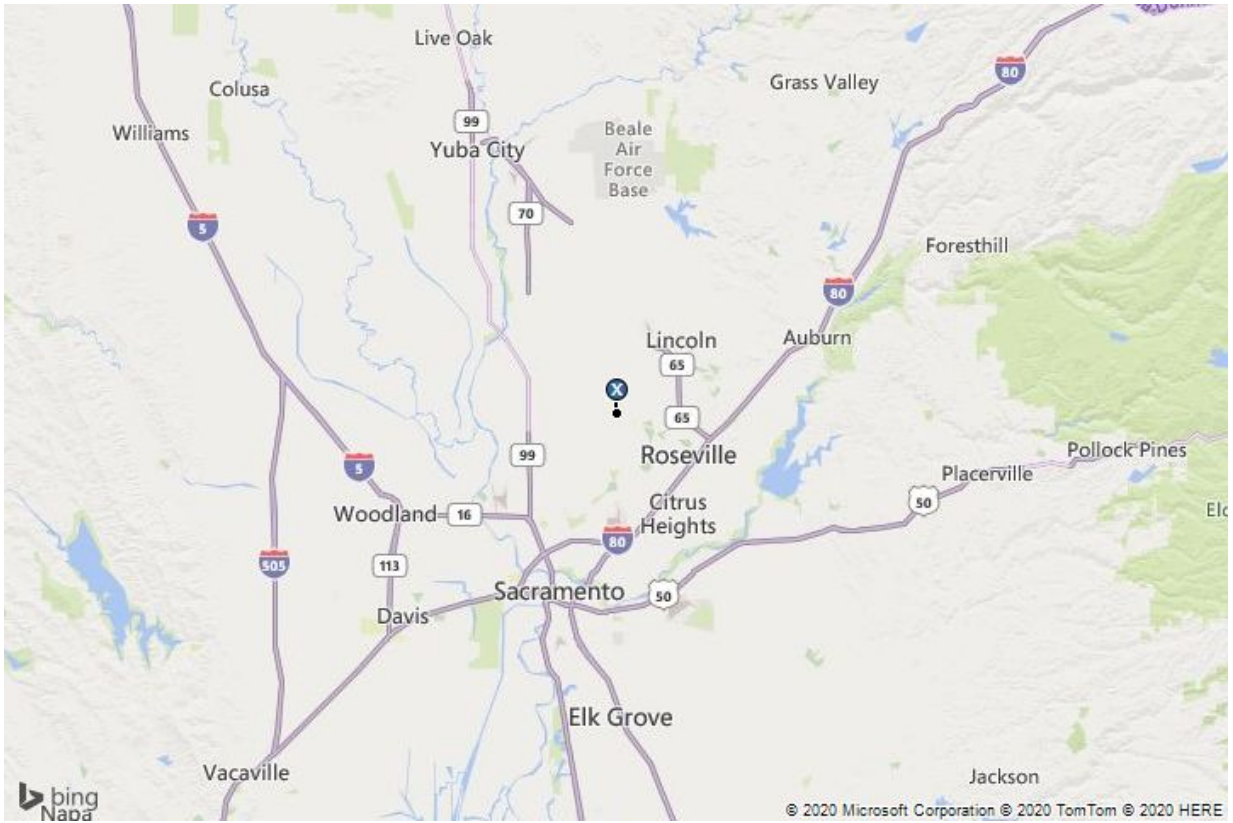
In terms of higher education, the region's largest universities are the University of California Davis and California State University, Sacramento. Six community colleges are located in the region, including Sierra College, American River, Cosumnes River, Folsom Lake, Sacramento City and Woodland Community College. Several private colleges are located in the area, as well as satellite campuses of colleges headquartered elsewhere. The region also contains numerous vocational schools.

Other recreational and cultural opportunities are available within a short drive of the Sacramento area. To the west are the San Francisco Bay Area, the Napa Valley wine country, the coastal redwood forests, and the beaches of the Pacific Ocean. To the east are Lake Tahoe and the Sierra Nevada Mountains, which are home to more than a dozen snow-skiing resorts. Legalized casino gambling is available in Nevada, as well as several tribal casinos in the Sacramento region.

Conclusion

The Sacramento region is the fifth-largest metropolitan area in California and has seen moderate population growth of 1.1% per year over the past five years. The area's advantages include a diverse economy, mild climate, seismic stability, ample recreational and cultural opportunities, and expansive transportation systems. Further, the region offers greater affordability compared to the Bay Area and Southern California. After a period of contraction in the economy and real estate markets around 2008-2010, the region experienced improvement in employment and economic conditions over the past few years and most real estate sectors showed signs of expansion. However, employment conditions declined sharply in April 2020 following stay-at-home mandates and non-essential business closures, and the near-term outlook is uncertain as a result of the COVID-19 pandemic. A better understanding of the potential impacts will be gained as economic policies aimed at financial relief and resuming business operations are implemented. The historical stability of the local economy and emergence from past recessions bodes well for the long-term outlook for the region.

Area Map



Surrounding Area Analysis

Introduction

This section of the report provides an analysis of the observable data that indicate patterns of growth, structure and/or change that may enhance or detract from property values. For the purpose of this analysis, a neighborhood is defined as “a group of complementary land uses; a congruous grouping of inhabitants, buildings or business enterprises.”

Neighborhood Boundaries

The boundaries of a neighborhood identify the physical area that influences the value of the subject property. These boundaries may coincide with observable changes in prevailing land use or occupant characteristics. Physical features such as the type of development, street patterns, terrain, vegetation and parcel size tend to identify neighborhoods. Roadways, waterways and changing elevations can also create neighborhood boundaries.

The subject property is located within the city of Roseville, Placer County, California. Specifically, the subject is situated in the west Roseville area. The subject’s neighborhood boundaries can generally be described as Foothills Boulevard to the east, Baseline Road to the south, and the city limits of Roseville to the west and north.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the table below.

Surrounding Area Demographics					
2020 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	95747 (Roseville, CA)	Placer County, CA
Population 2010	14,548	67,255	196,371	52,316	348,432
Population 2020	16,491	82,834	224,465	67,001	398,650
Population 2025	17,328	87,684	235,640	71,241	419,234
Compound % Change 2010-2020	1.3%	2.1%	1.3%	2.5%	1.4%
Compound % Change 2020-2025	1.0%	1.1%	1.0%	1.2%	1.0%
Households 2010	5,556	24,529	69,402	19,070	132,627
Households 2020	6,172	30,163	78,881	24,277	153,060
Households 2025	6,446	31,960	82,728	25,809	161,485
Compound % Change 2010-2020	1.1%	2.1%	1.3%	2.4%	1.4%
Compound % Change 2020-2025	0.9%	1.2%	1.0%	1.2%	1.1%
Median Household Income 2020	\$95,132	\$98,598	\$82,080	\$105,426	\$88,748
Average Household Size	2.7	2.7	2.8	2.8	2.6
College Graduate %	39%	38%	31%	40%	38%
Median Age	43	40	38	40	43
Owner Occupied %	77%	74%	66%	78%	71%
Renter Occupied %	23%	26%	34%	22%	29%
Median Owner Occupied Housing Value	\$502,392	\$507,787	\$438,194	\$530,164	\$557,525
Median Year Structure Built	2000	2000	1994	2002	1994
Average Travel Time to Work in Minutes	30	30	29	31	30

Source: Environics Analytics

As shown above, the current population within a 3-mile radius of the subject is 82,834, and the average household size is 2.7. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Placer County overall, the population within a 3-mile radius is projected to grow at a similar rate.

Median household income is \$98,598, which is higher than the household income for Placer County. Residents within a 3-mile radius have a similar level of educational attainment than those of Placer County, while median owner occupied home values are lower.

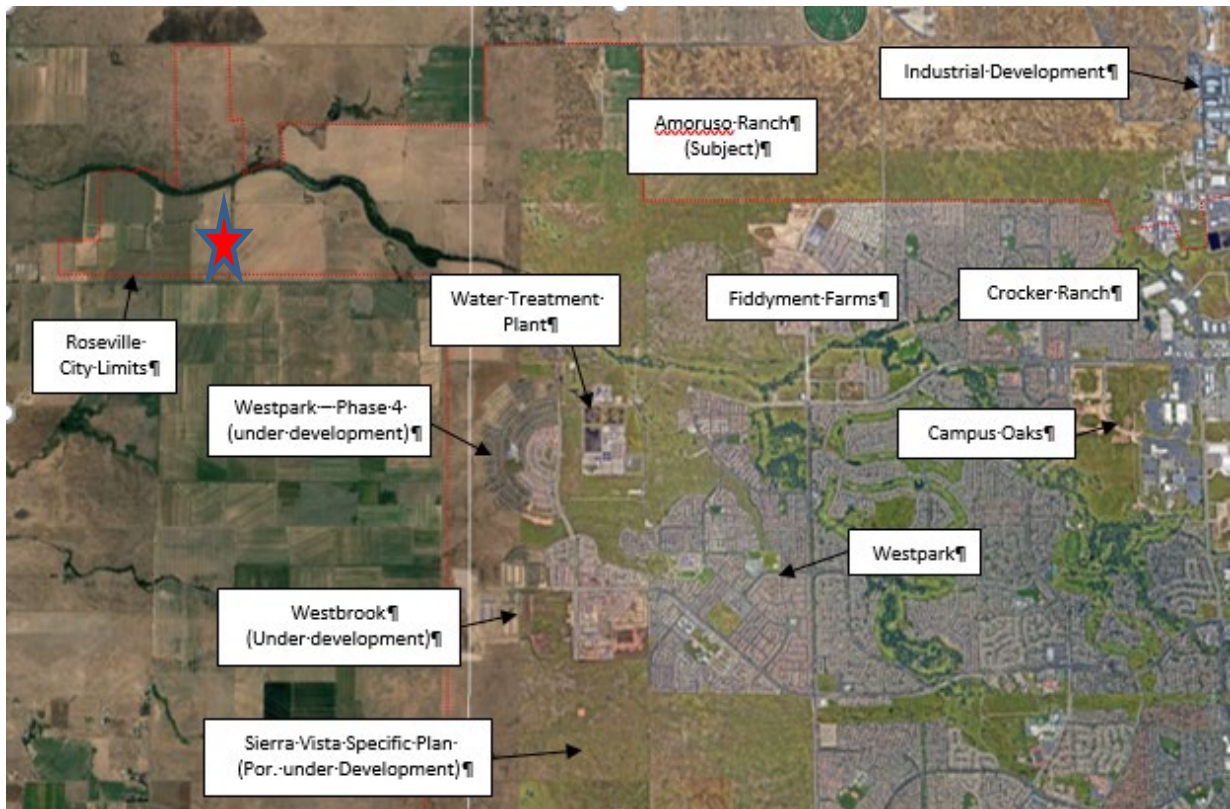
Transportation

The subject is located along Phillips Road which connects with Westpark Drive to the southwest of the subject. Westpark Drive is a north/south neighborhood thoroughfare that connects with Pleasant Grove Boulevard to the south. Pleasant Grove Boulevard is a primary east-west connector that extends through the neighborhood and leads to State Highway 65. Other primary connectors in the neighborhood are Fiddyment Road, Woodcreek Boulevard and Foothills Boulevard (which extend north-south) and Blue Oaks Boulevard (which extends east-west, and also leads to State Highway 65). State Highway 65 is a major north-south highway in the neighborhood, and provides access to the city of Lincoln to the north, then connects with State Highway 70 to provide access into the Marysville/Yuba City area. To the south, State Highway 65 travels through the cities of Rocklin and Roseville, and provides access to Interstate 80 about five to six miles to the south. Interstate 80 is a primary east-west transportation route for the Sacramento Metropolitan Area. To the east, Interstate 80 provides access to the outlying portions of Placer County and continues toward the state of Nevada, and points further east. To the west, the freeway connects with various submarkets of the Sacramento MSA (e.g., Citrus Heights, Foothill Farms, Del Paso Heights, Natomas, West Sacramento) and continues toward Davis and San Francisco.

The neighborhood also has access to rail transportation. The Union Pacific Railroad runs in a north-south direction along the west side of Industrial Avenue, with a regional rail yard located in the city of Roseville about five miles to the south. Sacramento International Airport is located about 18 miles to the southwest, and is the major location of air transportation services in the area.

Land Uses

A map of land uses in the vicinity of the subject (identified with a red star) is provided on the following page:



Red star = subject property

Community Uses

There are several community uses in the neighborhood, such as schools, churches, medical facilities, parks, and recreational and cultural facilities. The most prominent recreational facility in the neighborhood is Mahany Park, a regional park at the southwest quadrant of Woodcreek Oaks Boulevard and Pleasant Grove Boulevard. This facility offers a softball complex and the neighboring Roseville Aquatics Complex and Roseville Sports Center. There are several golf courses in the neighborhood, including the public Woodcreek Oaks Golf Club and Diamond Oaks Municipal Golf Course, as well as the private Sierra View Country Club and 27 holes in the Sun City Roseville development.

Woodcreek High School is located on the west line of Woodcreek Oaks Boulevard, south of Pleasant Grove Boulevard. The Placer County Fairgrounds is located at the intersection of Junction Boulevard and Washington Boulevard. WestPark High school, which is located southeast of the subject, recently completed construction and is open for the school year 2020-21.

There are two main hospitals in Roseville, both of which are located in east Roseville, just south of Interstate 80 – Kaiser Permanente, located at the northeast corner of Rocky Ridge Drive and Douglas Boulevard, and Sutter Roseville Medical Center on Roseville Parkway.

Agricultural Trends

As previously indicated, the subject property is located within Placer County. According to the 2019 Placer County Crop Report (the latest available), the gross agricultural production value totaled \$86,707,959. This figure represents a 17% increase from 2018's gross crop value.

Top Ten Commodities for Placer County 2019

The leading crop values in Placer County are presented in the following table. Note this is the most recent data available.

Top Placer County Crops 2019	
Crop	Million Dollars
Rice	\$25.767
Cattle & Calves	\$12.925
Walnuts	\$11.778
Nursery Stock	\$7.049
Timber	\$6.026

Source: Crop Report

Conclusion

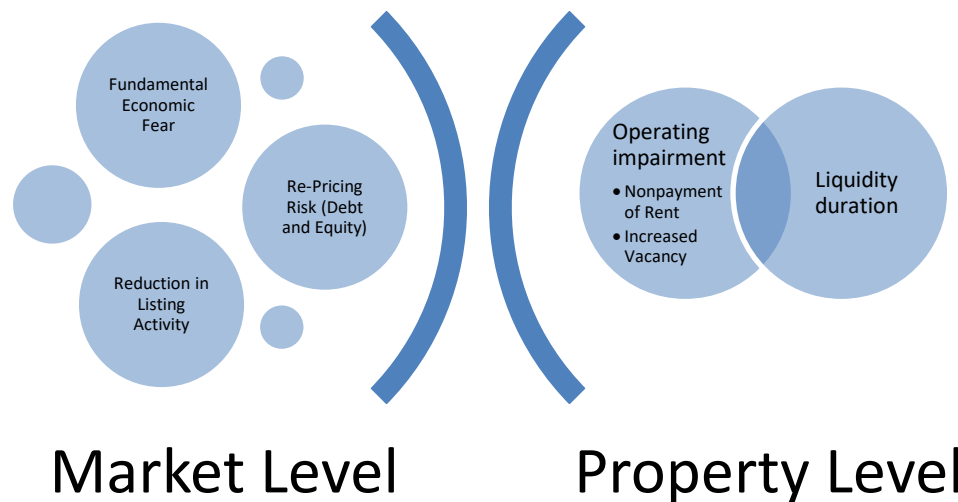
In conclusion, while the immediate area consists of agricultural uses the subject is located in an expanding suburban area that should continue to experience adequate demand for various urban property uses. While the subject is located on the edge of its neighborhood, and within an expanding area, overall the neighborhood will offer a balanced mix of land uses. The area has good access to neighborhood thoroughfares. Households in the area have above-average income levels, and the community appeal is good. The characteristics of the neighborhood relative to other parts of the Sacramento region are desirable.

Surrounding Area Map



COVID-19 Impact on Current Valuations

Transaction indicators are the best measure of any impact on values due to COVID-19. Given the unique nature and recency of this event, minimal activity is evident from which to draw benchmark comparisons based on transactional data. In the absence of transaction data, market and property specific empirical data can be gleaned to assist in estimating current value. In this initial phase of the pandemic, early emerging trends include:



All or some of the above may be shorter-term issues, but others may linger and have a lasting impact on valuations in the commercial real estate (CRE) sector along a continuum of time.

At this juncture, the global question facing market participants is: “How long does this crisis last and how deep will its impact become?” At a minimum, Q2 economic results will prove dismal based upon Shelter-in-Place and Stay-at-Home Executive Orders for most of the U.S. states largely in place into late June. At the direction of State Governors all states have begun a phased “reopening.”

Based on discussions and interviews with a wide range of market participants, a variety of factors and concerns are prevalent in the market that will likely have a negative impact broadly on CRE values, depending on property type and region. Essential Service Providers have and will be less impacted (distribution facilities, medical facilities, grocery service) as the performance of these sectors is expected to continue.

However, the broader market will experience a myriad of issues based on survey respondents including:

Uncertainty	Lender Concerns	Publicly Traded Securities	Return Requirements
<ul style="list-style-type: none"> • Restricted access to capital • Unemployment concerns (increasing to 15% in Q2) • GDP decline (-30% in Q2) • Duration of crisis 	<ul style="list-style-type: none"> • DSCR are impacted based on changes in rental revenue and collections • Loan covenants could trigger due to changes in near-term value • Borrowers are concerned about their tenants' ability to pay rent • Borrowers are concerned about their ability to keep their loans current • Lenders are also concerned about the need for loan modifications or work outs 	<ul style="list-style-type: none"> • Stock indexes were down approximately 25% to 30% but have since rebounded • REIT pricing was down approximately 25% but have since rebounded • Crude oil was down approximately 40% but has since partially rebounded 	<ul style="list-style-type: none"> • Interest rates may stay in the 4% - 4.5% range, despite the Federal Reserve's reduction efforts. Banks tightly manage their capital reserves and ratios, and therefore are requiring higher spreads for current risk profile • Durability of Cash Flow forces (new) equity investors to reprice risk. Standby (available, uncommitted) equity now has to be patient until a clearer "path forward" emerges • Impact on cap rates would be upward

Each of the above observations provides empirical evidence that the market has shifted downward and real estate values will likewise be impacted, but to what degree is not certain.

Few experts or economists at this point are willing to state a threshold duration at which point everything will return to normal quickly, versus a duration of limited economic activity that spirals into worldwide recession. At the moment, the prevailing hope of the world is that science miraculously manufactures a cure, while in the meantime, social activity has slowed worldwide.

Integra Current Valuation Framework (June 15 - present)

The preceding property market analysis focuses on recent historic trends before the physical and social impacts of the COVID-19 pandemic were revealed in the U.S. in early March 2020. The property market analysis was current through Q4-2019 with trends and indications for solid growth by most all market indicators. Many current market participants believe the commercial real estate (CRE) markets will return to trend - the lingering question, "How long will it take?" remains uncertain.

What we do know with reasonable certainty:

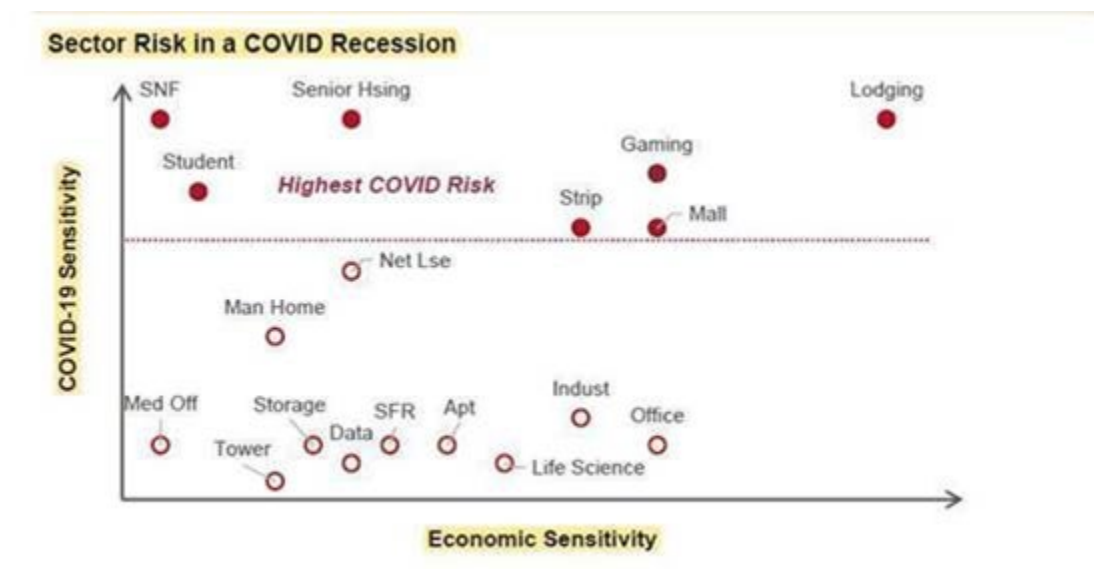
- At a minimum, Q2 economic performance will be dismal.
- Shelter-in-Place and Stay-at-Home executive orders and phased reopening's will have a profound impact on GDP with rising unemployment damaging forward economic performance for six months at a minimum.
- The Federal Reserve's attempt to lower nominal rates was thwarted by lenders setting floors on spreads. Congress subsequently approved a \$2 Trillion stimulus package on March 27, 2020. This provided some economic relief, but businesses, owners, investors, and bankers need to support payroll retention and an aggressive program of economic goodwill throughout all sectors of the economy.

Everything forward beyond those three known factors remains subject to considerable risk/uncertainty. Our recent surveys of market participants indicate a focus in the following areas impacting value:

- Impacts could (should) vary by property type, class, and location
- Cost of capital (both debt and equity) is increasing, but at different rates for different asset classes
- Declines in property operations/forecasts (NOI) vary in duration based on property type, class; location, and tenant durability under potential recessionary pressures
- Increases in cap rates (and normalized yields) will vary by property type, class and location as will the underlying assumptions on stabilized or periodic cash flow
- Marketing times for most assets will increase. To a large extent, deal flow was halted based on the sheer physical constraints imposed on property showings/due diligence, etc. under distancing restrictions. As these restrictions are lifted, the market is showing signs of activity, some pent up demand and increased interest, although commercial property deal flow remains muted.

Impact by Property Type, Class & Location

Below is a graph prepared by Greenstreet Advisors plotting the sensitivity (and risk) associated with various property types with the negative impact on value being greater for those assets with greater sensitivity. Those assets relating to essential business operations (grocery, medical, distribution) are less affected than for example lodging and malls where social distancing is more difficult.



Cost of Capital/Liquidity

The cost of capital, both for debt and equity, had been at near historic lows pre crisis. As lenders are coming to grips with the severity of the economic outlook, many have pulled back while others have reacted by raising interest rates, lowering loan to values, or a combination of both. There are clearly

some lenders who are “out” while others remain in the market. Fewer options are available in the market and those options are more expensive today. The rise in cost varies notably by property type with agency lenders and HUD determined to provide liquidity to the multi-family market, while at the other end of the spectrum, financing a hotel is challenging and land financing is nonexistent. Assets focused on essential business operations (e.g., grocery or last mile industrial) remain in favor as do net leased assets with recession-resistant business profiles.

Equity is less clear at the moment. While large pools of capital were being raised through 2019 and into Q1-2020, the strategy has suddenly shifted. Equity is available, but will be deployed with stricter underwriting criteria and more cautious income growth and exit assumptions.

Declines in Property Operations/Forecasts

The lodging, retail, student housing and senior sectors are generally viewed as expecting to suffer the greatest in the short term. Once again, this varies by location and type. Restaurant retail is generally viewed as having greatest risk but is expected to rebound quickly as pent-up demand is evident as everyone can now leave their homes. Grocery retail is currently performing well with big box stores setting record sales per square foot.

Radical changes in the employment picture will begin to affect the housing sector, both single-family and apartments. Apartments will not be immune or “safe” from lost rent, varying by type and location depending on the tenant base employment and its ability to weather a 6 to 12-month contraction.

Rent projections are being held flat in modeling cash flows going forward with the length of time dependent on the asset type.

Depending upon whether values are based on yield capitalization (DCF) or direct capitalization, care must be given to provide “stabilized” forecasts to capitalize; and to normalize yield levels for projecting variable year yield cap.

Premiums on Capitalization Rates

While many deals have fallen out of contract, other deals are still closing. Some are closing at their pre-crisis contract price levels, while many deals are being re-traded in the market with discounts influenced by property type, location and buyer/seller motivations.

As the transaction market solidifies, the impact on capitalization rates will become more clear. Some market participants believe the answer to market value lies in capitalization rates while others believe rates are not moving, but net operating income in the short run is being impacted. Once again, the answers vary by property type and location.

With a rise in the cost of capital (debt and equity), valuation theory suggests a rise in capitalization rates. A 100 basis point upward movement in interest rates for example, combined with a modest rise in equity returns, can move capitalization rates up over 100 basis points. This analysis is tempered, however with the understanding that it is difficult to settle on the inputs given the wide range of data in the market. In addition, care must be taken not to “double hit” the analysis by modeling

significantly lower net income via lower performance projections and at the same time raising the return requirements.

Normalization of Yields

All yield capitalization is based on forward forecasting of property performance to generate a current cash flow, and future forecasted reversion. Therefore, the timeframe for the market to reach a point of pricing transparency to “return to par” is the critical assumption in the yield cap.

The longer or less likely the assumptions are, the higher the near-term yields. Valuation theory and past downward economic cycles suggest a shortening of the holding period and a normalization of “overall yield” applied over the shorter holding period.

As the transaction market solidifies, the impact on investment rates and relationship of assumption risk to market risk will become clearer.

Marketing and Exposure Time

At the present time, there is consensus of declining market demand in CRE transactions, due to market conditions ensuing from COVID-19. It is natural to assume that exposure time on properties either for sale or lease, will likely be extended. Comparing pre-COVID-19 exposure periods (perhaps the best) to the banking crisis of 2008/2009 (perhaps the worst) can glean some differences that could extrapolate to exposure time going forward, i.e. from peak to trough.

Sector	Months on Market March 2008-09	Months on Market March 2018-19	Change in Months	% Change Peak to Trough
Office	29.6	14.8	14.8	100%
Retail	15	11.4	3.6	32%
Industrial	19.6	6.7	12.9	192%
Average	21.4	11.0	10.4	95%

Source: Costar – data presented in Months

Days on the market increased substantially in the last economic crisis of 2008-2009, with an average of 21 months on market for major property classes. The trailing 12 months preceding the COVID-19 crisis, average days on the market were 11 months.

Based on this historical perspective, marketing time could potentially double from current levels. This would have to be tempered recognizing that the depth and duration of this current economic crisis is tied to a health crisis and may have a conclusion more closely tied to its resolution.

General Public Market Sentiment

General public market sentiment is a changing rollercoaster with each passing day. Right now, sentiment is cautious and trying not to overreact, but provide some relief, negotiate in good faith; try and be humane and understand the entire world is in this together. Some countries take two weeks off each year for holiday, and their entire economy doesn’t fall apart. The world is not going to take another four-week vacation from large components of consumer-facing and public activities.

Most humans have been sequestered in their homes with limited social contact, with reasoned concerns for the health and safety of families and friends, all the while consuming worldwide coverage and analysis of atypical death rates from an infectious virus not seen in over 100 years.

Market sentiment more than likely gets worse in the coming weeks before it gets better, absent the announcement of a miracle cure/treatment during that time.

Agriculture Market Sentiment

As of the effective date, agricultural realtors are not projecting a long-term impact on many agricultural real estate sectors from COVID-19. Some industries are beginning to feel impacts such as those that rely upon the restaurant sector to sell its commodities. However, the agricultural sector has been deemed an essential service. Market data for the subject's land-type that has occurred during the pandemic does not indicate any retraction in pricing.

Conclusion

This heightened uncertainty forms the basis of defined risk. Considering the subject's relative sensitivity to the COVID-19 risks as of the effective date of the valuation, Integra rates the relative risks of the subject property as of the effective date as follows:

This heightened uncertainty forms the basis of defined risk. Considering the subject's relative sensitivity to the COVID-19 risks as of the effective date, the valuation Integra rates the relative risks of the subject property as of the effective date as follows:

Property Type Sensitivity to Risk	Low – The subject is vacant land zoned for agricultural development (subject to a hypothetical condition).
Property Location Sensitivity to Risk	Low – The subject is located in a rural area with a low population and density in the immediate area. Further, while still located in California where a large portion of the nation's confirmed cases are, Placer County has a less dense population and has only seen a small number of cases.
Capital Impact Risk	Low – Continued capital appears available and investment in agricultural properties is expected to continue. Spreads are currently reasonable, and agency lending remains available competitively.

While the near-term outlook for the Roseville/Placer County agricultural market is uncertain, the fundamentals in place prior to the recent events surrounding COVID-19 position the market for stability over the long term.

Property Analysis

Land Description and Analysis

Land Description

Land Area (Gross)	243.40 acres; 10,602,504 SF
Land Area (Usable)	131.80 acres; 5,741,208 SF
Source of Land Area	City or Roseville GIS Department
Primary Street Frontage	East of S. Brewer Road and North of Phillip Road
Shape	Irregular
Corner	No
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed

Flood Area Panel Number	06061C0920H
Date	November 2, 2018
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Zoning; Other Regulations

Zoning Jurisdiction	City of Roseville
Zoning Designation	P/QP
Description	Public/Quasi-Public
Legally Conforming?	Appears to be legally conforming
Permitted Uses	The P/QP designation is used to establish areas for municipal, governmental or public facilities.

Utilities

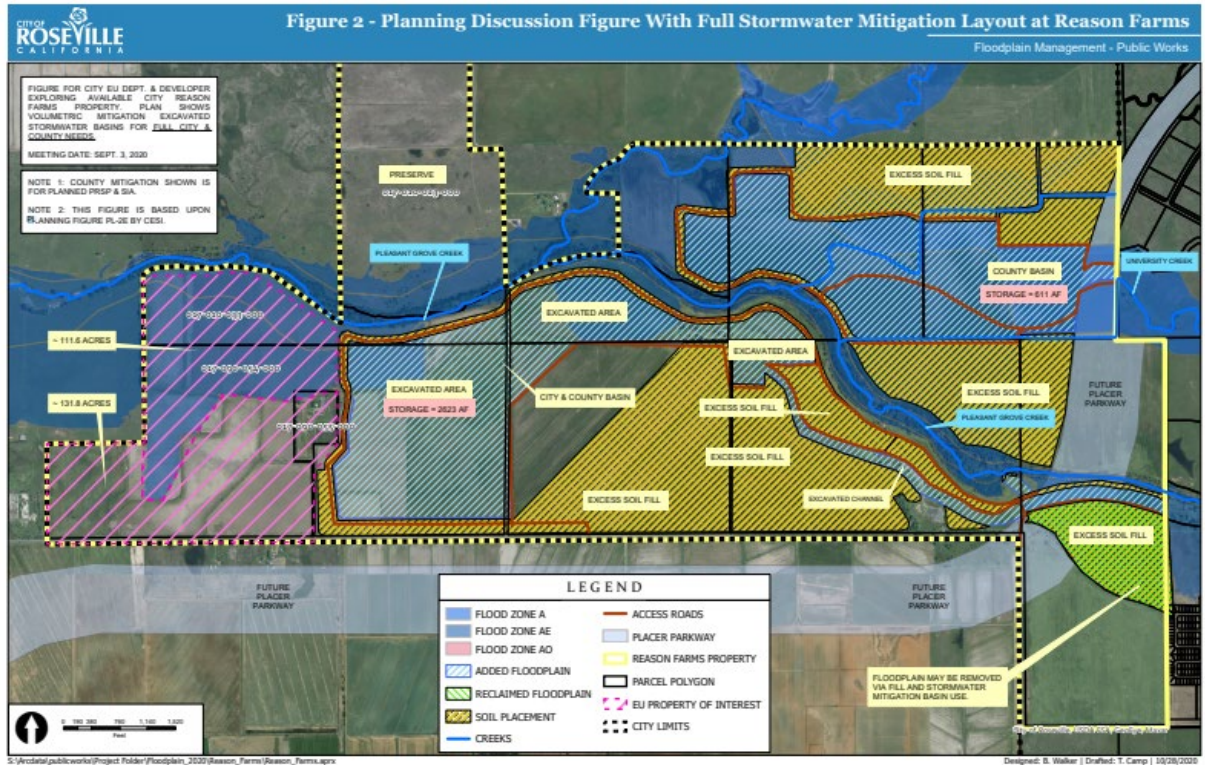
Service	Provider
Water	Water Well
Sewer	Septic needed
Electricity	PG&E

It should be noted the subject is currently zoned Public/Quasi-Public. The P/QP designation is used to establish areas for municipal, governmental or public facilities. However, we have been requested to appraise the subject under the hypothetical condition the subject is zoned for agricultural uses. Which is the highest and best economic use of the subject site.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Land Area



It should be noted the subject property represents 243.40 acre portion of Assessor’s parcels 017-010-033, 017-090-054 and -055, which have a total land area of 418.90 acres. The land area pertaining to the subject is outlined in the table above by pink diagonal lines. As shown in the table above, a portion of the site is within the 100-year floodplain. In total, 111.60 acres are considered undevelopable. Consequently, the useable or net land area of the subject is 131.80 acres as shown in the table below.

Land Area Summary

Tax ID	SF	Usable SF	Unusable SF	Acres	Usable Acres	Unusable Acres
017-010-033; 017-090-054 & -055 (Portion)	10,602,504	5,741,208	4,861,296	243.40	131.80	111.60

Source: Public Records

Flood Hazard Status

The following table provides flood hazard information.



Flood Hazard Status

Community Panel Number	06061C0920H
Date	November 2, 2018
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

While a majority of the subject's land area (131.80 acres) is within Flood Zone X, a large portion (111.60 acres) is located within the following zone:

FEMA Zone AE: Special flood hazard areas subject to inundation by the 100-year flood determined in a Flood Insurance Study by detailed methods. Base flood elevations are shown within these zones. Mandatory flood insurance purchase requirements apply.

Easements, Encroachments and Restrictions




































We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Seismic Hazards

According to the Seismic Safety Commission, the subject property is located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. In addition, the subject is not located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology.

Soil Report

MAP LEGEND

Area of Interest (AOI)			Capability Class - III
	Area of Interest (AOI)		Capability Class - IV
Soils			Capability Class - V
Soil Rating Polygons			Capability Class - VI
	Capability Class - I		Capability Class - VII
	Capability Class - II		Capability Class - VIII
	Capability Class - III		Not rated or not available
	Capability Class - IV	Water Features	
	Capability Class - V		Streams and Canals
	Capability Class - VI	Transportation	
	Capability Class - VII		Rails
	Capability Class - VIII		Interstate Highways
	Not rated or not available		US Routes
Soil Rating Lines			Major Roads
	Capability Class - I		Local Roads
	Capability Class - II	Background	
	Capability Class - III		Aerial Photography
	Capability Class - IV		
	Capability Class - V		
	Capability Class - VI		
	Capability Class - VII		
	Capability Class - VIII		
	Not rated or not available		
Soil Rating Points			
	Capability Class - I		
	Capability Class - II		

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
 Web Soil Survey URL:
 Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

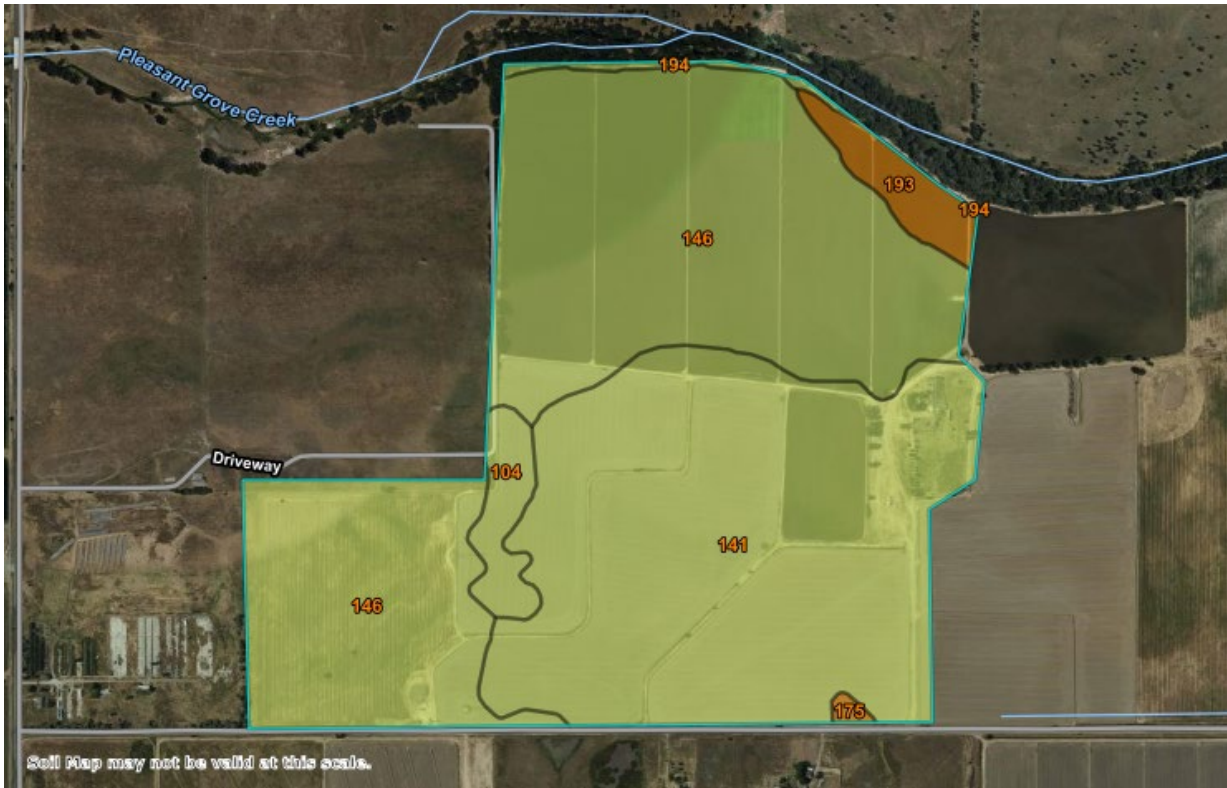
Soil Survey Area: Placer County, California, Western Part
 Survey Area Data: Version 12, May 29, 2020

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Data not available.

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.





Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
104	Alamo-Fiddymment complex, 0 to 5 percent slopes	4	6.8	2.7%
141	Cometa-Fiddymment complex, 1 to 5 percent slopes	4	105.9	42.5%
146	Fiddymment loam, 1 to 8 percent slopes	4	127.5	51.2%
175	Ramona sandy loam, 2 to 9 percent slopes	2	0.6	0.3%
193	Xerofluvents, occasionally flooded	2	6.7	2.7%
194	Xerofluvents, frequently flooded	4	1.6	0.6%
Totals for Area of Interest			249.1	100.0%

It is noted the area of interest shown above is slightly larger than the subject’s total land area of 243.40 acres.

Conclusion of Land Analysis

Overall, the physical characteristics of the site result in its suitability for agricultural use. This is supported by the fact the subject has historically been planted with rice.





Looking northwest across subject property



Looking north across subject property



Looking northeast across subject property



Looking east across subject property



Looking west along Phillip Road



Looking east along Phillip Road

Real Estate Taxes

The property tax system in California was amended in 1978 by Article XIII to the State Constitution, commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value, which is then modified annually to reflect inflation (if any). Annual increases cannot exceed 2% per year.

The base year was set at 1975-76 or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occurs, the property is to be re-appraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and direct charges. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the district in which the property is located, can be added to the 1% tax rate.

The subject property is currently owned by a government entity and is exempt from taxes. In examining property tax records for an adjacent property, the subject is located in a tax rate area with an ad valorem rate of 1.085576%.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as vacant, and as improved. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Vacant

In accordance with the definition of highest and best use, it is appropriate to analyze the subject property as it relates to legal permissibility, physical possibility, financial feasibility and maximum productivity. As discussed previously in this report, while the subject is currently zoned for public/quasi-public use; however we are appraising the subject based on its highest and best economic use and under the hypothetical condition it is currently zoned for agricultural use.

The subject property is located within the city limits of Roseville proximate to the western boundary. Consequently, the subject is located within the path of suburban growth. We estimate a long term development timeline for the subject's acreage (20+ years). As support for our conclusion it is noted the owner of a property about two miles east planted an almond orchard two years ago. Almonds trees have an economic life of 30 years indicating the owner doesn't think the area will transition to suburban use in the near term.

The physical characteristics of the subject do not appear to impose any unusual restrictions on development. The water availability, size and location of the subject property are ideal for a wide variety of agricultural uses. While a majority of the subject's land area (131.80 acres) is within Flood Zone X, a large portion (111.60 acres) is located within the 100-year floodplain. Flood insurance would be required if this portion of the subject were to be developed with vertical improvements. However, agricultural use such as rice crops would be an appropriate use. The 131.80 acres not located in the flood plain could be planed with rice as well or an orchard. Both agricultural uses are located proximate to the subject (both rice and almond orchards).

As indicated by market research, ground capable of supporting permanent plantings is in high demand. The outlook for agricultural use continues to be positive with planting expansion occurring when suitable vacant land becomes available. Given the demand for mid-to-long-term agricultural use, the property's most financially feasible use is to utilize the property for an agricultural use. There is an active market for agricultural properties in the area. However, demand and prices are greater for properties located in the path of growth, with potential for long-term future suburban development.

Conclusion

Legal, physical and market conditions have been analyzed to evaluate the highest and best use of the subject property. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the property. Based on the factors previously discussed, agricultural use is legally permissible, physically possible and financially feasible. However, the subject is located in the distant path of growth and has long-term development potential. Eventually the subject will be assigned a suburban land use zone, which will lead to increasing land values. Considering the subject's specific characteristics, the highest and best use of the subject property – as vacant – is for interim agricultural use with potential for long-term future suburban development.

Most Probable Buyer

Taking into account the functional utility of the site and area development trends, the most probable buyer is a land speculator or farmer.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Sales Comparison Approach

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

Our sales research focused on transactions within the following parameters:

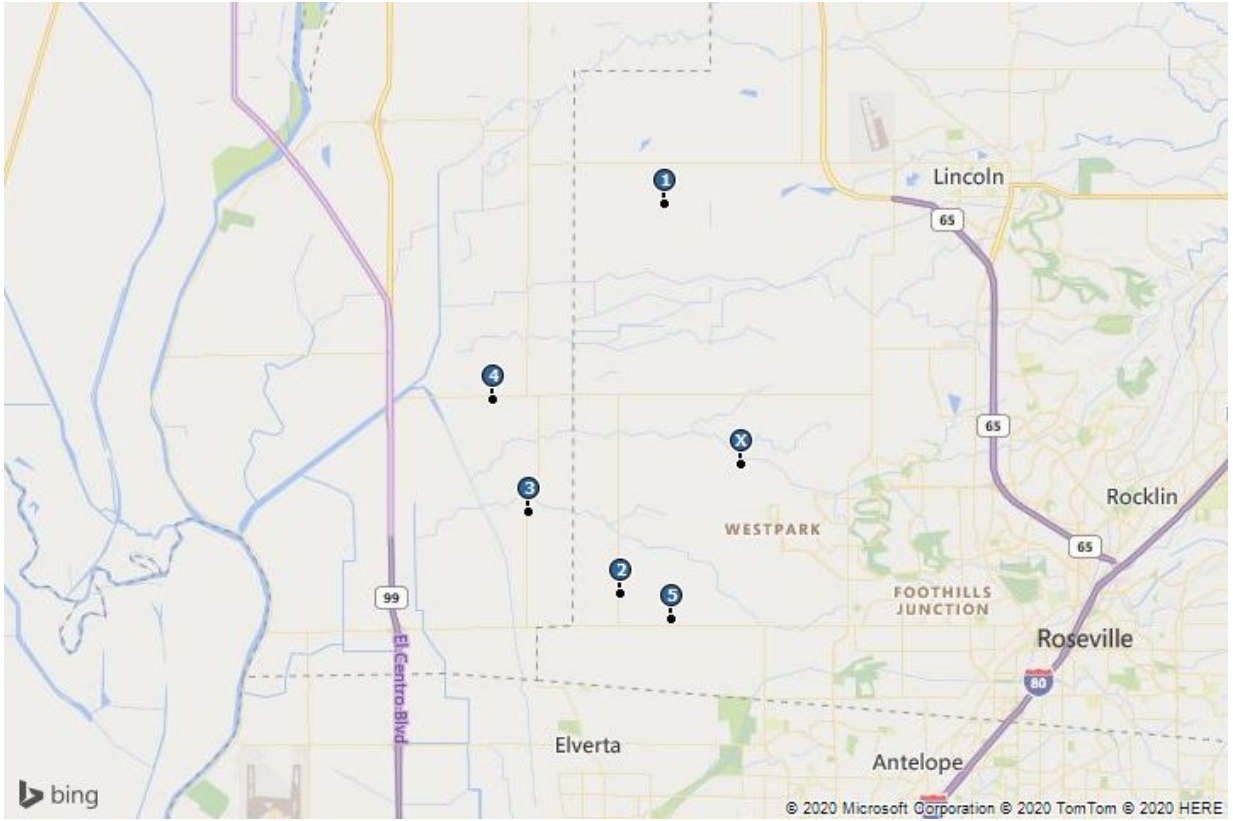
- Location: Placer/Sutter County
- Size: 15 to 250 acres
- Use: Agricultural use
- Transaction Date: August 2018 or later

For this analysis, we use price per acre as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	0 Critter Creek Road 0 Critter Creek Rd. Lincoln Placer County CA <i>Comments: At the time of sale, this property was utilized for horse pasture grazing and had three shade structures. It has an agricultural well and is not within a water district. The property was listed on the open market. The buyer knew the seller. The property has some long-term development potential which factored into the sale price for the buyer. Since the sale, the buyer has removed the shade structures, deep ripped the property, and will be planting almond trees.</i>	Aug-20 Closed	\$389,000	631,620 14.50	Agriculture, 80- acre minimum	\$0.62	\$26,828
2	West line of Brewer Rd., south of Phillip Rd. Brewer Rd. Pleasant Grove Placer County CA <i>Comments: This property sold in October 2019 and has historically been planted with rice.</i>	Oct-19 Closed	\$2,000,000	7,609,932 174.70	Agricultural	\$0.26	\$11,448
3	5745 Pleasant Grove Road 5745 Pleasant Grove Rd. Pleasant Grove Sutter County CA <i>Comments: Soil Quality: 71% IV, 20% II, 9% III. There is a 1,836 SF modular home in fair condition, a 3,000 SF steel shop in fair condition, and miscellaneous outbuildings in poor condition. The property is within a flood zone and has historically been used for field crops. The property receives irrigation water from two onsite wells, though one needs to be replaced. The property is also within South Sutter W.D. The buyer is a large area almond grower.</i>	Feb-19 Closed	\$1,000,000	3,138,498 72.05	Agriculture, 80- acre minimum	\$0.32	\$13,879
4	Proposed 206 Acre Almond Orchard 3098 Howsley Rd. Pleasant Grove Sutter County CA <i>Comments: Soils: 51% IV, 26% III, 23% II. The buyer purchased the property to plant almonds. The property has historically been utilized for rice production. There are four onsite wells and the property has access to South Sutter W.D. There are no improvements.</i>	Sep-18 Closed	\$2,856,000	8,980,330 206.16	Agriculture, 80- acre minimum	\$0.32	\$13,853
5	8010 Baseline Road 8010 Baseline Rd. Roseville Placer County CA <i>Comments: The property has a 2,582-square-foot residence which was in need of repairs but contributed value in the sale. The site has Class IV soils and the buyer intends to plant an almond orchard. The property is located in the proposed Curry Creek Community Plan and has long-term development potential.</i>	Aug-18 Closed	\$1,207,000	3,327,984 76.40	Agricultural and single	\$0.36	\$15,798
Subject				10,602,504	Public/Quasi-		
East of S. Brewer Road and North of Phillip Road				243.40	Public		
Roseville, CA							

Comparable Land Sales Map



East of S. Brewer Road and North of Phillip Road





Sale 1
0 Critter Creek Road



Sale 2
West line of Brewer Rd., south of Phillip Rd.



Sale 3
5745 Pleasant Grove Road



Sale 4
Proposed 206 Acre Almond Orchard



Sale 5
8010 Baseline Road

East of S. Brewer Road and North of Phillip Road



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.



Adjustment Factors

Effective Sale Price	Accounts for atypical economics of a transaction, such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis. <i>For the purpose of this analysis, the contribution of existing improvements has been removed from the sale price of Comparable 5.</i>
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc. <i>No Comparables required adjustment.</i>
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms. <i>No Comparables required adjustment.</i>
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale, related parties transaction. <i>No Comparables required adjustment.</i>
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate. <i>Comparing the comparables that occurred prior to the COVID pandemic to those occurring more recently does not indicate an adjustment. Therefore, no Comparables required adjustment.</i>
Location	Market or submarket area influences on sale price; surrounding land use influences. <i>Sales 2, 3 and 4 are located within unincorporated areas of Placer or Sutter Counties deemed inferior to the subject's location within the city limits of Roseville and have been adjusted upward.</i>
Size	Inverse relationship that often exists between parcel size and unit value. <i>Comparables 1, 3 and 5 are appreciably smaller than the subject and have been adjusted downward by varying degrees.</i>
Site Utility	Shape, topography, and other characteristics may also enhance or detract from a property's utility and desirability. As previously discussed, 111.60 acres (46%) of the subject's 243.40 acres is located within the flood zone. <i>Comparables 1, 2 and 5 are not located within the flood zone and are adjusted downward for their superior site utility. Comparables 3 and 4 are located entirely in the flood zone. These comparables are adjusted upward for their inferior site utility in comparison to the subject.</i>
Water Availability	Due to water insecurity, properties that offer more reliable sources of water receive premium prices in the marketplace. Optimal availability is characterized by multiple sources including groundwater from on-site wells and access to surface water from a reliable irrigation district or reliable waterway. <i>Comparable 5 did not have a water source and has been adjusted upward.</i>

Development Timeline	<p>For speculative properties, the anticipated development timeline or holding period significantly affects the purchase price. Longer holding periods generally relate to lower prices per acre, while shorter holding periods contribute to higher prices per acre. Development timelines may hinge on remaining entitlements, necessary infrastructure and/or path of growth. The estimated development timeline of the comparables is compared to the subject and adjusted accordingly.</p> <p><i>The subject's area has a development timeline greater than 20 years. Comparables 1 and 5 have shorter timelines and have been adjusted downward. Comparable 2, 3 and 4 have longer timelines and have been adjusted upward.</i></p>
----------------------	--

The table on the following page summarizes the adjustments we make to the comparable sales.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	East of S. Brewer Road and North of Phillip Road	0 Critter Creek Rd.	Brewer Rd.	5745 Pleasant Grove Rd.	3098 Howsley Rd.	8010 Baseline Rd.
City	Roseville	Lincoln	Pleasant Grove	Pleasant Grove	Pleasant Grove	Roseville
County	Placer	Placer	Placer	Sutter	Sutter	Placer
Sale Date		Aug-20	Oct-19	Feb-19	Sep-18	Aug-18
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$389,000	\$2,000,000	\$1,150,000	\$2,856,000	\$1,397,000
Other Adjustment		\$0	\$0	\$0	\$0	\$190,000
Price Adjustment		-	-	-	-	-
Description of Adjustment						Improvements
Effective Sale Price		\$389,000	\$2,000,000	\$1,000,000	\$2,856,000	\$1,207,000
Square Feet	10,602,504	631,620	7,609,932	3,138,498	8,980,330	3,327,984
Acres	243.40	14.50	174.70	72.05	206.16	76.40
Well Water Irrigation	Yes	Yes	Yes	Yes	Yes	No
Price per Acre		\$26,828	\$11,448	\$13,879	\$13,853	\$15,798
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		=	=	=	=	=
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	cash to seller
Adjustment		=	=	=	=	=
Conditions of Sale		Market	Market	Market	Market	Market
Adjustment		=	=	=	=	=
Market Conditions	10/23/2020	Aug-20	Oct-19	Feb-19	Sep-18	Aug-18
Adjustment		=	=	=	=	=
Location		=	+	+	+	=
Size		--	=	-	=	-
Site Utility		-	-	+	+	-
Water Availability		=	=	=	=	+
Development Timeline		-	++	+	+	-
Overall Adjustment		----	++	++	+++	--
Indicated Value		\$15,000				

Land Value Conclusion

The market data set consists of land sales that are considered to be reasonable indicators of market value for the subject property. Adjustments were required to the sales for differing characteristics. The comparable sales reflect a price range of \$11,448 - \$26,828 per acre. Overall, the comparables are deemed reliable and applicable to produce a credible estimate of the land value for the property. The adjusted range of the data set indicates a land value estimate close to Comparables 3 and 5. The following table arrays the indicators from the Sales Comparison Approach along with the subject.

Sales Ranking		
Comparable	Ranking	Per SF Indicator
1	Sig. Superior	< \$26,828
5	Sl. Superior	> \$15,798
Subject Property		
3	Inferior	> \$13,879
4	Inferior	> \$13,853
2	Inferior	> \$11,448

Considering the characteristics of the subject property and indicators within the data set, a land value indicator of **\$15,000 per acre** is concluded for the subject which will be used in estimating the market value of the subject via the sales comparison approach.

Land Value Conclusion

Indicated Value per Acre	\$15,000
Subject Acres	243.40
Indicated Value	\$3,651,000
Rounded	\$3,650,000

Reconciliation and Conclusion of Value

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	October 23, 2020	\$3,650,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

None.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. The subject property comprises 243.40± acres of vacant land that represents a portion of three contiguous Assessor's parcels (017-010-033; 017-090-054 -055) which in total comprise 418.90± acres. The assembled site is zoned for public/quasi-public use by the city of Roseville. This report considers the value of the subject property based on its highest and best economic use, which is agricultural development. This valuation is subject to a hypothetical condition the subject is a 243.40± acre parcel that is zoned for agricultural development and is legally transferable.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (coronavirus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to "shelter in place," causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. The value expressed herein represents our opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the

concluded market value stated previously, it is our opinion that the probable exposure time is 9-12 months.

Marketing Period

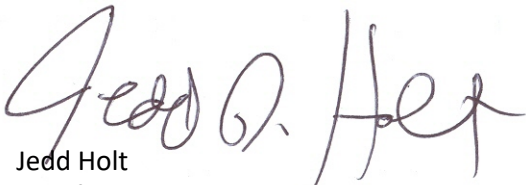
Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. Because of the COVID-19 pandemic and market uncertainty which has stalled market transactions, we estimate the subject's marketing period at 12 months.

Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. 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.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Jedd Holt made a personal inspection of the property that is the subject of this report. Kevin Ziegenmeyer, MAI, also made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Kevin Ziegenmeyer, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.

15. As of the date of this report, Jedd Holt, has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



Jedd Holt
Certified General Real Estate Appraiser
California Certificate # AG043883



Kevin Ziegenmeyer, MAI
Certified General Real Estate Appraiser
California Certificate # AG013567

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Sacramento, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. **IRR - Sacramento is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Sacramento. In addition, it is expressly agreed that in**

- any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR - Sacramento is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

None.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. The subject property comprises 243.40± acres of vacant land that represents a portion of three contiguous Assessor's parcels (017-010-033; 017-090-054 -055) which in total comprise 418.90± acres. The assembled site is zoned for public/quasi-public use by the city of Roseville. This report considers the value of the subject property based on its highest and best economic use, which is agricultural development. This valuation is subject to a hypothetical condition the subject is a 243.40± acre parcel that is zoned for agricultural development and is legally transferable.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A
Appraiser Qualifications

Jedd Holt

Experience

Mr. Holt is a Certified General real estate appraiser. After serving six years in the United States Air Force, Mr. Holt began his career in real estate in April 2005, and has been writing narrative appraisal reports for a variety of properties. Today, he is involved in appraisal assignments covering office, retail, industrial, apartments, subdivisions, land and special-purpose properties. Mr. Holt has developed the experience and background necessary to deal with complex assignments covering an array of property types.

Licenses

California, Certified General Real Estate, AG043883, Expires April 2022

Education

Academic:

Bachelor of Science in Managerial Economics, University of California, Davis

Appraisal and Real Estate Courses:

Uniform Standards of Professional Appraisal Practice

Appraisal Principles

Appraisal Procedures

Basic Income Capitalization

General Applications

Real Estate Economics

Report Writing and Valuation Analysis

The Appraisal of Partial Acquisitions

Integra Realty Resources
Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

T 916.435.3883
F 916.435.4774

irr.com





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

Jedd D. Holt

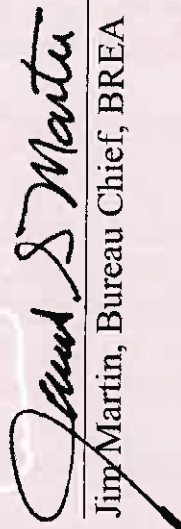
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 043883

Effective Date: April 16, 2020
Date Expires: April 15, 2022


Jim Martin, Bureau Chief, BREA

3051893

Kevin Ziegenmeyer, MAI

Experience

Mr. Ziegenmeyer is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, residential income and subdivisions throughout the Central Valley area of California, Northern Nevada, and within the Sacramento Metropolitan Area. Over the past several years, Mr. Ziegenmeyer has handled many of the firm's master-planned property appraisals and has developed expertise in the valuation of Community Facilities Districts and Assessment Districts. In early 2015, Mr. Ziegenmeyer obtained the Appraisal Institute's MAI designation. Kevin is currently Senior Managing Director of the Integra-San Francisco office and Managing Director of the Integra-Sacramento office.

Licenses

California, Certified General Real Estate Appraiser, AG013567, Expires June 2021

Education

Academic:

Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A, B & C

Basic Valuation Procedures

Real Estate Appraisal Principles

Capitalization Theory and Techniques, Part A

Advanced Income Capitalization

Report Writing and Valuation Analysis

Advanced Applications

IRS Valuation Summit I & II

2008, 2009, 2010 & 2011 Economic Forecast

Business Practices and Ethics

Contemporary Appraisal Issues with Small Business Administration Financing

General Demonstration Appraisal Report Writing Seminar

7-Hour National USPAP Update Course

Valuation of Easements and Other Partial Interests

2009 Summer Conference

Uniform Appraisal Standards for Federal Land Acquisitions

2008 Economic Update

Valuation of Conservation Easements

Subdivision Valuation

2005 Annual Fall Conference

General Comprehensive Exam Module I, II, III & IV

Advanced Income Capitalization

Advanced Sales Comparison & Cost Approaches

2004 Central CA Market Update

Computer-Enhanced Cash Flow Modeling

Forecast 2000, 2001, 2002, 2003 & 2004

Land Valuation Assignments

Integra Realty Resources
Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

T 916-435-3883
F 916-435-4774

irr.com

kziegenmeyer@irr.com - 916-435-3883 x224



Kevin Ziegenmeyer, MAI

Education (Cont'd)

Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

Integra Realty Resources
Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

T 916-435-3883
F 916-435-4774

irr.com





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

Kevin K. Ziegenmeyer

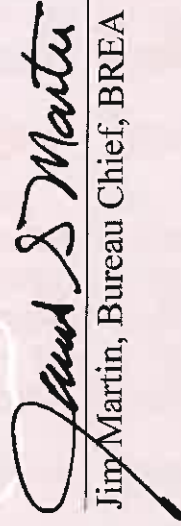
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 013567

Effective Date: June 5, 2019
Date Expires: June 4, 2021


Jim Martin, Bureau Chief, BREA

3045137

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com



Addendum B
Comparable Data



Location & Property Identification

Property Name:	0 Critter Creek Road
Sub-Property Type:	Specialty, Undeveloped Agricultural
Address:	0 Critter Creek Rd.
City/State/Zip:	Lincoln, CA 95648
County:	Placer
Market Orientation:	Rural
IRR Event ID:	2504749



Sale Information

Sale Price:	\$389,000
Effective Sale Price:	\$389,000
Sale Date:	08/05/2020
Sale Status:	Closed
\$/Acre(Gross):	\$26,828
\$/Land SF(Gross):	\$0.62
\$/Acre(Usable):	\$26,828
\$/Land SF(Usable):	\$0.62
Grantor/Seller:	Daniel & Gerri Builta
Grantee/Buyer:	Sukhjinder Bhullar
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	83116
Rent Controlled:	No

Shape:	Square
Topography:	Level
Corner Lot:	No
Frontage Desc.:	Critter Creek
Frontage Type:	2 way, 1 lane each way
Traffic Flow:	Low
Zoning Code:	F-B-X
Zoning Desc.:	Agriculture, 80-acre minimum
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	06061C0700H
Date:	11/02/2018
Source of Land Info.:	Public Records

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	021-370-021
Acres(Usable/Gross):	14.50/14.50
Land-SF(Usable/Gross):	631,620/631,620
Usable/Gross Ratio:	1.00

Comments

At the time of sale, this property was utilized for horse pasture grazing and had three shade structures. It has an agricultural well and is not within a water district. The property was listed on the open market. The buyer knew the seller. The property has some long-term development potential which factored into the sale price for the buyer. Since the sale, the buyer has removed the shade structures, deep ripped the property, and will be planting almond trees.

Location & Property Identification

Property Name: West line of Brewer Rd., south of Phillip Rd.

Sub-Property Type: Specialty, Undeveloped Agricultural

Address: Brewer Rd.

City/State/Zip: Pleasant Grove, CA 95668

County: Placer

Market Orientation: Rural

IRR Event ID: 2522814



Sale Information

Sale Price: \$2,000,000

Effective Sale Price: \$2,000,000

Sale Date: 10/21/2019

Recording Date: 11/18/2019

Sale Status: Closed

\$/Acre(Gross): \$11,448

\$/Land SF(Gross): \$0.26

\$/Acre(Usable): \$11,448

\$/Land SF(Usable): \$0.26

Grantor/Seller: Grundy

Grantee/Buyer: Balraj S. Randhawa

Assemblage: No

Portfolio Sale: No

Assets Sold: Real estate only

Property Rights: Fee Simple

Financing: Cash to seller

Acres(Usable/Gross): 174.70/174.70

Land-SF(Usable/Gross): 7,609,932/7,609,932

Usable/Gross Ratio: 1.00

Vegetation: Grass and shrubs

Corner Lot: No

Frontage Type: 2 way, 1 lane each way

Traffic Control at Entry: None

Traffic Flow: Low

AccessibilityRating: Average

Visibility Rating: Average

Zoning Code: F-B-X

Zoning Desc.: Agricultural

Easements: No

Environmental Issues: No

Flood Plain: No

Flood Zone Designation: X

Utilities: Electricity, Water Well
Irrigation

Source of Land Info.: Public Records

Sale Analysis

Sale Price Includes FF&E? No

Improvement and Site Data

Legal/Tax/Parcel ID: 017-090-051

Comments

This property sold in October 2019 and has historically been planted with rice.

This property has historically been planted with rice and is located within an unincorporated area of Placer County.

Location & Property Identification

Property Name:	5745 Pleasant Grove Road
Sub-Property Type:	Commercial
Address:	5745 Pleasant Grove Rd.
City/State/Zip:	Pleasant Grove, CA 95668
County:	Sutter
Market Orientation:	Rural
IRR Event ID:	2266872



Sale Information

Sale Price:	\$1,150,000
Effective Sale Price:	\$1,000,000
Sale Date:	02/20/2019
Recording Date:	03/25/2019
Sale Status:	Closed
\$/SF GBA:	\$166.33
\$/Acre(Gross):	\$13,879
\$/Land SF(Gross):	\$0.32
\$/Acre(Usable):	\$13,879
\$/Land SF(Usable):	\$0.32
\$/Land SF(Potential):	\$166.33
Grantor/Seller:	Xor Wang
Grantee/Buyer:	Arun Ohri
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	3436
Rent Subsidized:	No

Land-SF(Usable/Gross):	3,138,498/3,138,498
Usable/Gross Ratio:	1.00
Exterior Walls:	Wood siding
Roof,Heating,AC Comm.:	Shingle
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Frontage Desc.:	Pleasant Grove
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low
Visibility Rating:	Average
Zoning Code:	AG-80
Zoning Desc.:	Agriculture, 80-acre minimum
Flood Plain:	Yes
Flood Zone Designation:	AH
Comm. Panel No.:	0603940265F
Date:	06/16/2015
Source of Land Info.:	Public Records

Improvement and Site Data

MSA:	Yuba City, CA
Legal/Tax/Parcel ID:	35-090-016
GBA-SF:	6,012
Acres(Usable/Gross):	72.05/72.05

Comments

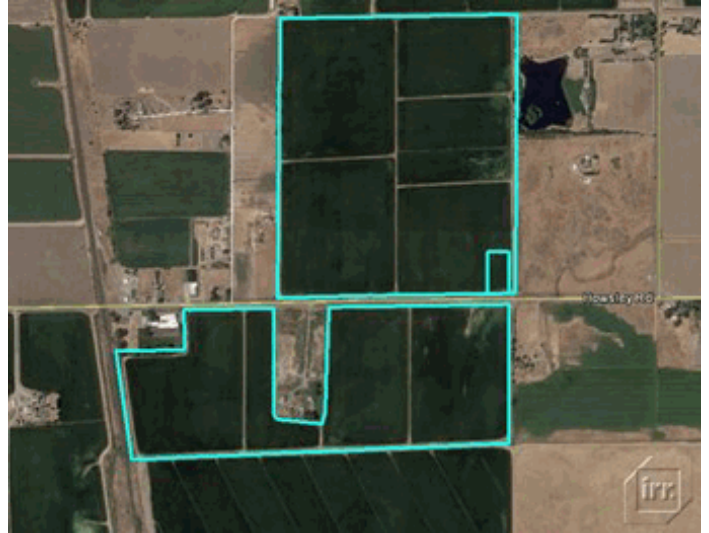
Soil Quality: 71% IV, 20% II, 9% III. There is a 1,836 SF modular home in fair condition, a 3,000 SF steel shop in fair condition, and miscellaneous outbuildings in poor condition. The property is within a flood zone and has historically been used for field crops. The property receives irrigation water from two onsite wells, though one needs to be replaced. The property is also within South Sutter W.D. The buyer is a large area almond

Comments (Cont'd)

grower.

Location & Property Identification

Property Name: Proposed 206 Acre Almond Orchard
 Sub-Property Type: Agricultural, Permanent Crops
 Address: 3098 Howsley Rd.
 City/State/Zip: Pleasant Grove, CA 95668
 County: Sutter
 Market Orientation: Rural
 IRR Event ID: 2221387



Sale Information

Sale Price: \$2,856,000
 Effective Sale Price: \$2,856,000
 Sale Date: 09/13/2018
 Recording Date: 09/17/2018
 Sale Status: Closed
 Grantor/Seller: Ronald F. Souza
 Grantee/Buyer: Ohri
 Property Rights: Fee Simple
 Financing: Cash to seller
 Document Type: Deed
 Recording No.: 12241
 Rent Subsidized: No

Topography: Level
 Corner Lot: No
 Frontage Desc.: Howsley
 Frontage Type: 2 way, 1 lane each way
 Traffic Control at Entry: None
 Traffic Flow: Moderate
 Zoning Code: AG-80
 Zoning Desc.: Agriculture, 80-acre minimum
 Flood Plain: Yes
 Flood Zone Designation: AE
 Comm. Panel No.: 0603940810F and
 Date: 06/16/2015
 Source of Land Info.: Public Records

Improvement and Site Data

MSA: Yuba City, CA
 Legal/Tax/Parcel ID: 35-090-034, 35-040-040 and 35-040-041
 Acres(Usable/Gross): 206.16/206.16
 Land-SF(Usable/Gross): 8,980,329/8,980,329
 Usable/Gross Ratio: 1.00
 Property Class: A
 Shape: Irregular

Comments

Soils: 51% IV, 26% III, 23% II. The buyer purchased the property to plant almonds. The property has historically been utilized for rice production. There are four onsite wells and the property has access to South Sutter W.D. There are no improvements.



Location & Property Identification

Property Name: 8010 Baseline Road
 Sub-Property Type: Other
 Address: 8010 Baseline Rd.
 City/State/Zip: Roseville, CA 95747
 County: Placer

 Market Orientation: Rural

 IRR Event ID: 2110956



Sale Information

Sale Price: \$1,397,000
 Effective Sale Price: \$1,207,000
 Sale Date: 08/24/2018
 Recording Date: 09/07/2018
 Sale Status: Closed
 \$/SF GBA: \$222.20
 \$/SF NRA: \$467.47
 Eff. Price/Unit: \$467 /Unit
 \$/Acre(Gross): \$15,798
 \$/Land SF(Gross): \$0.36
 \$/Acre(Usable): \$15,798
 \$/Land SF(Usable): \$0.36
 \$/Building SF: \$24.14
 \$/Unit: \$1,207,000 /Unit
 \$/Land SF(Potential): \$222.20
 Grantor/Seller: Monica Cornacchioli
 Grantee/Buyer: PCH PROPERTIES LLC
 Property Rights: Fee Simple
 Document Type: Deed
 Recording No.: 65029
 Rent Controlled: No

Sale Analysis

Other Adj.: \$190,000

Adjust. Comments: Improvements

Improvement and Site Data

Legal/Tax/Parcel ID: 017-130-055
 GBA-SF: 5,432
 NRA-SF: 2,582
 Acres(Usable/Gross): 76.40/76.40
 Land-SF(Usable/Gross): 3,327,984/3,327,984
 Usable/Gross Ratio: 1.00
 Potential Building SF: 50,000
 No. of Units (Potential): 1
 Year Built: 1980
 M&S Class: C
 Construction Quality: Average
 Improvements Cond.: Poor
 Exterior Walls: Wood siding
 No. of Buildings/Stories: 2/1
 Air-Conditioning Type: Roof Central Mounted
 Roof,Heating,AC Comm.: Tile
 Shape: Rectangular
 Topography: Level
 Corner Lot: Yes
 Frontage Feet: 818
 Frontage Desc.: Baseline Road
 Frontage Type: 2 way, 1 lane each way
 Traffic Control at Entry: None
 Traffic Flow: Moderate
 Visibility Rating: Good
 Density-Unit/Gross Acre: 33.80

Improvement and Site Data (Cont'd)

Density-Unit/Usable Acre:	33.80
Zoning Code:	F-B-X-AO
Zoning Desc.:	Agricultural and single
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	06061C0458F
Date:	06/08/1998
Source of Land Info.:	Public Records

Comments

The property has a 2,582-square-foot residence which was in need of repairs but contributed value in the sale. The site has Class IV soils and the buyer intends to plant an almond orchard. The property is located in the proposed Curry Creek Community Plan and has long-term development potential.

Addendum C
Engagement Letter



Integra Realty Resources
Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

T 916.435.3883
F 916.435.4774
www.irr.com



October 6, 2020

Laura Matteoli
Economic Development Director
City of Roseville - Economic Development Department
Civic Center
311 Vernon Street
Roseville, California 95678

SUBJECT: Land Property
APNs 017-010-033-000, 017-090-054-000 and 017-090-055-000
East of S. Brewer Road and North of Phillip Road
Roseville, Placer County, California 95747

Dear Ms. Matteoli:

Thank you for considering Integra Realty Resources – Sacramento for your real estate valuation needs. Enclosed is my Agreement for Appraisal Services pertaining to the above referenced property. The total fee for delivery of the completed appraisal report is \$6,000.

Please return a signed copy of the attached Agreement to my office at your earliest convenience. The appraisal fee will be due immediately preceding delivery of the completed report. Provided the signed contract is received within 3 business days, we anticipate delivery of the completed report no later than October 31, 2020.

In accordance with the attached Agreement for Appraisal Services, the scope of this assignment will require IRR – Sacramento to consider all relevant and applicable approaches to value as determined during the course of our research, analysis of the subject property and preparation of the report.

Laura Matteoli
City of Roseville - Economic Development Department
Civic Center
Page 2

If you have any questions, please do not hesitate to contact me at 916-435-3883, ext. 224 or by e-mail at kziegenmeyer@irr.com.

Respectfully submitted,

Integra Realty Resources - Sacramento

A handwritten signature in black ink, appearing to read 'K. Ziegenmeyer', written in a cursive style.

Kevin Ziegenmeyer
Certified General Real Estate Appraiser
CA Certificate # AG013567
Telephone: 916-435-3883, ext. 224
Email: kziegenmeyer@irr.com

Attachments

Agreement for Appraisal Services

The terms of the agreement are outlined as follows:

Date of the Agreement	October 6, 2020
Parties to the Agreement	Integra Realty Resources – Sacramento (also identified as “IRR”) and Troy Holt of City of Roseville (the “Client”).
Purpose of the Appraisal	To provide an opinion of market value of the fee simple interest in the subject property.
Intended User	The client and intended user is City of Roseville. The appraisal is not intended for any other user.
Intended Use	The intended use of the appraisal is for disposition purposes. The appraisal is not intended for any other use.
Effective Date of Value	Date of inspection.
Appraised Property	The subject property represents APNs 017-010-033-000, 017-090-054-000 and 017-090-055-000, located East of S. Brewer Road and North of Phillip Road Roseville, Placer County, California 95747
USPAP Compliance	The appraisal will be prepared in conformance with and subject to the <i>Code of Professional Ethics and Standards of Professional Appraisal Practice</i> of the Appraisal Institute and the <i>Uniform Standards of Professional Appraisal Practice</i> (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation.
Prior Services	The Ethics Rule of USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
Scope of Work	In accordance with our correspondence, the scope of this assignment will require IRR – Sacramento to consider all relevant and applicable approaches to value as determined during the course of our research, subject property analysis and preparation of the report.

Please note, Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a Federally-regulated financial institution.

Appraisal Report Format

The appraisal will be communicated in an Appraisal Report – Summary / Standard format. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions a copy of which is attached as Attachment I.

Fee

The total fee for this assignment will be \$6,000.

It is understood that simple interest of 15% per annum will accrue on any unpaid balance for compensation due, subject to reduction pursuant to any applicable usury law. We shall also be entitled to recover our costs (including attorneys' fees), associated with collecting any amounts owed or otherwise incurred in connection with this assignment. If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed. Upon default, we shall be permitted to file a lien against the subject property for any amounts owed pursuant to this engagement.

Start, Acceptance, and Delivery Dates

Provided the signed contract and retainer (if applicable) are received within 3 business days, we will commence work on the assignment. Additionally, with these conditions met we anticipate delivery of the appraisal report by October 31, 2020. This delivery date is contingent on the absence of events outside our control, timely access for inspection of the subject property, as well as our receipt of all requested information necessary to complete the assignment.

Report Copies

A PDF of the appraisal report will be provided.

Inspection Disclosure

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisal will assume that there are no

environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment and actions.

Litigation Clause

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our then current hourly rates for such preparation and presentation of testimony.

Use of Data

You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, IRR – Sacramento and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in the Integra database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available as well as proprietary software programs to perform your assignment (web based and others).

Conflicts of Interest

If we discover during the course of preparing the appraisal there is a conflict of interest with a separate IRR office, we reserve the right to cancel the agreement and withdraw from the assignment without incurring penalties.

If you agree with the terms set forth in this letter and wish us to proceed with the engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

AGREED & ACCEPTED BY:

Integra Realty Resources – Sacramento



Kevin Ziegenmeyer
Senior Managing Director

October 6, 2020

AGREED & ACCEPTED BY:



Laura Matteoli
lmatteoli@roseville.ca.us
916-774-5284

October 7, 2020

Date

ATTACHMENT I

STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The subject property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the subject property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the subject property more or less valuable. Furthermore, there is no asbestos in the subject property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The subject property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the subject property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the subject property without compensation relative to such additional employment.
6. We have made no survey of the subject property and assume no responsibility in connection with such matters. Any sketch or survey of the subject property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers

the subject property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the subject property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the subject property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the subject property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the subject property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the subject property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the subject property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR – Sacramento and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the subject property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. IRR – Sacramento is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the

engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of the subject property.
26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.