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Appraisal Report

7 Scattered Residential and Commercial Sites

7 Scattered Residential and Commercial Sites
BBG File #0120011440

Prepared For

Twin Rivers Unified School District
5115 Dudley Boulevard, Bay A-250,
McClellan, CA 95652

Report Date

November 4, 2020

Prepared By

BBG, Inc., Northern California
Sacramento Office
1708 Q Street
Sacramento, CA 95811
Client Manager: Scott Beebe, MAI, FRICS
Ph: (925) 588-7641



November 4, 2020

Yasmina Flores
Twin Rivers Unified School District
5115 Dudley Boulevard, Bay A-250,
McClellan, CA 95652

Re: Appraisal of Real Property
Surplus District Properties
7 Scattered Residential and Commercial Sites
Sacramento County, California
BBG File #0120011440

Dear Ms. Flores,

In accordance with your authorization, BBG, Inc. has completed real estate appraisals on 7 scattered residential and commercial properties located in Sacramento County, California. The subject properties are identified as:

Property	Address	City
Futures High School	3800 Bolivar Avenue	North Highlands
Plover School	2625 Plover Street	Sacramento
Smythe Academy Middle	700 Dos Rios Street	Sacramento
Terrace Park	891 Greg Thatch Circle	Sacramento
Vineland	6450 20th Street	Rio Linda
Aero Haven	5450 Georgia Drive	North Highlands
Westside Elementary	6537 W. 2nd Street	Rio Linda

The purpose of the appraisal is to estimate the market value for each property based on their highest and best use. The client and intended user of the report is Twin Rivers Unified School District. The intended use is to assist the Twin Rivers Unified School District in establishing prices should they elect to sell the properties.

This appraisal report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations. Only the Client, Twin Rivers Unified School District, their successors and/or assigns may read and rely upon the findings and conclusions of this report.

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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 the as is market value of the properties as of October 1, 2020 are as follows:

Market Value Conclusions		
Property	Property Interest	Value Conclusion
Futures High School	Fee Simple	\$6,900,000
Plover School	Fee Simple	\$660,000
Smythe Academy Middle	Fee Simple	\$5,560,000
Terrace Park	Fee Simple	\$3,040,000
Vineland	Fee Simple	\$1,520,000
Aero Haven	Fee Simple	\$2,060,000
Westside Elementary	Fee Simple	\$580,000

BBG Northern California appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,
BBG, Inc.



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SUMMARY OF SALIENT FACTS

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY INFORMATION

Property Name	7 Scattered Residential and Commercial Sites Sacramento, Sacramento County, CA
Property Type	7 School Sites
Owner of Record	Twin Rivers Unified School District

Property	Address	Area	Type	Highest and Best Use
Futures High School	3800 Bolivar Ave.	55,000 square feet	School	School
Plover School	2625 Plover St.	4.12 acres	School	Residential Land
Smythe Academy Middle	700 Dos Rios St.	9.00 acres	School	Industrial Land
Terrace Park	891 Greg Thatch Cir.	8.21 acres	Vacant Land	Residential Land
Vineland	6450 29th St.	9.05 acres/ 30,000 SF	School	Residential Land/ School
Aero Haven	5450 Georgia Dr.	10.48 acres	School	Residential Land
Westside Elementary	6537 W 2nd St.	2.98 acres	Vacant Land	Residential Land

Exposure Time; Marketing Period	6 - 12 months
Effective date of the appraisal	October 1, 2020
Date of the Report	November 4, 2020
Property Interest Appraised	Fee simple

FINAL VALUE CONCLUSIONS

Property	Market Value	Value per SF	Marketability	Exposure Time
Futures High School	\$6,900,000	\$125/SF of building area	Average	12 Months
Plover School	\$660,000	\$3.68/SF of land	Fair	12 Months
Smythe Academy Middle	\$5,560,000	\$14.18/SF of land	Average	12 Months
Terrace Park	\$3,040,000	\$8.50/SF of land	Good	6 Months
Vineland	\$1,520,000	\$50.66/SF of building area	Fair	12 Months
Aero Haven	\$2,060,000	\$4.51/SF of land	Average	12 Months
Westside Elementary	\$580,000	\$4.47/SF of land	Average	6 Months

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The values presented within this appraisal report are subject to the extraordinary assumptions and/or hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice (USPAP, 2020-2021 Edition) Standards Rule 2-2(a)(xi), it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

Extraordinary Assumption(s):

1. None.

Hypothetical Condition(s):

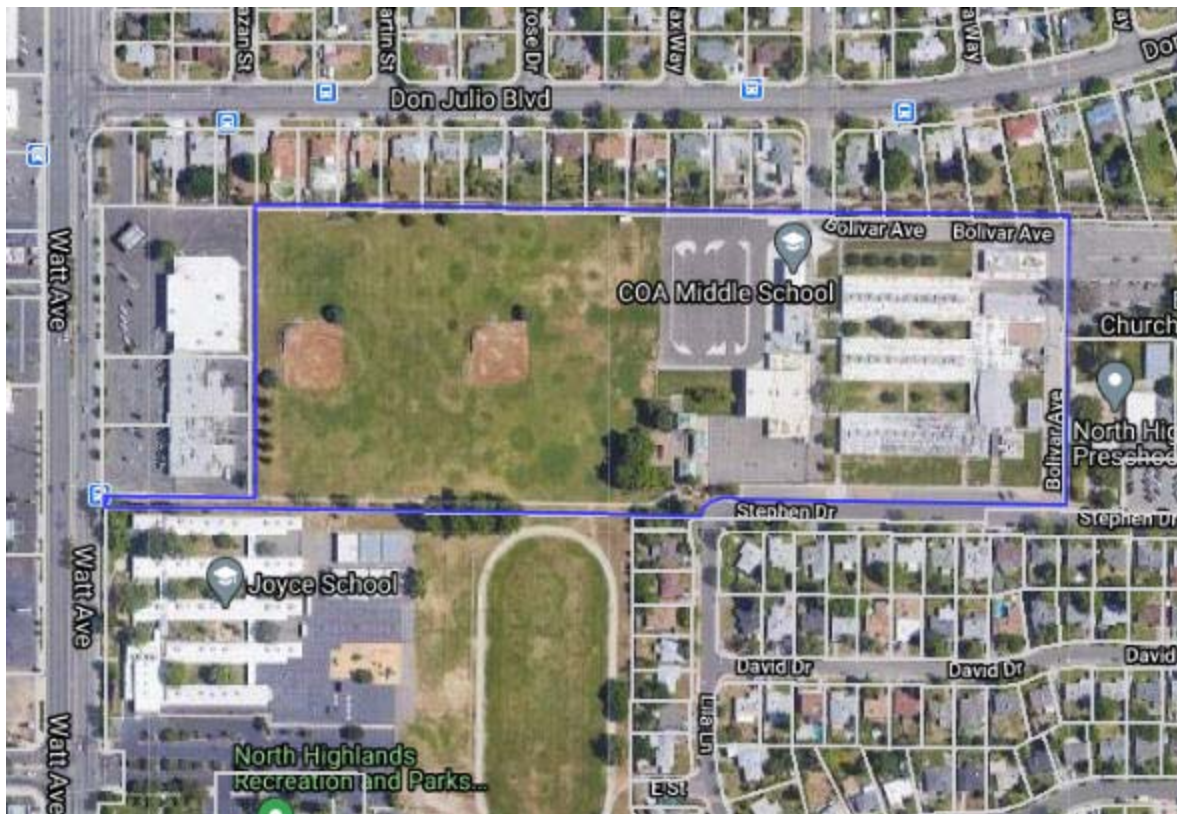
1. None.

GENERAL INFORMATION

IDENTIFICATION OF THE SUBJECT

The properties are the 7 surplus properties identified by Twin Rivers Unified School District. The subject properties are identified as follows:

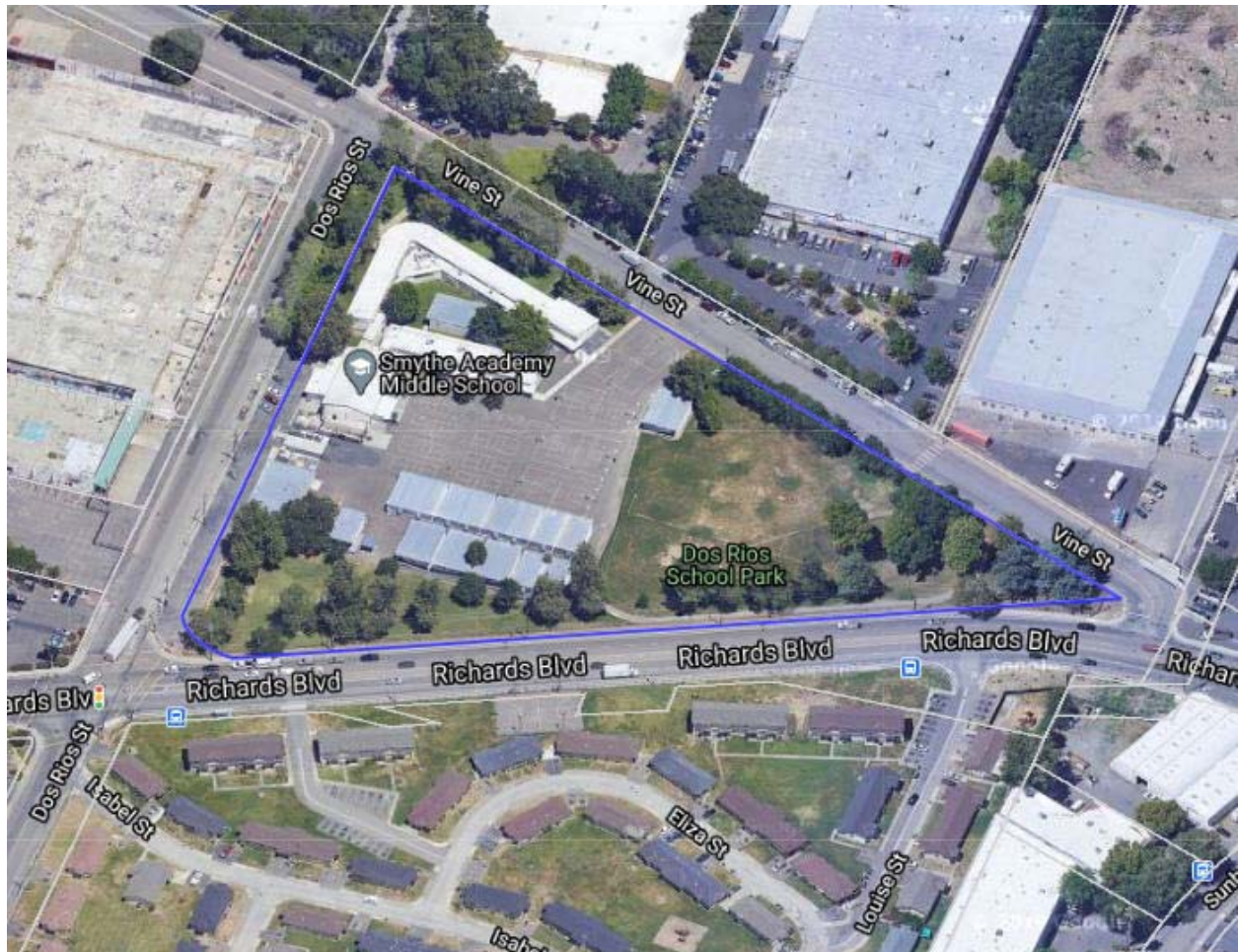
Futures High School – 3800 Bolivar Avenue, North Highlands: The property is identified as Sacramento County assessor parcel number 217-0110-006. The property is located at the southern end of Bolivar Avenue south of Don Julio Boulevard. The property is 16.57 acre site with a school totaling approximately 55,000 square feet of building area including class rooms, office space, library area, cafeteria, and a gymnasium. The buildings are in average condition and the property is currently utilized by a charter school. The property is zoned for residential use. The property has an abundance of land, but the vacant land area (field area west of buildings) is landlocked and unable to be redeveloped. The property is surrounded by residential use to the north and south, a church property to the east, commercial property to the west, and another school to the southwest. The highest and best use for this property is for continued use as a school site. The property is expected to have good marketability to school operators. The market value estimate for this site is \$6,900,000 or \$125 per square foot of building area.



Plover School – 2625 Plover Street, Sacramento, CA: The property is identified as Sacramento County assessor parcel numbers 266-0312-006 and 266-0321-004. The property is located at the northwest corner of Plover Street and Fienza Avenue. The property is a 4.12 acre site with a school totaling approximately 15,000 square feet of building area including class rooms, office space, and cafeteria. The site is zoned for residential use. A portion of the school consists of portable classrooms that are in average condition. The standard construction classrooms are considered to be in poor condition and are beyond their useful life. The portable classrooms that are in usable condition are being moved to alternate sites. The property is surrounded by residential use on all sides. In addition to the residential space there is a mini storage property to the east of the subject and a small industrial building to the south of the subject. The highest and best use for this property is to redevelop the site with residential development. The property is expected to have below average marketability to investors due to the below average location. The market value estimate for this site is \$660,000 or \$3.68 per square foot of land area.



Smythe Academy Middle – 700 Dos Rios Street, Sacramento, CA: The property is identified as Sacramento County assessor parcel number 001-0082-001. The property is located at the block encompassed by Richards Boulevard to the south, Dos Rios Street to the west, and Vine Street to the north. The property is a 9.00 acre site with a school totaling approximately 32,000 square feet of building area including class rooms, office space, and cafeteria. The site is zoned for residential mixed use in a special planning district. A portion of the school consists of portable classrooms that are in average condition. The standard construction classrooms are considered to be in fair condition and are reportedly in need of repairs. The property is surrounded by industrial use to the north, east, and west. To the south there is a low income housing development that is under construction replacing the old Dos Rios Homes Housing Project. The highest and best use for this property is to redevelop the site with industrial development. The use as a school site is considered to be functionally obsolete due to the lack of residential use in the area. The property is expected to have average marketability to industrial developers due to the location in an industrial neighborhood. The market value estimate for this site is \$5,560,000 or \$14.18 per square foot of land area.



Terrace Park – 891 Greg Thatch Circle, Sacramento, CA: The property is identified as Sacramento County assessor parcel number 201-1070-076. The property is located at the north west corner of Greg Thatch Circle and Tres Piezas Drive. The property is a 8.21 acre site of vacant land. The site is zoned for residential use. The property is within a subdivision within Natomas and is surrounded by single family housing. There is a park to the north of the subject property. The highest and best use for this property is residential development. The property is expected to have above average marketability to residential developers as this is an infill site within Natomas. The market value estimate for this site is \$3,040,000 or \$8.50 per square foot of land area.



Vineland – 6450 20th Street, Rio Linda, CA: The property is identified as Sacramento County assessor parcel number 207-0221-016. The property is located at the northeast corner of 20th Street and I Street. The property is a 9.05 acre site with a school totaling approximately 30,00 square feet of building area including class rooms, office space, and cafeteria as well as some industrial warehouse buildings. The site is zoned for agricultural residential. The improvements are in average condition. The subject property is located in a rural area and is surrounded by large lot residential property with some small scale agricultural use mixed in. Although the improvements are in usable condition, the site is in a poor location for a school property. There was previously a charter school on site, which relocated to a more central and accessible location. The use as a school site has some functional obsolescence due to the limited amount of residential use in the area. The highest and best use for this property is for continued school use as the value of the improvements exceeds the value of the land as if vacant. The property is expected to have below average marketability due to the large lot zoning and inferior rural location. The market value estimate for this site is \$1,520,000 or \$50.66 per square foot of building area.



Aero Haven – 5450 Georgia Drive, North Highlands, CA: The property is identified as Sacramento County assessor parcel number 218-0261-001. The property is located at the southern end of Georgia Drive immediately south of McClellan Drive. The property is also bordered by Poplar Boulevard to the east. The property is a 10.48 acre site with a school totaling approximately 22,00 square feet of building area including class rooms, office space, and cafeteria. The site is zoned for residential use. The improvements are in older condition and are reportedly in need of extensive repairs. The property is surrounded by residential use on all sides. The highest and best use for this property is to redevelop the site with residential development. The property is expected to have below average marketability to investors due to the below average location. The market value estimate for this site is \$2,060,000 or \$4.51 per square foot of land area.



West Side Elementary (Portion) – 6537 W. 2nd Street, Rio Linda, CA: The property is identified as Sacramento County assessor parcel number 214-0022-002 (Portion). The property is located on the west side of 2nd Street ¼ mile north of Elk Horn Boulevard. The property is a 2.98 acre site that is currently a park area. The property is a part of a larger site which includes an elementary school. The site is zoned for residential/ agricultural use. The property is surrounded by residential use to the east and west, Westside park borders the property to the north and West Side Elementary borders the property to the south. The highest and best use for this property is to develop the site with residential development. The property is expected to have average marketability to investors. The market value estimate for this site is \$580,000 or \$\$4.47 per square foot of land area.



INTENDED USE OF THE APPRAISAL

The client and intended user is Twin Rivers Unified School District. The intended use is to assist the Twin Rivers Unified School District in establishing prices should they elect to sell their properties. No party or parties other than Twin Rivers Unified School District may use or rely on the information, opinions, and conclusions contained in this report.

PRIOR SERVICES

Per USPAP requirements, we must disclose to the client any services provided in connection with the subject property within the past three years, including 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 appraised one of the sites that are part of the subject property within the past three years for the current client.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value for each property based on their highest and best use.

PROPERTY RIGHTS APPRAISED

Our analysis pertains to the fee simple interest in the subject property. This is defined as follows:

- Fee simple: "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)

DEFINITION OF MARKET VALUE

Pertinent definitions, including the definition of market value, are included in the glossary, located in the Addenda to this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

"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 are 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 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: Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472

LEVEL OF REPORTING DETAIL AND APPLICABLE REQUIREMENTS

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report which, at a minimum, must summarize the appraiser’s analysis and the rationale for the conclusions.

As stated in the transmittal letter, this appraisal report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations.

APPRAISER COMPETENCY

No steps were necessary to meet the competency provisions established under USPAP. We have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, we have adequate experience and qualifications to appraise the subject. Appraiser certifications and qualifications are included in the Addenda of this report.

SIGNIFICANT PROFESSIONAL ASSISTANCE

Peter A. Luna provided significant professional assistance, but have not signed this report. Contributions include research of market trends, analysis of the subject property and comparables, and a physical inspection of the property, under appropriate supervision of the appraisal signatories.

SCOPE OF WORK

The intended use and intended user(s) of this appraisal report, characteristics and complexity of the subject property, market conditions, widely-accepted methods and practices within the appraisal profession, and other pertinent factors were all considered in our determination of scope of work, which is detailed in the following sections.

VALUATION METHODOLOGY

Appraisers typically consider utilizing the cost, sales, and/or income capitalization approach in developing an opinion of value. The applicability of each approach is determined by the economic characteristics of the property, the availability of reliable data, and the common practice of market participants that reflect the most likely purchaser of the subject property. Based on these criteria, use of the three approaches in this assignment is determined as follows:

The income capitalization approach is not an applicable valuation method for the subject due to the following:

- The most probable buyer of the subject properties would be owner-users or developers. This buyer profile is unlikely to base purchase price upon the anticipated return on potential income generated by the property.
- There is insufficient comparable data to support estimates of achievable market rents, vacancy, expenses, and/or rates of return.

The sales comparison approach is an applicable valuation method because:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.

The cost approach is not applicable to the assignment considering the following:

- The improvements reflect older construction, limiting the reliability of our estimate of physical depreciation.
- The local and regional land markets are currently slow or inactive, resulting in insufficient data to support credible opinion of the value of the underlying site.

RESEARCH AND ANALYSIS

Over the course of this assignment, we performed extensive research and analysis of the subject, its competitors, and the broader market factors that impact value. The type and extent of our research and analysis is described throughout the report as it pertains to each section. We have made an effort to confirm the pertinent details of each comparable utilized in this analysis with a party to the transaction; however, if in any case we are unable to do so, we have relied upon secondary sources for verification.

INSPECTION DETAILS

Scott Beebe, MAI, FRICS performed an interior and exterior inspection of the subject properties on October 1, 2020. A representative sampling of interior areas, and mechanical areas was also inspected.

REGIONAL ANALYSIS

SACRAMENTO MSA

The Sacramento-Roseville-Arden Arcade Metropolitan Statistical Area is comprised of El Dorado, Placer, Sacramento and Yolo Counties, hereinafter called the Sacramento MSA. Sacramento is the capital of the State of California and the seat of Sacramento County. The city is located towards the north the California's expansive Central Valley and has an estimated population of just over 500,000, making it the sixth most-populous city in California. The four-county Sacramento MSA has 2.3 million residents, making it the largest MSA in the Central Valley and the fourth largest in California behind greater Los Angeles, the San Francisco Bay Area and San Diego.

Situated approximately 85 miles northeast of San Francisco, Sacramento is at the intersection of two major interstate freeways (I-5 and I-80) and at the confluence of the Sacramento and American rivers. The area is also served by a number of rail lines including the Amtrak Capital Corridor. This, in addition to convenient access to airports, rail and a deep-water port, makes Sacramento well connected both regionally and nationally. Sacramento is increasingly regarded as a leading business location due to its growing, well-educated population, affordable cost of living, plentiful amenities and overall high quality of life.



ECONOMIC OVERVIEW

The resurgence of the local economy since the last recession has established itself across both private and public sectors. Healthcare emerged as a regional economic engine, adding nearly 63,000 jobs in the last 10 years. During the same time frame, Professional Services has added about 18,000 jobs while the State Government has added more than 13,000 jobs. Key points relating to the regional economy include the following.

- The regional unemployment has continued to decline and is currently on par with state and national levels. Employment gains remain positive as of the close of 2019, albeit slower than that of 2018 which correlates with relatively low unemployment rates.
- Commercial real estate fundamentals continue to trend in a positive direction, with vacancy rates declining and rental rates increasing in all property sectors. Investor demand remains high, as out-of-town buyers continue to scout the region in search of better yields relative to core markets.
- The regional single-family residential real estate market continued to trend positive in 2018, with increases in median prices and sales activity. Construction starts and sales of new homes continue to increase, but remain well below historic averages. The current cycle is expected to continue through at least 2019.
- Recent population growth has been close to 1% annually. This is down from the early to mid-2000's when the region was growing in excess of 2% annually.

POPULATION

The Sacramento MSA has an estimated 2020 population of 2,369,724, which represents an annual increase of 1.2% over the 2010 census. This is down from the early to mid- 2000's when the region was growing in excess of 2% annually. Population growth trends within the region are summarized as follows:

	Population Trends				
	Population			Compound Annual % Change	
	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
Yolo County	200,849	223,718	233,779	1.1%	0.9%
Sacramento MSA	2,149,127	2,369,724	2,469,415	1.0%	0.8%
California	37,253,956	39,892,126	41,218,819	0.7%	0.7%

Source: Claritas, LLC.

Looking forward, Sacramento MSA's population is projected to increase at a 0.8% annual rate from 2020-2025, equivalent to the addition of an average of approximately 19,938 residents per year.

EMPLOYMENT

Sacramento's ability to attract and retain quality talent is largely attributed to its two higher-education institutions, the University of California, Davis and California State University, Sacramento. These facilities also help to foster organic growth within the labor force and produce a highly educated workforce for many of the region's leading companies as well as businesses that are relocating from the Bay Area for the relatively affordable space and living costs. As the Bay Area becomes increasingly less affordable and congested, Sacramento will continue to provide a viable opportunity for a better quality of life to much of that labor force. As a result, the city has begun to attract the employers that desire to be close to this labor pool.

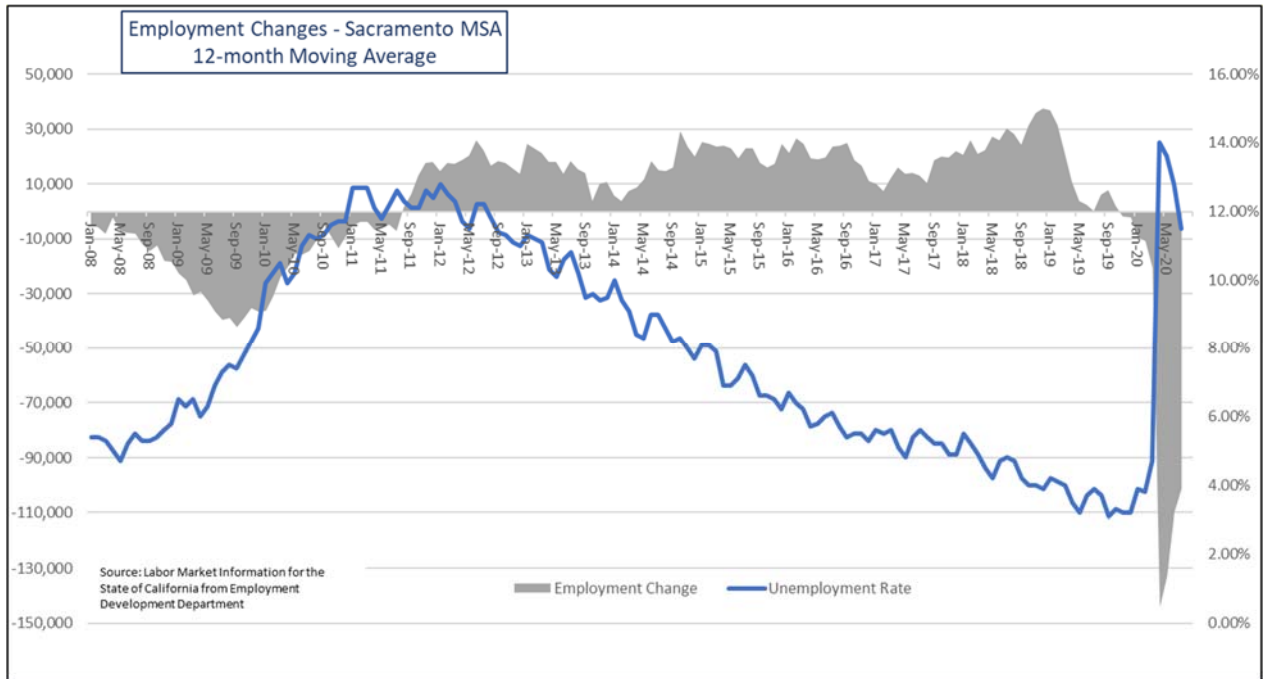
Total civilian employment in Sacramento MSA was 1,070,700 as of December 2019. This represents an increase of 0.4% as compared to one year earlier. The year end 2019 employment for the MSA is about 111,160 above the employment in 2008 (959,540). Recent employment data shows that Sacramento and California as a whole have been severely affected by the COVID-19 pandemic.

Employment Trends						
Year	Total Employment (Year End)				Unemployment Rate (Annual Avg.)	
	Sacramento MSA	% Change	California	% Change	Sacramento MSA	California
2008	959,540	-	16,614,164	-	8.6%	7.3%
2009	923,050	-3.8%	15,979,281	-3.8%	11.7%	11.2%
2010	914,007	-1.0%	16,125,892	0.9%	12.4%	12.2%
2011	931,957	2.0%	16,423,914	1.8%	11.0%	11.7%
2012	945,585	1.5%	16,817,255	2.4%	9.5%	10.4%
2013	956,324	1.1%	17,081,350	1.6%	7.7%	8.9%
2014	978,549	2.3%	17,527,359	2.6%	6.2%	7.5%
2015	1,002,135	2.4%	17,841,873	1.8%	5.3%	6.2%
2016	1,013,762	1.2%	18,113,717	1.5%	4.8%	5.4%
2017	1,041,760	2.8%	18,402,974	1.6%	3.8%	4.2%
2018	1,066,068	2.3%	18,704,962	1.6%	3.7%	4.2%
2019	1,070,700	0.4%	18,786,800	0.4%	3.2%	3.9%
YTD June 2020	946,000	-11.6%	16,117,000	-14.2%		
Overall Change 2008-2019	111,160	11.6%	2,172,636	13.1%		
Avg. Unemp. Rate 2008-2019					7.3%	7.8%
Unemployment Rate - June 2020					12.8%	14.9%

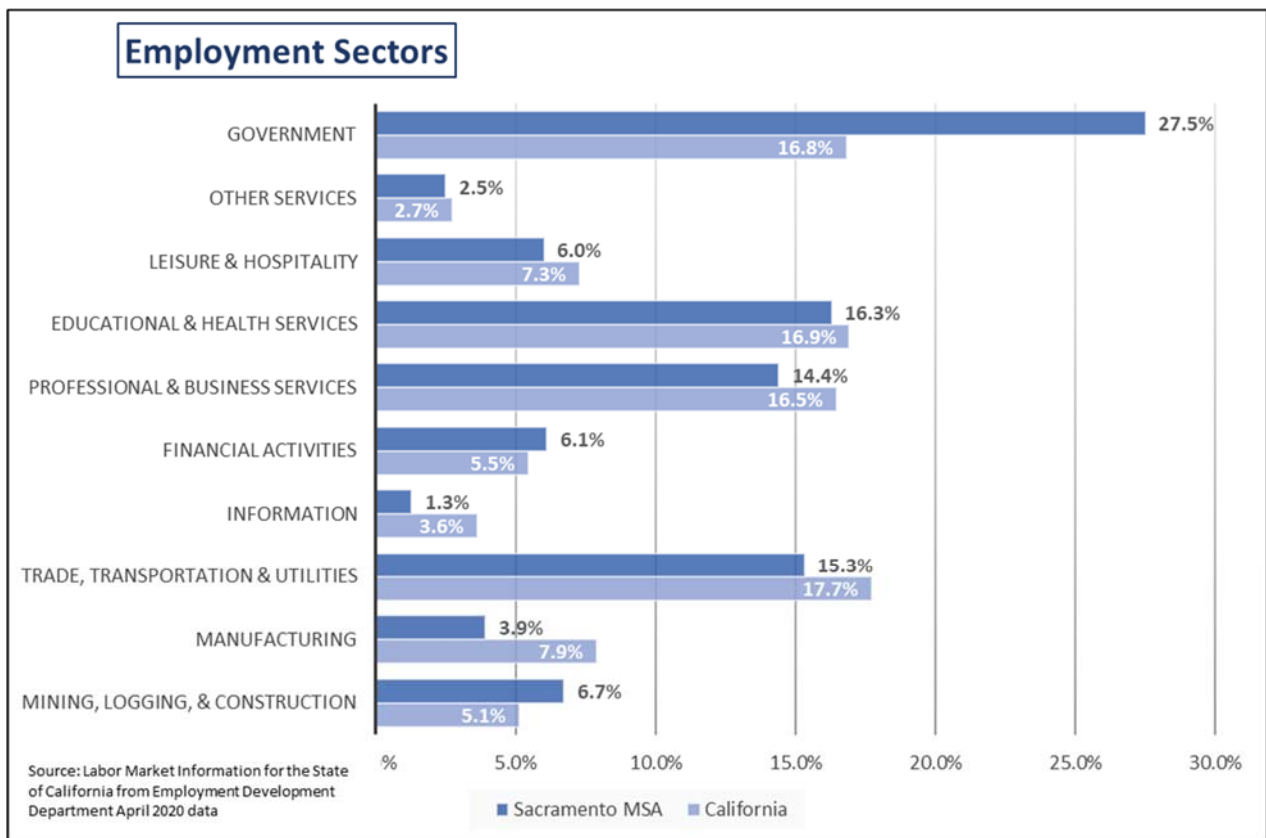
Source: Labor Market Information for the State of California from Employment Development Department. The figures are not seasonally adjusted.

Another way of gauging an area's economic health is through a comparison of unemployment rates in the region. Average annual unemployment rates for the region have been lower than the state for the last seven years. Over the past decade, the average annual unemployment rate for the Sacramento MSA was 7.3%, compared to 7.8% for California. A higher unemployment rate represents a negative in terms of economic health. Recent data shows that the unemployment rates have increased to 12.8% for Sacramento and 14.9% for California.

The large spiked in unemployment in recent months is due to the COVID-19 pandemic. The pandemic began to affect unemployment when regulations were put into place in March 2020. The unemployment rate peaked in April 2020 at 14.0% and has been decreasing at a rate of about 1% every month as restrictions are slowly lifted throughout Sacramento and the state.



The following tables provide an overview and illustration of the major industry sectors within Sacramento MSA and the California. Total employment is broken down by major employment sector and ranked from largest to smallest based on the percentage of Sacramento MSA jobs in each category.



GOVERNMENT EMPLOYMENT

As the capital of California, a large portion of Sacramento's employment has historically been dominated by the State government and other public-sector employers. Today, State government accounts for over 27% of the region's labor pool (over 240,000 EE's), which is a very large share by national norms.

With a GDP of \$2.9 trillion in 2018, California moved to 5th place in the IMF world economy rankings (California is the only state on the list of nations). As California continues to become more of a global player, Sacramento will continue to grow in significance as a city and the seat of the legislative body that governs the state.

PRIVATE SECTOR EMPLOYMENT

Government will always play a significant role in the region's economic base; however, as the population of Sacramento has grown, the economy has become increasingly diverse, attracting major employers in many private sector industries such as professional services, healthcare, education and trade, transportation and utilities. Sacramento has also provided a welcoming environment to many green and clean technology companies. This is largely due to California's progressive environmental policies but also in the provision of the opportunity to influence these policies from within the California state capital.

The strength of the region's labor force coupled with the availability of land, relatively affordable cost of living and ease of access to other major employment hubs continues to make Sacramento a desirable place to conduct business. Major private sector companies that have maintained a strong local presence and continue to have a positive impact on the region's economy are summarized in the following table.

Major Employers - Sacramento MSA					
Rank	Company	No. Employees	Rank	Company	No. Employees
1	University of California, Davis	20,100	11	VSP Global	2,382
2	Kaiser Permanente	16,100	12	Health Net Inc.	2,299
3	Sutter Health	15,200	13	Wells Fargo	2,190
4	Dignity Health	7,850	14	Cache Creek Casino Resort	2,150
5	Intel Corp.	6,000	15	Sacramento Municipal Utility District	2,046
6	Raley's Inc.	4,800	16	Hewlett-Packard Co.	2,000
7	California State University Sacramento	3,125	17	Northstar-At-Tahoe Resort	1,950
8	Thunder Valley Casino Resort	2,500	18	Sierra Joint community College	1,940
9	Apple Inc.	2,500	19	Bank of America	1,892
10	Squaw Valley Resort	2,500	20	California Health Services	1,890

Sources: Sacramento Business Journal 2017 Book of Lists; U.S. Department of Housing and Urban Development 2017-2018

HIGHER EDUCATION

The University of California at Davis, situated 15 miles west of Sacramento, is one of the nation's top public research universities and is ranked tenth amongst public universities nationwide by U.S. News and World Report. The UC Davis School of Medicine is ranked fourth amongst U.S. medical schools in research funding. Currently, more than 35,000 students are enrolled in over 100 undergraduate and 90 graduate programs at UC Davis. An additional 30,000 students are enrolled at California State University, Sacramento which offers 58 undergraduate and 40 graduate programs. Both schools make a significant impact on the higher-education levels of the local labor pool.

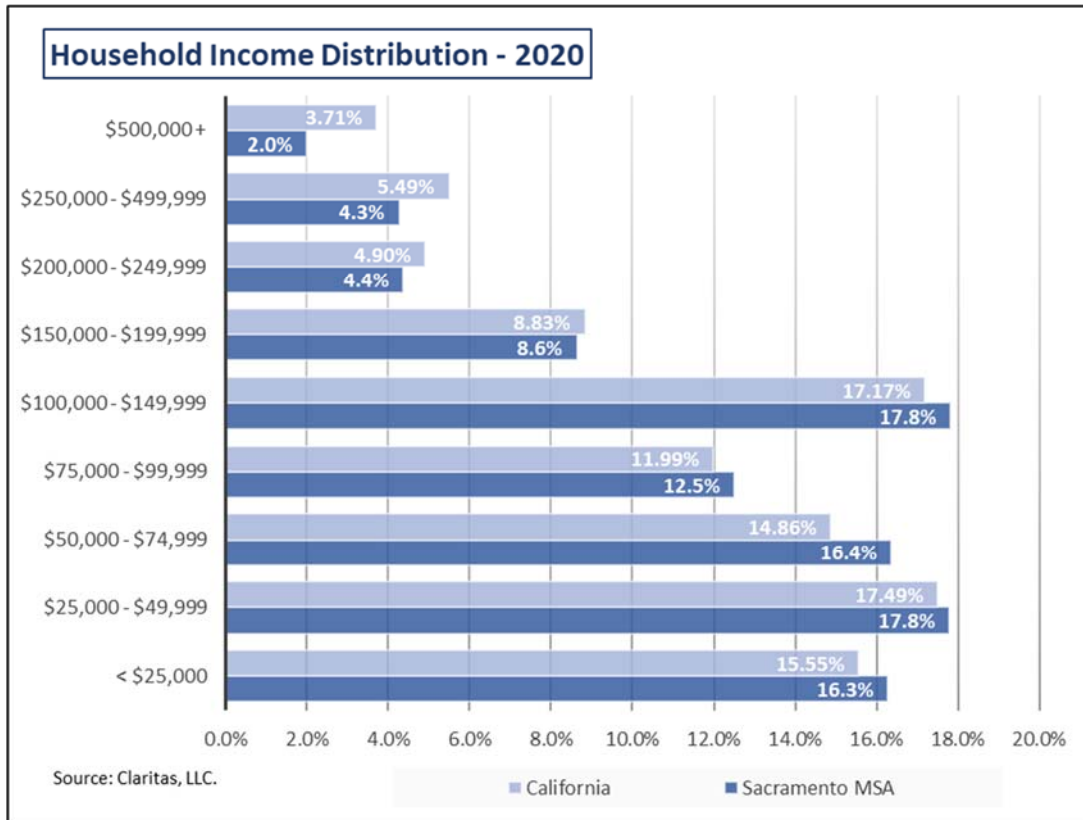
HOUSEHOLD INCOME

The median household income for the overall Sacramento MSA is slightly above the statewide average. Within the region, median household income is the highest in Placer and El Dorado Counties. The 2020 median income levels are summarized in the following table.

Demographic Characteristics			
Sacramento MSA vs. California			
2020 Estimates			
Characteristic	Yolo County	Sacramento MSA	California
Median Home Price ¹ -	\$496,773	\$454,777	\$591,558
Average Household Income	\$107,458	\$102,851	\$115,828
Median Household Income	\$71,750	\$74,305	\$78,981
Median Age	31.1	38.1	37.3
Average Household Size	2.8	2.7	2.9
Owner Occupied %	53.1%	61.0%	55.9%
Renter Occupied %	46.9%	39.0%	44.1%
Percent with Bachelor's Degree or High	39.8%	32.7%	33.3%

Sources: Neilson 2020

Areas of concern for the Sacramento region are the slower pace of income growth and an increase in income inequality.



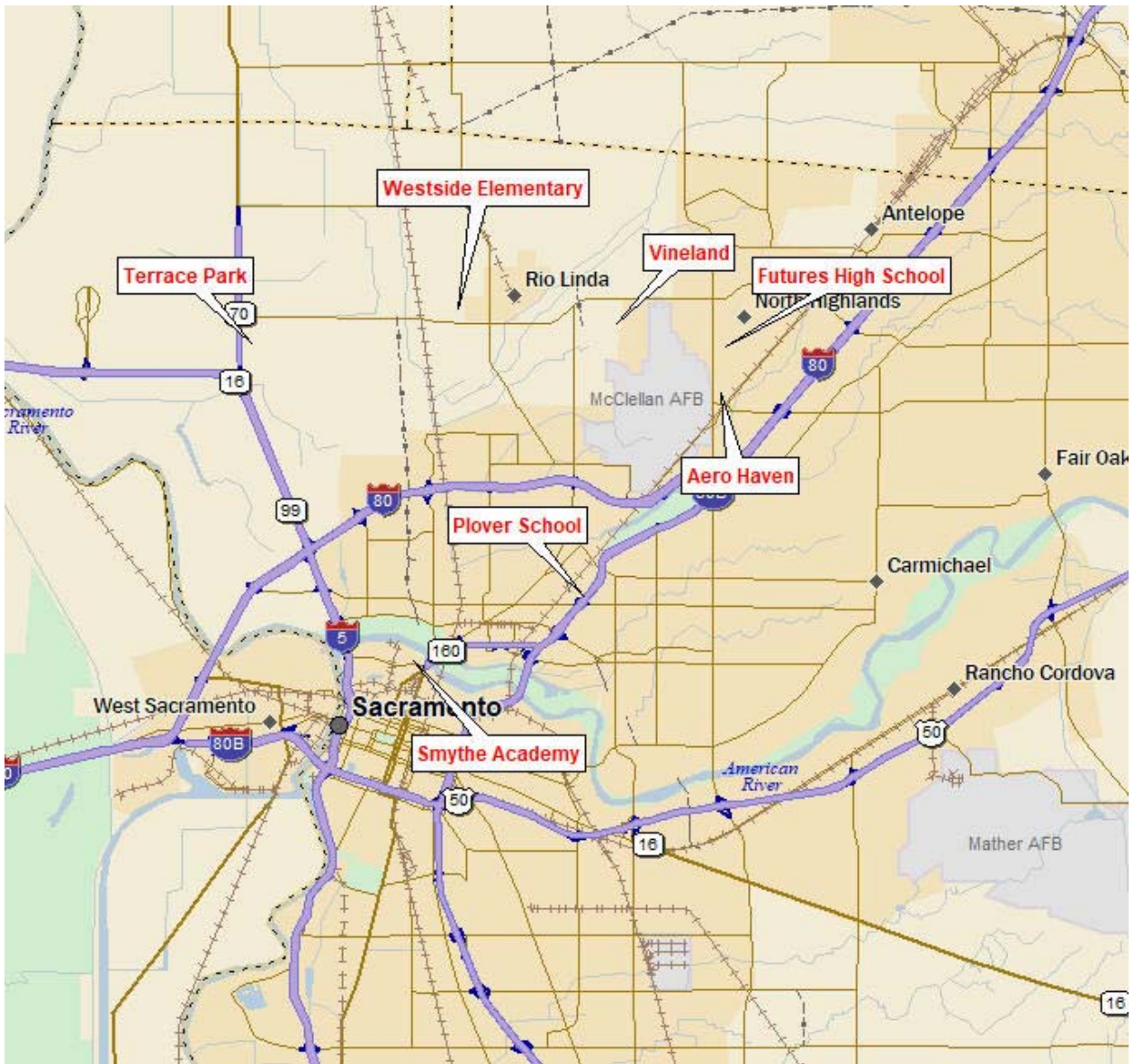
Sacramento has slightly higher levels of income than that of California but is very close overall. The income distribution is expected to trend downward in the coming year due to the COVID-19 pandemic.

CONCLUSION

The region has experienced several economic cycles over the past 25 years. The growth periods were largely attributed to the area's quality of life, affordable housing costs and proximity to the San Francisco Bay region. The abundance of available land in the region however contributed to high speculation which resulted in wide swings in development cycles and real estate prices. The most recent down cycle was attributed partly to widespread economic factors for the United States. Going forward, the region will still be vulnerable to large economic swings primarily because the economy is not as diversified as many MSA's due to a heavy reliance on government jobs.

The current outlook for the region is encouraging due to strong fundamentals. The region is projected to recover from the COVID-19 pandemic due to its strong economic history. The region's affordability and attractiveness with respect to business in-migration, population growth, and development opportunities are considered embedded long-range assets. The Sacramento region experienced growth in the number of jobs over the past five years, and it is reasonable to assume that growth in employment as well as population will continue to occur in the future. Jobs in healthcare, education, and government will keep the unemployment rate from rising. On a long-term basis, it is anticipated that the Sacramento MSA will continue to grow and prosper. This future growth should provide an economic base that supports continued demand for real estate of all types on a long-term basis.

REGIONAL MAP



PROPERTY ANALYSIS – FUTURES HIGH SCHOOL

PROPERTY DESCRIPTION AND ANALYSIS – 3800 BOLIVAR AVENUE, NORTH HIGHLANDS

The description of the site is based upon our physical inspection of the property and information available from the client and public resources.

IDENTIFICATION

Name: Futures High School

Address: 3800 Bolivar Avenue, North Highlands, 95660

Assessor Parcel Number: 217-0110-006

LOCATION AND SURROUNDING USES

The subject is located at the southern end of Bolivar Avenue just south of Don Julio Boulevard and north of Stephen Drive. The surrounding land uses include residential, commercial, a school, and a church.

LAND AREA

16.57 acres

SHAPE AND DIMENSIONS

Rectangular

INFRASTRUCTURE AND OFFSITE IMPROVEMENTS

All streets are fully paved with sidewalks and gutters. Access to the property is provided by Bolivar Avenue, the primary access point, as well as Stephen Drive.

UTILITIES

Typical utilities and municipal services to site.

TOPOGRAPHY

The site is generally level.

ENVIRONMENTAL HAZARDS

We were not provided with an environmental report; however, no unusual conditions observed, and none were reported by the owner. For purposes of this appraisal, we assume that the subject site is not impacted by any significant environmental concerns that would warrant remediation, or otherwise impact the marketability of the property.

EASEMENTS, ENCROACHMENTS & RESTRICTIONS

We were not provided with a preliminary title report or deed. Our valuation assumes that any easements or restrictions that affect the subject property are typical of its type and location, and that there are no encroachments that adversely impact value. For purposes of this valuation we assume that the subject has a clear and marketable title.

ZONING AND OTHER LAND USE REGULATIONS

RMU-1, SPA, Residential mixed use, North Watt Avenue special planning area. This use allows for residential use and some mixed use development.

FLOOD HAZARD STATUS

The property is located within FEMA map panel 06067C0067H with effective date of 8/16/2012. The property is located within Zone X, which are areas with 500 year flood protection.

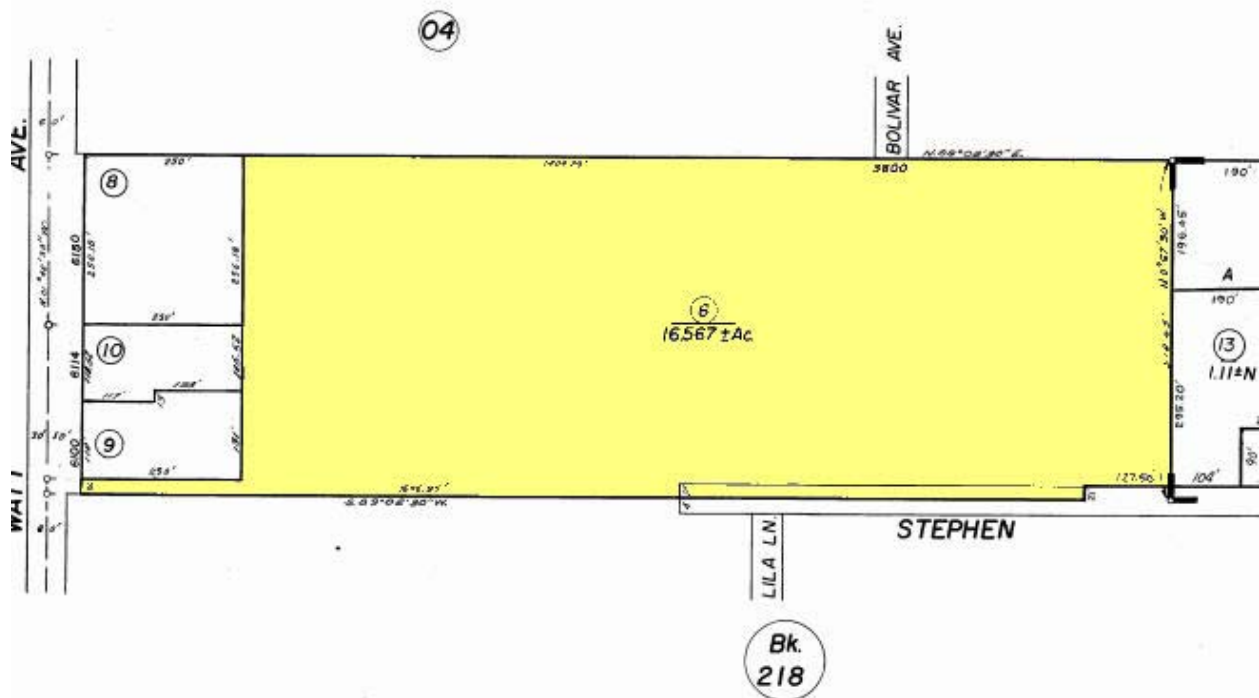
PROPERTY HISTORY AND OCCUPANCY

The subject property is owned by Twin Rivers Unified School District. The property has been owned in excess of three years. The property is currently utilized by a charter school on a short term lease.

IMPROVEMENTS

The subject site is improved with a school property. The school is currently occupied by a charter school and includes a gymnasium, cafeteria, library, and office space in addition to classroom space. The improvements measure approximately 55,000 square feet including all space. The improvements are in average condition and have had some minor improvements throughout in the past few years with new floors in the classrooms and updates throughout the property.

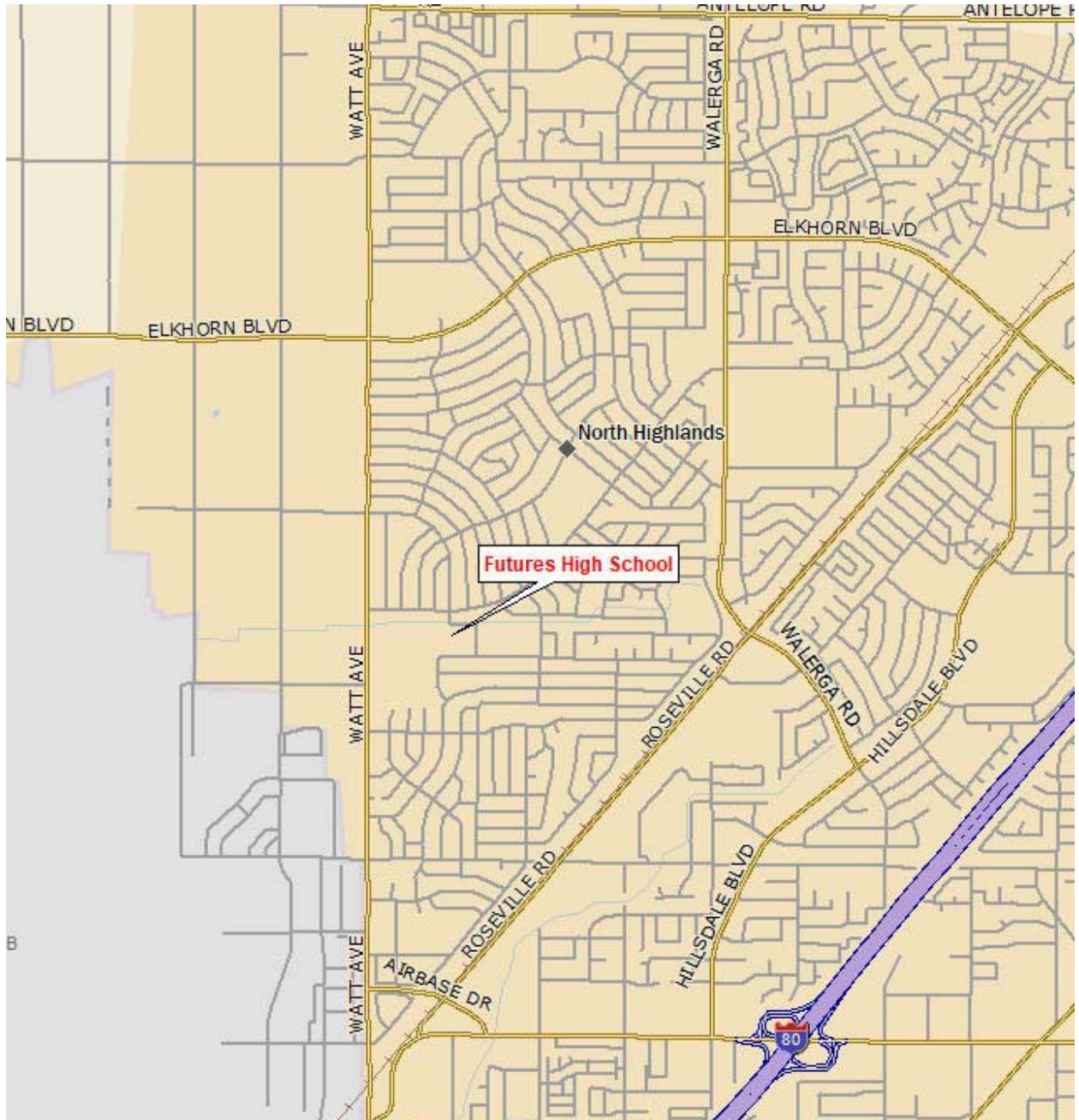
PLAT MAP



AERIAL MAP



LOCAL MAP



PHOTOGRAPHS – FUTURES HIGH SCHOOL



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Date of Photo: October 1, 2020)



(Date of Photo: October 1, 2020)



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(Date of Photo: October 1, 2020)

HIGHEST AND BEST USE – FUTURES HIGH SCHOOL

A determination of highest and best use is necessary prior to valuation of a property. In the sixth edition of *The Dictionary of Real Estate Appraisal*, the Appraisal Institute defines Highest and Best Use as: “The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

We conduct four tests to determine the highest and best use of the subject property:

- Legally permissible per the applicable zoning standards and other restrictions
- Physically possible
- Financially feasible
- Maximally productive

Typically, these tests are applied in the order listed above. The highest and best use of a property is the one that meets the first three criteria, and will produce the greatest future benefit to the owner. Analysis of the highest and best use of the land assumes that the subject site is vacant and available for development to the determined highest and best use. The analysis of Highest and Best Use As Improved determines whether continued use as is, alteration, or demolition and redevelopment constitutes the maximally productive use of the existing improvements.

AS IF VACANT

LEGALLY PERMISSIBLE

The subject is zoned RMU-1, SPA, - residential mixed-use, North Watt Avenue special planning area. Based on this zoning designation, the site can be developed with residential use and mixed use. No other restrictions have been identified that would limit development of the property beyond the development standards stipulated by the municipal code for the subject’s designated zoning.

PHYSICALLY POSSIBLE

The subject site is comprised of a single parcel. Its shape is rectangular, and its topography is generally level. Access and infrastructure are adequate. Overall, the physical site attributes result in average utility, and the property could be developed to a variety of uses per the provisions of its zoning designation, and with the approval of the local planning department.

FINANCIALLY FEASIBLE

Based on our review of the market, it appears that the value of a new residential subdivision on the subject site would be commensurate with its cost to build. Demand in the area is adequate to justify new construction, and near-term development of residential use on the subject site is determined to be financially feasible.

MAXIMALLY PRODUCTIVE

Of the uses that would likely be developed on the subject site, only residential use meets the first three criteria (legally permissible, physically possible, and financially feasible); therefore, near-term development of a new residential use would render the highest residual land value, and is determined to be the maximally productive use of the property.

CONCLUSION – HIGHEST & BEST USE AS IF VACANT

The foregoing analysis indicates that only residential use meets the four criteria utilized in determining highest and best use; therefore, near-term development of a new residential use is determined to be the highest and best use of the subject as vacant.

AS IMPROVED

The subject property is improved with a 55,000 square foot school site. Based on a review of the zoning guidelines, the current use of the subject legally permitted. In their current configuration, the subject improvements are adequately suited to their current use. The improvements are not consistent with the concluded highest and best use as if vacant.

The property is currently leased, but is most likely to be owner-occupied, and is sufficiently suited to continued operation as a school. Moreover, there appears to be adequate demand in the local market area from for similar properties in usable condition.

As such, a continuation of the current use is determined to be financially feasible.

Of the permissible, possible, and feasible uses of the subject improvements, achievable net income and rates of return indicate that continued school use would result in the highest market value for the existing improvements. Moreover, this value exceeds the value of the underlying site. As such, continued office use is concluded to be the maximally productive use of the subject property as improved.

CONCLUSION – HIGHEST & BEST USE AS IMPROVED

Based on the foregoing, continued school use appears to be the only use that meets all four criteria; therefore, continued school use is concluded to be the highest and best use of the subject property as improved.

MOST PROBABLE PURCHASER

Considering the physical attributes of the subject, and trends in the market, the most probable purchaser of the subject property is an owner-user.

SALES COMPARISON APPROACH – FUTURES HIGH SCHOOL

METHODOLOGY

In the sales comparison approach, we develop an opinion of value of the subject by compiling, verifying, and comparing recent and pending sales, as well as listings of properties similar in locational, physical, and economic attributes. The sales comparison approach is based upon the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The sales comparison approach to value involves the following steps:

- **Determine the Unit of Comparison:** Examine market trends, interview market participants, and consider market data in order to determine the most widely used unit of comparison for properties with characteristics similar to those of the subject. For purposes of this analysis, the unit of comparison utilized is price per square foot of rentable area.
- **Compile and Verify Comparable Data:** Research is conducted to compile comparable pending sales, closed sales, and active listings of properties that are similar to the subject in location, size, density, construction age and quality, and other physical, legal, and economic characteristics. A reasonable effort has been made to verify the salient facts of each comparable transaction, as well its arm's length status. In the event that we are unable to confirm a comparable with a direct party to the transaction, we have obtained secondary verification from public records and other market sources unless otherwise noted.
- **Comparison and Adjustment:** Once the comparable data set has been identified, we adjust each sale/listing to account for specific differences in value-impacting transactional, locational, physical, and legal attributes (elements of comparison). All adjustments are applied to the comparables as they relate to the subject property.
- **Reconciliation:** The value indications rendered from the adjustment process are evaluated for reliability and relevance to the subject, and reconciled to a single value conclusion for the subject property. The relevance of each comparable is largely captured in a comparison of the net and overall adjustments that are necessary in the adjustment process.

The following exhibits summarize the comparable data set that has been determined to be most relevant to the subject for purposes of sales comparison:

COMPARABLE IMPROVED SALES

On the following pages, we present a summary of the comparable improved sales that have been determined to be most relevant to the subject. A map of the sales is not included, as the sales are unique and are spread over a large geographic area.

SUMMARY OF COMPARABLE IMPROVED SALES							
No.	Property/Location	Date of Sale; Sale Status	Yr. Blt.; # Stories; % Occ.	Acres; FAR; Parking Ratio	Effective Sale Price	Rentable SF	\$/Rentable SF
1	Excelsior Charter Schools 1135 Church St. Redlands San Bernardino County CA Tax ID: 0167-271-61 Grantor: Redlands Christian School Grantee: Excelsior Charter Schools	Feb-20 Closed	1974 1 100%	6.81 0.18 –	\$8,670,000	52,000	\$166.73
Comments: Sale of a 52,000 square foot school property in average condition to a charter school.							
2	Echo School 1900 Echo Dr. Statenline Douglas County NV Tax ID: 1318-23-202-001 Grantor: Douglas County School District Grantee: Mountain Metro Church Inc.	Jun-18 Closed	1980 1 100%	22.40 0.03 –	\$3,525,000	31,683	\$111.26
Comments: Sale of a 31,683 school property to an owner-user religious group.							
3	Guiding Hands School 4900 Windplay Dr. El Dorado Hills El Dorado County CA Tax ID: 117-060-029 Grantor: Wend LLC Grantee: Point Quest Education	Jan-20 Closed	2000 1 0%	4.00 0.10 –	\$5,000,000	17,000	\$294.12
Comments: Sale of a 17,000 square foot school property on 4.0 acres of land to an owner-user who plans to operate a school on site.							
4	Acton Academy 725 Vernon St. Roseville Placer County CA Tax ID: 013-162-001 Grantor: Rock of Roseville Grantee: Acton Academy of Placer	Jul-19 Closed	2007 1 100%	2.90 0.24 –	\$5,000,000	30,000	\$166.67
Comments: Sale of a religious facility to a school operator. The church who used the space prior to the sale has a lease to use the site on							
5	Valley Oak 1150 Eastern Ave. Sacramento Sacramento County CA Tax ID: 289-0161-021 Grantor: School Realty of Sacramento LLC Grantee: Morning Star LLC	Jun-20 Closed	1970 1 0%	2.57 0.15 –	\$1,900,000	16,484	\$115.26
Comments: Sale of a school site that is adjacent to a community park. School was in older condition at time of sale.							

COMPARABLE IMPROVED SALES ADJUSTMENTS						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Common Name	Futures High School	Excelsior Charter Schools	Echo School	Guiding Hands School	Acton Academy	Valley Oak
Address	3800 Bolivar Ave.	1135 Church St.	1900 Echo Dr.	4900 Windplay Dr.	725 Vernon St.	1150 Eastern Ave.
City	North Highlands	Redlands	Steline	El Dorado Hills	Roseville	Sacramento
County	Sacramento	San Bernardino	Douglas	El Dorado	Placer	Sacramento
State	CA	CA	NV	CA	CA	CA
Property Type	School	School:	School:	School:	School:	School:
Sale Date		Feb-20	Jun-18	Jan-20	Jul-19	Jun-20
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$8,670,000	\$3,525,000	\$5,000,000	\$5,000,000	\$1,900,000
Effective Sale Price		\$8,670,000	\$3,525,000	\$5,000,000	\$5,000,000	\$1,900,000
Rentable Area	55,000	52,000	31,683	17,000	30,000	16,484
Year Built		1974	1980	2000	2007	1970
Occupancy	100	100%	100%	–	100%	–
Price per SF of Rentable Area		\$166.73	\$111.26	\$294.12	\$166.67	\$115.26
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		–	–	–	–	–
% Adjustment		–	–	–	–	–
Market Conditions		Feb-20	Jun-18	Jan-20	Jul-19	Jun-20
Annual % Adjustment	–	–	–	–	–	–
Cumulative Adjusted Price		\$166.73	\$111.26	\$294.12	\$166.67	\$115.26
Location		Superior	Inferior	Superior	Superior	Similar
% Adjustment		-10%	10%	-10%	-10%	–
Access/Exposure/Visibility		Similar	Similar	Similar	Similar	Similar
% Adjustment		–	–	–	–	–
Building Size		Similar	Superior	Superior	Superior	Superior
% Adjustment		–	-5%	-10%	-5%	-10%
Year Built/Condition	1970	Superior	Inferior	Superior	Superior	Inferior
% Adjustment		-25%	15%	-15%	-25%	10%
Construction Quality/Design		Similar	Similar	Similar	Similar	Similar
% Adjustment		–	–	–	–	–
Parking Ratio		Similar	Similar	Similar	Similar	Similar
% Adjustment		–	–	–	–	–
Floor-Area Ratio (FAR)	0.08	Inferior	Superior	Inferior	Inferior	Inferior
% Adjustment		10%	-10%	5%	15%	10%
Economic Attributes		Similar	Similar	Similar	Similar	Similar
% Adjustment		–	–	–	–	–
Net \$ Adjustment		-\$41.68	\$11.13	-\$88.24	-\$41.67	\$11.53
Net % Adjustment		-25%	10%	-30%	-25%	10%
Total % Adjustment		-25%	10%	-30%	-25%	10%
Indication for Subject		\$125.05	\$122.38	\$205.88	\$125.00	\$126.79
Range of Comparable Indications		\$122.38 - \$205.88				
Average		\$141.02				
Median		\$125.05				
Indicated Value		\$125.00				

VALUE INDICATION

After adjustment, the comparables support a range of value indications from \$122.38 – \$205.88 per square foot. The average and median indicators are \$141.02 and \$125.05 per square foot, respectively. Sale 3 appears to be an outlier on the high end. When removed, the average and median drop to \$124.81 and \$125.03 respectively. We apply equal weight to sales 1, 2, 4, and 5.

Given the foregoing analysis, we conclude to a value indication by sales comparison as follows:

SALES COMPARISON APPROACH VALUE CONCLUSION	
Indicated Value per SF	\$125.00
Subject Square Feet	55,000
Indicated Value	\$6,875,000
Rounded	\$6,900,000

PROPERTY ANALYSIS – PLOVER SCHOOL

PROPERTY DESCRIPTION AND ANALYSIS – 2625 PLOVER STREET, SACRAMENTO

The description of the site is based upon our physical inspection of the property and information available from the client and public resources.

IDENTIFICATION

Name: Plover School

Address: 2625 Plover Street, Sacramento, 95815

Assessor Parcel Number: 266-0312-006, 266-0321-004

LOCATION AND SURROUNDING USES

The subject is located at the north west corner of Plover Street and Fienza Avenue. The property is surrounded by residential use on all sides. There is also a mini storage property to the east and a small industrial building to the south.

LAND AREA

4.12 acres

SHAPE AND DIMENSIONS

Rectangular

INFRASTRUCTURE AND OFFSITE IMPROVEMENTS

All streets are fully paved with sidewalks and gutters. Access to the property is provided by Plover Street and Fienza Avenue.

UTILITIES

Typical utilities and municipal services to site.

TOPOGRAPHY

The site is generally level.

ENVIRONMENTAL HAZARDS

We were not provided with an environmental report; however, no unusual conditions observed, and none were reported by the owner. For purposes of this appraisal, we assume that the subject site is not impacted by any significant environmental concerns that would warrant remediation, or otherwise impact the marketability of the property.

EASEMENTS, ENCROACHMENTS & RESTRICTIONS

We were not provided with a preliminary title report or deed. Our valuation assumes that any easements or restrictions that affect the subject property are typical of its type and location, and that

there are no encroachments that adversely impact value. For purposes of this valuation we assume that the subject has a clear and marketable title.

ZONING AND OTHER LAND USE REGULATIONS

R-2A, multifamily with 17 units per acre max. This use allows for multifamily and single family residential use.

FLOOD HAZARD STATUS

The property is located within FEMA map panel 06067C0181H with effective date of 8/16/2012. The property is located within Zone X, which are areas with 500 year flood protection.

PROPERTY HISTORY AND OCCUPANCY

The subject property is owned by Twin Rivers Unified School District. The property has been owned in excess of three years. The property is currently vacant and has not been in use for several years.

IMPROVEMENTS

The subject site is improved with a school property. The school measures approximately 15,000 square feet including portable classrooms. Several of the portable classrooms are slated to be moved to alternate sites. The permanent improvements are reportedly in poor condition and need extensive renovations to be used as a school site including new windows, a roof replacement, exterior paint, and other small improvements throughout. The cost to improve the property outweighs the value once improved and is not considered to be financially feasible.

AERIAL MAP



LOCAL MAP



PHOTOGRAPHS – PLOVER SCHOOL



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Date of Photo: October 1, 2020)



(Date of Photo: October 1, 2020)

HIGHEST AND BEST USE – PLOVER SCHOOL

A determination of highest and best use is necessary prior to valuation of a property. In the sixth edition of *The Dictionary of Real Estate Appraisal*, the Appraisal Institute defines Highest and Best Use as: “The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

We conduct four tests to determine the highest and best use of the subject property:

- Legally permissible per the applicable zoning standards and other restrictions
- Physically possible
- Financially feasible
- Maximally productive

Typically, these tests are applied in the order listed above. The highest and best use of a property is the one that meets the first three criteria, and will produce the greatest future benefit to the owner. Analysis of the highest and best use of the land assumes that the subject site is vacant and available for development to the determined highest and best use. The analysis of Highest and Best Use As Improved determines whether continued use as is, alteration, or demolition and redevelopment constitutes the maximally productive use of the existing improvements.

AS IF VACANT

LEGALLY PERMISSIBLE

The subject is zoned R-21, multifamily. Based on this zoning designation, the site can be developed with residential use. No other restrictions have been identified that would limit development of the property beyond the development standards stipulated by the municipal code for the subject’s designated zoning.

PHYSICALLY POSSIBLE

The subject site is comprised of a two contiguous parcels. Its shape is generally rectangular, and its topography is level. Access and infrastructure are adequate. Overall, the physical site attributes result in average utility, and the property could be developed to a variety of uses per the provisions of its zoning designation, and with the approval of the local planning department.

FINANCIALLY FEASIBLE

Based on our review of the market, it appears that the value of a new residential development on the subject site would be commensurate with its cost to build. Demand in the area is adequate to justify new construction, and near-term development of a residential use on the subject site is determined to be financially feasible.

MAXIMALLY PRODUCTIVE

Of the uses that would likely be developed on the subject site, only residential use meets the first three criteria (legally permissible, physically possible, and financially feasible); therefore, near-term development of a new residential use would render the highest residual land value, and is determined to be the maximally productive use of the property.

CONCLUSION – HIGHEST & BEST USE AS IF VACANT

The foregoing analysis indicates that only residential use meets the four criteria utilized in determining highest and best use; therefore, near-term development of a new residential use is determined to be the highest and best use of the subject as vacant.

AS IMPROVED

The subject property is improved with a 15,000 square foot elementary school site. Based on a review of the zoning guidelines, the current use of the subject is legally permitted. The subject improvements are in poor condition and have been vacant for several years. The improvements are in need of extensive repairs to be used as a school site.

As such, a continuation of the current use is determined to not be financially feasible.

Of the permissible, possible, and feasible uses of the subject improvements, achievable net income and rates of return indicate that demolition of current improvements and development of residential use would result in the highest market value for the existing improvements. Moreover the value of the underlying site exceeds the value of the improvements under current conditions. As such, demolition of current improvements and development of residential use is concluded to be the maximally productive use of the subject property as improved.

CONCLUSION – HIGHEST & BEST USE AS IMPROVED

Based on the foregoing, demolition of current improvements and development of residential use appears to be the only use that meets all four criteria; therefore, redevelopment of residential use is concluded to be the highest and best use of the subject property as improved.

MOST PROBABLE PURCHASER

Considering the physical attributes of the subject, its leased status, and trends in the market, the most probable purchaser of the subject property is a developer.

SALES COMPARISON APPROACH – PLOVER SCHOOL

METHODOLOGY

In the sales comparison approach, we develop an opinion of value of the subject by compiling, verifying, and comparing recent and pending sales, as well as listings of properties similar in locational, physical, and economic attributes. The sales comparison approach is based upon the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The sales comparison approach to value involves the following steps:

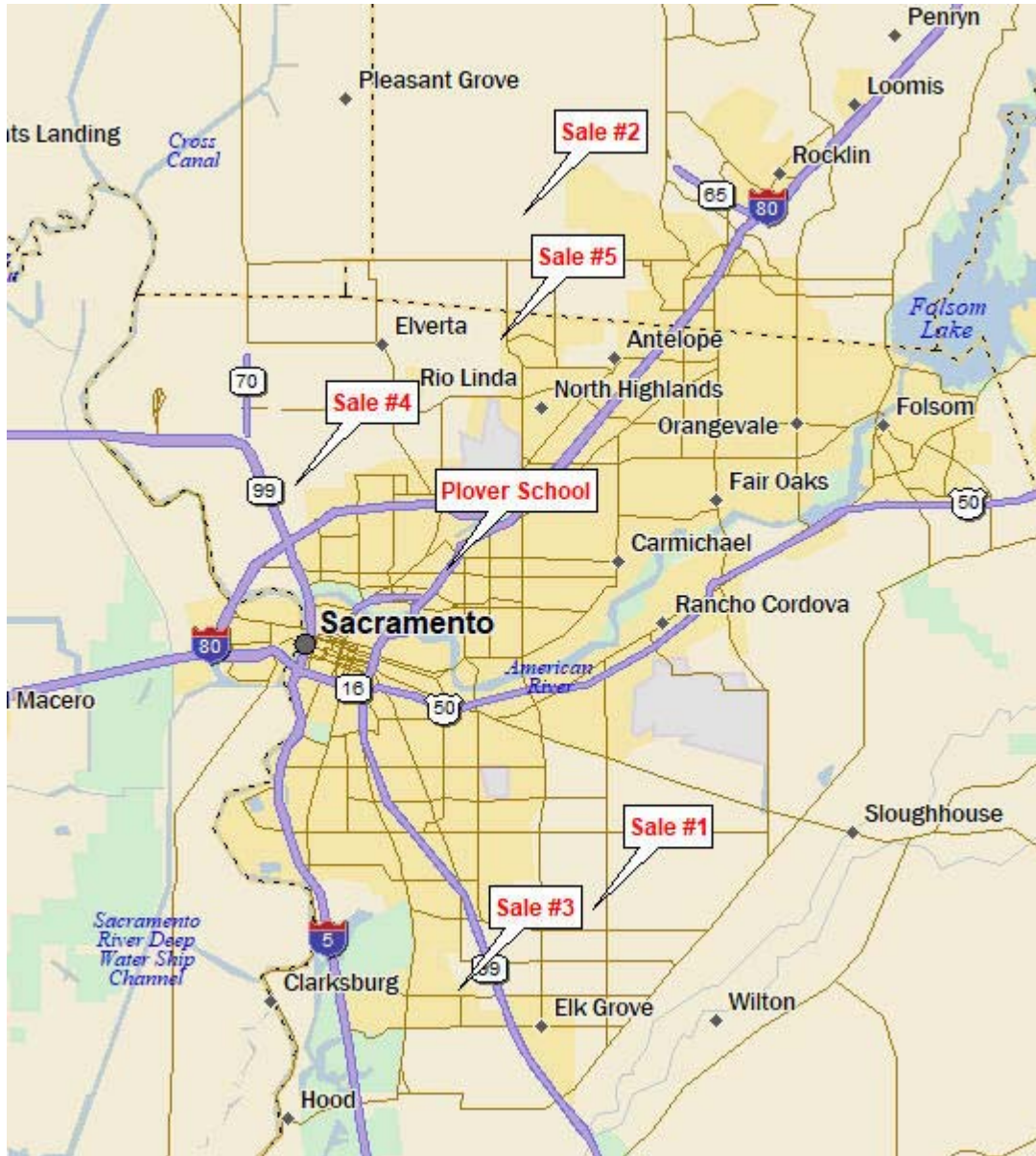
- **Determine the Unit of Comparison:** Examine market trends, interview market participants, and consider market data in order to determine the most widely used unit of comparison for properties with characteristics similar to those of the subject. For purposes of this analysis, the unit of comparison utilized is price per of land area.
- **Compile and Verify Comparable Data:** Research is conducted to compile comparable pending sales, closed sales, and active listings of properties that are similar to the subject in location, size, density, construction age and quality, and other physical, legal, and economic characteristics. A reasonable effort has been made to verify the salient facts of each comparable transaction, as well its arm's length status. In the event that we are unable to confirm a comparable with a direct party to the transaction, we have obtained secondary verification from public records and other market sources unless otherwise noted.
- **Comparison and Adjustment:** Once the comparable data set has been identified, we adjust each sale/listing to account for specific differences in value-impacting transactional, locational, physical, and legal attributes (elements of comparison). All adjustments are applied to the comparables as they relate to the subject property.
- **Reconciliation:** The value indications rendered from the adjustment process are evaluated for reliability and relevance to the subject, and reconciled to a single value conclusion for the subject property. The relevance of each comparable is largely captured in a comparison of the net and overall adjustments that are necessary in the adjustment process.

The following exhibits summarize the comparable data set that has been determined to be most relevant to the subject for purposes of sales comparison:

COMPARABLE LAND SALES

On the following pages, we present a summary of the comparable improved sales that have been determined to be most relevant to the subject, including maps.

COMPARABLE LAND SALES MAP



SUMMARY OF COMPARABLE LAND SALES						
No.	Property/Location	Date of Sale; Sale Status	Effective Sale Price	Site Size (SF); Site Size (Acres)	Zoning	\$/SF Land
1	Vintage Park Vintage Park Dr. Sacramento Sacramento County CA Tax ID: 121-0110-056 Grantor: Roman Catholic of Sacramento Grantee: KB Home Sacramento	Dec-19 Closed	\$3,292,000	744,005 17.08	Residential	\$4.42
Comments: Sale of 17.08 acres of residential land to a developer. The property is approved for 81 residential lots.						
2	Solaire Solaire Dr. Roseville Placer County CA Tax ID: 496-100-054, -035, -036, -037 Grantor: WP Development LLC Grantee: TRI Point Homes	Jul-20 Closed	\$5,969,000	662,112 15.20	Residential	\$9.02
Comments: Sale of 15.08 acres of residential land. Buyer plans to develop a single family subdivision on the site.						
3	Bruceville Rd. Land 9142 Bruceville Rd. Elk Grove Sacramento County CA Tax ID: 16-1380-005, 006, 008, 009, 020, 021 Grantor: EGB Elk Grove LLC Grantee: Pacific West Communities Inc.	Oct-19 Closed	\$2,300,000	363,726 8.35	Multifamily	\$6.32
Comments: Sale of 8.35 acres of residential land zoned for upto 15 units per acre. Buyer plans to develop apartments on the site.						
4	Truxel Land Truxel Rd. Sacramento Sacramento County CA Tax ID: 225-0070-098 Grantor: PCBP Properties Inc. Grantee: Arena senior Investors LP	Dec-19 Closed	\$3,100,000	392,476 9.01	Residential	\$7.90
Comments: Sale of 9.01 acres of land in Natomas. Property had an extended escrow while buyer got approvals to build a senior living facility. Buyer plans to build a 240 unit senior living facility.						
5	Gibson Crossing Elverta Rd. Antelope Sacramento County CA Tax ID: 203-0050-056 Grantor: Gibson Crossing LP Grantee: Taylor Builders	Apr-19 Closed	\$4,650,000	918,245 21.08	Residential	\$5.06
Comments: Sale of 21.08 acres of residential land that is partially entitled to be developed. Buyer plans to finish entitlement for approved 163 lot subdivision and build the homes.						

COMPARABLE LAND SALES ADJUSTMENTS						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Common Name	Plover School	Vintage Park	Solaire	Bruceville Rd. Land	Truxel Land	Gibson Crossing
Address	2625 Plover St.	Vintage Park Dr.	Solaire Dr.	9142 Bruceville Rd.	Truxel Rd.	Elverta Rd.
City	Sacramento	Sacramento	Roseville	Elk Grove	Sacramento	Antelope
County	Sacramento	Sacramento	Placer	Sacramento	Sacramento	Sacramento
State	CA	CA	CA	CA	CA	CA
Sale Date		Dec-19	Jul-20	Oct-19	Dec-19	Apr-19
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$3,292,000	\$5,969,000	\$2,300,000	\$3,100,000	\$4,650,000
Effective Sale Price		\$3,292,000	\$5,969,000	\$2,300,000	\$3,100,000	\$4,650,000
Square Feet	179,467	744,005	662,112	363,726	392,476	918,245
Acres	4.12	17.08	15.20	8.35	9.01	21.08
Price per square foot		\$4.42	\$9.02	\$6.32	\$7.90	\$5.06
Property Rights Conveyed		Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Terms/Conditions of Sale						
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions		Dec-19	Jul-20	Oct-19	Dec-19	Apr-19
Annual % Adjustment	-	-	-	-	-	-
Cumulative Adjusted Price		\$4.42	\$9.02	\$6.32	\$7.90	\$5.06
Location		Superior	Superior	Superior	Superior	Superior
% Adjustment		-20%	-30%	-20%	-20%	-10%
Site Size		Inferior	Inferior	Similar	Similar	Inferior
% Adjustment		5%	5%	-	-	5%
Zoning/Density		Inferior	Similar	Similar	Similar	Similar
% Adjustment		5%	-	-	-	-
Utility		Inferior	Similar	Similar	Similar	Similar
% Adjustment		10%	-	-	-	-
Entitlements		Similar	Similar	Similar	Similar	Similar
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net \$ Adjustment		\$0.00	-\$2.25	-\$1.26	-\$1.58	-\$0.25
Net % Adjustment		0%	-25%	-20%	-20%	-5%
Total % Adjustment		0%	-25%	-20%	-20%	-5%
Indication for Subject		\$4.42	\$6.76	\$5.06	\$6.32	\$4.81
Range of Comparable Indications		\$4.42 - \$6.76				
Average		\$5.47				
Median		\$5.06				
Indicated Value		\$4.50				

VALUE INDICATION

After adjustment, the comparables support a range of value indications from \$4.42 - \$6.76 per square foot of land area. The average and median indicators are \$5.47 and \$5.06 per square foot, respectively. We place greatest weight on Sales 1 and 5 as they are most similar to the subject.

It is necessary to account for the cost to demolish the improvements to reach market value. It costs approximately \$10 per square foot to demolish the improvements.

Given the foregoing analysis, we conclude to a value indication by sales comparison as follows:

LAND VALUE CONCLUSION	
Indicated Value per Square Foot	\$4.50
Subject Square Feet	179,467
Indicated Value	\$807,602
Adjustments	
Demolition Costs	-\$150,000
Total Adjustments	-\$150,000
Indicated Value	\$657,602
Rounded	\$660,000

PROPERTY ANALYSIS – SMYTHE ACADEMY

PROPERTY DESCRIPTION AND ANALYSIS – 700 DOS RIOS STREET, NORTH HIGHLANDS

The description of the site is based upon our physical inspection of the property and information available from the client and public resources.

IDENTIFICATION

Name: Smythe Academy Middle
Address: 700 Dos Rios Street, Sacramento, 95811
Assessor Parcel Number: 001-0082-001

LOCATION AND SURROUNDING USES

The subject is located at north of Richards Boulevard, east of Dos Rios Street and south of Vine Street. The property takes up the entire block. South of the subject is an ongoing development of a low income residential project to replace the old Dos Rios Homes Housing Project. The property is surrounded by industrial use on all other sides.

LAND AREA

9.00 acres

SHAPE AND DIMENSIONS

Triangular

INFRASTRUCTURE AND OFFSITE IMPROVEMENTS

All streets are fully paved with sidewalks and gutters. Access to the property is provided by Dos Rios Street.

UTILITIES

Typical utilities and municipal services to site.

TOPOGRAPHY

The site is generally level.

ENVIRONMENTAL HAZARDS

We were not provided with an environmental report; however, no unusual conditions observed, and none were reported by the owner. For purposes of this appraisal, we assume that the subject site is not impacted by any significant environmental concerns that would warrant remediation, or otherwise impact the marketability of the property.

EASEMENTS, ENCRoACHMENTS & RESTRICTIONS

We were not provided with a preliminary title report or deed. Our valuation assumes that any easements or restrictions that affect the subject property are typical of its type and location, and that there are no encroachments that adversely impact value. For purposes of this valuation we assume that the subject has a clear and marketable title.

ZONING AND OTHER LAND USE REGULATIONS

RMX-SPD, Residential mixed use, special planning district. This use allows for residential use and some mixed use development. The property is adjacent to multiple industrial sites, and industrial development is most likely and appears to be allowed in this zoning area.

FLOOD HAZARD STATUS

The property is located within FEMA map panel 06067C0176J with effective date of 6/16/2015. The property is located within Zone X, which are areas with 500 year flood protection via a levee.

PROPERTY HISTORY AND OCCUPANCY

The subject property is owned by Twin Rivers Unified School District. The property has been owned in excess of three years. The property is currently utilized as a school which is reportedly to be closed in the near future.

IMPROVEMENTS

The subject site is improved with a school property consisting of approximately 32,000 square feet of building area. The building area consists of a mix of portable classroom buildings and standard construction. The property is in average condition but is reportedly in need of some major repairs including a new roof. The property is surrounded by industrial use on 3 sides and a housing project that is under construction on one side. There is minimal housing within 1 mile of the subject property.

PLAT MAP



AERIAL MAP



PHOTOGRAPHS – SMYTHE ACADEMY



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Date of Photo: October 1, 2020)



(Date of Photo: October 1, 2020)



(Date of Photo: October 1, 2020)



(Date of Photo: October 1, 2020)

HIGHEST AND BEST USE – SMYTHE ACADEMY

A determination of highest and best use is necessary prior to valuation of a property. In the sixth edition of *The Dictionary of Real Estate Appraisal*, the Appraisal Institute defines Highest and Best Use as: “The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

We conduct four tests to determine the highest and best use of the subject property:

- Legally permissible per the applicable zoning standards and other restrictions
- Physically possible
- Financially feasible
- Maximally productive

Typically, these tests are applied in the order listed above. The highest and best use of a property is the one that meets the first three criteria, and will produce the greatest future benefit to the owner. Analysis of the highest and best use of the land assumes that the subject site is vacant and available for development to the determined highest and best use. The analysis of Highest and Best Use As Improved determines whether continued use as is, alteration, or demolition and redevelopment constitutes the maximally productive use of the existing improvements.

AS IF VACANT

LEGALLY PERMISSIBLE

The subject is zoned RMX-SPD, residential mixed use, special planning district. Based on this zoning designation, the site can be developed with residential use and a variety of commercial uses including industrial use. No other restrictions have been identified that would limit development of the property beyond the development standards stipulated by the municipal code for the subject’s designated zoning.

PHYSICALLY POSSIBLE

The subject site is comprised of a single parcel. Its shape is triangular, and its topography is level. Access and infrastructure are adequate. Overall, the physical site attributes result in average utility, and the property could be developed to a variety of uses per the provisions of its zoning designation, and with the approval of the local planning department.

FINANCIALLY FEASIBLE

Based on our review of the market, it appears that the value of a new industrial use on the subject site would be commensurate with its cost to build. Demand in the area is adequate to justify new construction, and near-term development of an industrial use on the subject site is determined to be financially feasible.

MAXIMALLY PRODUCTIVE

Of the uses that would likely be developed on the subject site, only industrial use meets the first three criteria (legally permissible, physically possible, and financially feasible); therefore, near-term development of a new industrial use would render the highest residual land value, and is determined to be the maximally productive use of the property.

CONCLUSION – HIGHEST & BEST USE AS IF VACANT

The foregoing analysis indicates that only industrial use meets the four criteria utilized in determining highest and best use; therefore, near-term development of a new industrial use is determined to be the highest and best use of the subject as vacant.

AS IMPROVED

The subject property is improved with a 32,000 square foot school property. Based on a review of the zoning guidelines, the current use of the subject is legally conforming. In their current configuration, the subject improvements are functionally obsolescent as there is no demand for a school site in the local area.

As such, a redevelopment of the current school use into industrial development is determined to be financially feasible.

Of the permissible, possible, and feasible uses of the subject improvements, achievable net income and rates of return indicate that redevelopment of industrial use would result in the highest market value for the existing improvements. Moreover, this value of the underlying site exceeds the value of the improvements. As such, redevelopment of industrial use is concluded to be the maximally productive use of the subject property as improved.

CONCLUSION – HIGHEST & BEST USE AS IMPROVED

Based on the foregoing, redevelopment of the subject site into industrial use appears to be the only use that meets all four criteria; therefore, redevelopment into industrial use is concluded to be the highest and best use of the subject property as improved.

MOST PROBABLE PURCHASER

Considering the physical attributes of the subject, and trends in the market, the most probable purchaser of the subject property is a developer.

SALES COMPARISON APPROACH – SMYTHE ACADEMY

METHODOLOGY

In the sales comparison approach, we develop an opinion of value of the subject by compiling, verifying, and comparing recent and pending sales, as well as listings of properties similar in locational, physical, and economic attributes. The sales comparison approach is based upon the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The sales comparison approach to value involves the following steps:

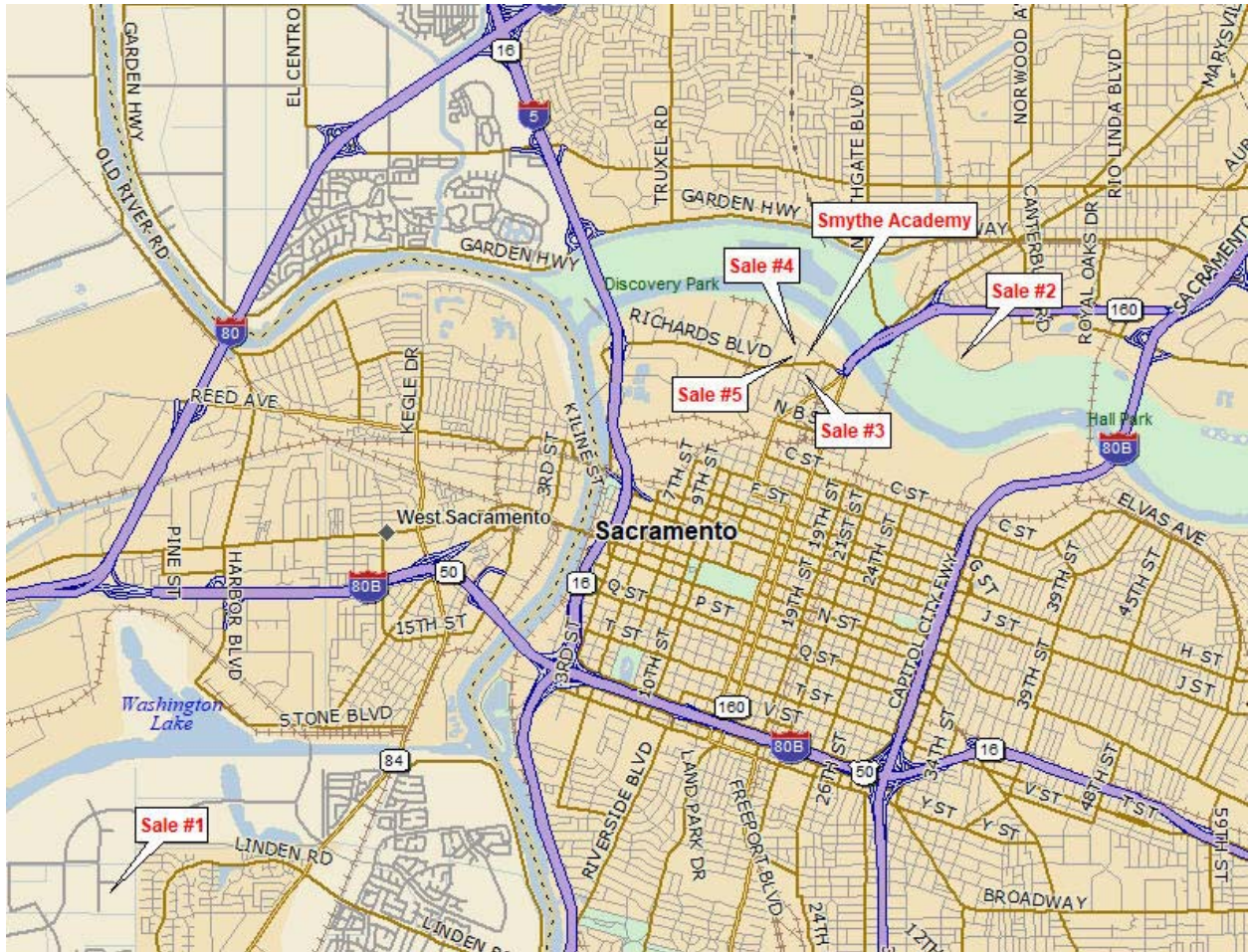
- **Determine the Unit of Comparison:** Examine market trends, interview market participants, and consider market data in order to determine the most widely used unit of comparison for properties with characteristics similar to those of the subject. For purposes of this analysis, the unit of comparison utilized is price per square foot of land area.
- **Compile and Verify Comparable Data:** Research is conducted to compile comparable pending sales, closed sales, and active listings of properties that are similar to the subject in location, size, density, construction age and quality, and other physical, legal, and economic characteristics. A reasonable effort has been made to verify the salient facts of each comparable transaction, as well its arm's length status. In the event that we are unable to confirm a comparable with a direct party to the transaction, we have obtained secondary verification from public records and other market sources unless otherwise noted.
- **Comparison and Adjustment:** Once the comparable data set has been identified, we adjust each sale/listing to account for specific differences in value-impacting transactional, locational, physical, and legal attributes (elements of comparison). All adjustments are applied to the comparables as they relate to the subject property.
- **Reconciliation:** The value indications rendered from the adjustment process are evaluated for reliability and relevance to the subject, and reconciled to a single value conclusion for the subject property. The relevance of each comparable is largely captured in a comparison of the net and overall adjustments that are necessary in the adjustment process.

The following exhibits summarize the comparable data set that has been determined to be most relevant to the subject for purposes of sales comparison:

COMPARABLE LAND SALES

On the following pages, we present a summary of the comparable improved sales that have been determined to be most relevant to the subject, including maps and photos.

COMPARABLE SALES MAP



SUMMARY OF COMPARABLE LAND SALES						
No.	Property/Location	Date of Sale; Sale Status	Effective Sale Price	Site Size (SF); Site Size (Acres)	Zoning	\$/SF Land
1	Ramco St. 3105 Ramco St. West Sacramento Yolo County CA Tax ID: 045-910-012, -013 Grantor: Southport Bus. Park Grantee: F Street Inv. LLC Comments: Sale of 2 parcels of industrial land to a developer who plans to build warehouse space on site.	Sep-19 Closed	\$2,761,000	409,027 9.39	Industrial	\$6.75
2	Lathrop Way Land 181 Lathrop Way Sacramento Sacramento County CA Tax ID: 275-0300-027 Grantor: Scott Cable Grantee: Refrigeration Sup. Dist. Comments: Sale of 2.7 acres of industrial land. Buyer plans to building a warehouse building on site.	Feb-18 Closed	\$764,500	117,612 2.70	Industrial	\$6.50
3	600 Sunbeam Ave. Sacramento Sacramento County CA Tax ID: N/Av Grantor: Carson of Craig Ptshp Grantee: Sac Housing Auth. Comments: Industrial warehouse building purchased for land value by the Sacramento Housing Authority. Buyer planned to devleop the space with housing in the near term.	May-18 Closed	\$1,955,382	90,936 2.09	Industrial	\$21.50
4	701 Dos Rios Blvd. Sacramento Sacramento County CA Tax ID: 001-0081-013 Grantor: Dos Rios Condominiums LLC Grantee: Legacy LLC Comments: Sale of 4.17 acres of industrial land. Property previously had a building on site that burnt down in 2017. Site is paved.	Jul-18 Closed	\$2,800,000	181,645 4.17	Industrial	\$15.41
5	601 Dos Rios Blvd. Sacramento Sacramento County CA Tax ID: 001-0081-014, -015 Grantor: White Crane Props LLC Grantee: Wells Investments LLC Comments: Sale of 2.13 acres of industrial land. Property previously had a building on site that burnt down in 2017. Site is paved.	Jan-19 Closed	\$1,550,000	92,783 2.13	Industrial	\$16.71

COMPARABLE LAND SALES ADJUSTMENTS						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Common Name	Smythe Academy	Ramco St.	Lathrop Way Land	600 Sunbeam Ave.	701 Dos Rios Blvd.	601 Dos Rios Blvd.
Address	700 Dos Rios	3105 Ramco St.	181 Lathrop Way	600 Sunbeam Ave.	701 Dos Rios Blvd.	601 Dos Rios Blvd.
City	Sacramento	West Sacramento	Sacramento	Sacramento	Sacramento	Sacramento
County	Sacramento	Yolo	Sacramento	Sacramento	Sacramento	Sacramento
State	CA	CA	CA	CA	CA	CA
Sale Date		Sep-19	Feb-18	May-18	Jul-18	Jan-19
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$2,761,000	\$764,500	\$1,955,382	\$2,800,000	\$1,550,000
Effective Sale Price		\$2,761,000	\$764,500	\$1,955,382	\$2,800,000	\$1,550,000
Square Feet	392,040	409,027	117,612	90,936	181,645	92,783
Acres	9.00	9.39	2.70	2.09	4.17	2.13
Price per square foot		\$6.75	\$6.50	\$21.50	\$15.41	\$16.71
Property Rights Conveyed		Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Terms/Conditions of Sale						
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions		Sep-19	Feb-18	May-18	Jul-18	Jan-19
Annual % Adjustment	-	-	-	-	-	-
Cumulative Adjusted Price		\$6.75	\$6.50	\$21.50	\$15.41	\$16.71
Location		Inferior	Inferior	Similar	Similar	Similar
% Adjustment		15%	15%	-	-	-
Site Size		Similar	Superior	Superior	Superior	Superior
% Adjustment		-	-10%	-10%	-10%	-10%
Zoning/Density		Similar	Similar	Similar	Similar	Similar
% Adjustment		-	-	-	-	-
Utility		Similar	Similar	Superior	Similar	Similar
% Adjustment		-	-	-10%	-	-
Entitlements		Similar	Similar	Similar	Similar	Similar
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net \$ Adjustment		\$1.01	\$0.33	-\$4.30	-\$1.54	-\$1.67
Net % Adjustment		15%	5%	-20%	-10%	-10%
Total % Adjustment		15%	5%	-20%	-10%	-10%
Indication for Subject		\$7.76	\$6.83	\$17.20	\$13.87	\$15.04
Range of Comparable Indications		\$6.83 - \$17.20				
Average		\$12.14				
Median		\$13.87				
Indicated Value		\$15.00				

VALUE INDICATION

After adjustment, the comparables support a range of value indications from \$6.83 - \$17.20 per square foot of land area. The average and median indicators are \$12.14 and \$13.87 per square foot, respectively. We place greatest weight on Sales 4 and 5 as they are across the street from the subject property.

It is necessary to account for the cost to demolish the improvements to reach market value. It costs approximately \$10 per square foot to demolish the improvements.

Given the foregoing analysis, we conclude to a value indication by sales comparison as follows:

LAND VALUE CONCLUSION	
Indicated Value per Square Foot	\$15.00
Subject Square Feet	392,040
Indicated Value	\$5,880,600
Adjustments	
Demolition Costs	-\$320,000
Total Adjustments	-\$320,000
Indicated Value	\$5,560,600
Rounded	\$5,560,000

PROPERTY ANALYSIS – TERRACE PARK

PROPERTY DESCRIPTION AND ANALYSIS – 891 GREG THATCH CIRCLE, SACRAMENTO

The description of the site is based upon our physical inspection of the property and information available from the client and public resources.

IDENTIFICATION

Name: Terrace Park

Address: 891 Greg Thatch Circle, Sacramento, 95835

Assessor Parcel Number: 201-1070-076

LOCATION AND SURROUNDING USES

The subject is located at the northwest corner of Greg Thatch Circle and Tres Piezas Drive. The property is in a residential neighborhood and is surrounded by residential use. There is a park directly north of the subject property.

LAND AREA

8.21 acres

SHAPE AND DIMENSIONS

Rectangular

INFRASTRUCTURE AND OFFSITE IMPROVEMENTS

All streets are fully paved with sidewalks and gutters. Access to the property is provided by Greg Thatch Circle and Tres Piezas Drive.

UTILITIES

Typical utilities and municipal services to site.

TOPOGRAPHY

The site is generally level.

ENVIRONMENTAL HAZARDS

We were not provided with an environmental report; however, no unusual conditions observed, and none were reported by the owner. For purposes of this appraisal, we assume that the subject site is not impacted by any significant environmental concerns that would warrant remediation, or otherwise impact the marketability of the property.

EASEMENTS, ENCROACHMENTS & RESTRICTIONS

We were not provided with a preliminary title report or deed. Our valuation assumes that any easements or restrictions that affect the subject property are typical of its type and location, and that

there are no encroachments that adversely impact value. For purposes of this valuation we assume that the subject has a clear and marketable title.

ZONING AND OTHER LAND USE REGULATIONS

R-1A-PUD, Single family alternative residential. This use allows for residential use.

FLOOD HAZARD STATUS

The property is located within FEMA map panel 06067C0045H with effective date of 6/16/2015. The property is located within Zone A99, this zone includes a 1% chance of annual flood. The flood plane is expected to be changed upon completion of levy improvements that are on going.

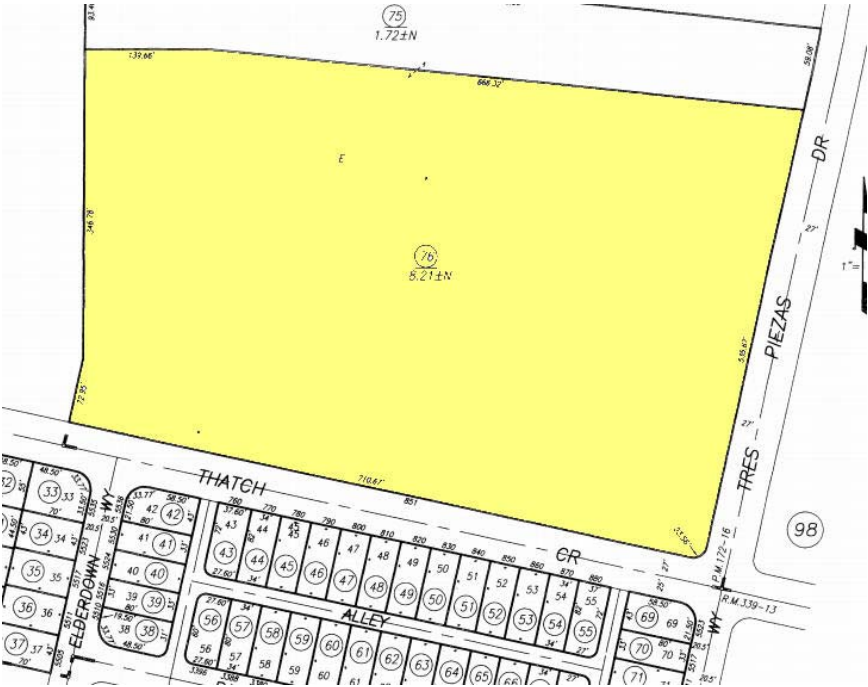
PROPERTY HISTORY AND OCCUPANCY

The subject property is owned by Twin Rivers Unified School District. The property has been owned in excess of three years. The property is currently vacant land.

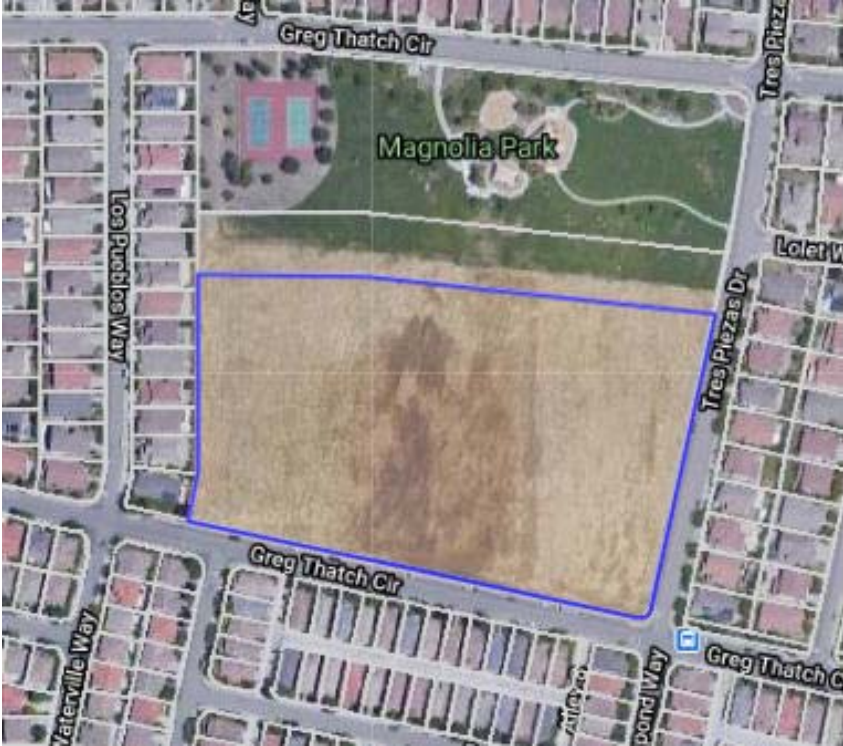
IMPROVEMENTS

There are no improvements in place.

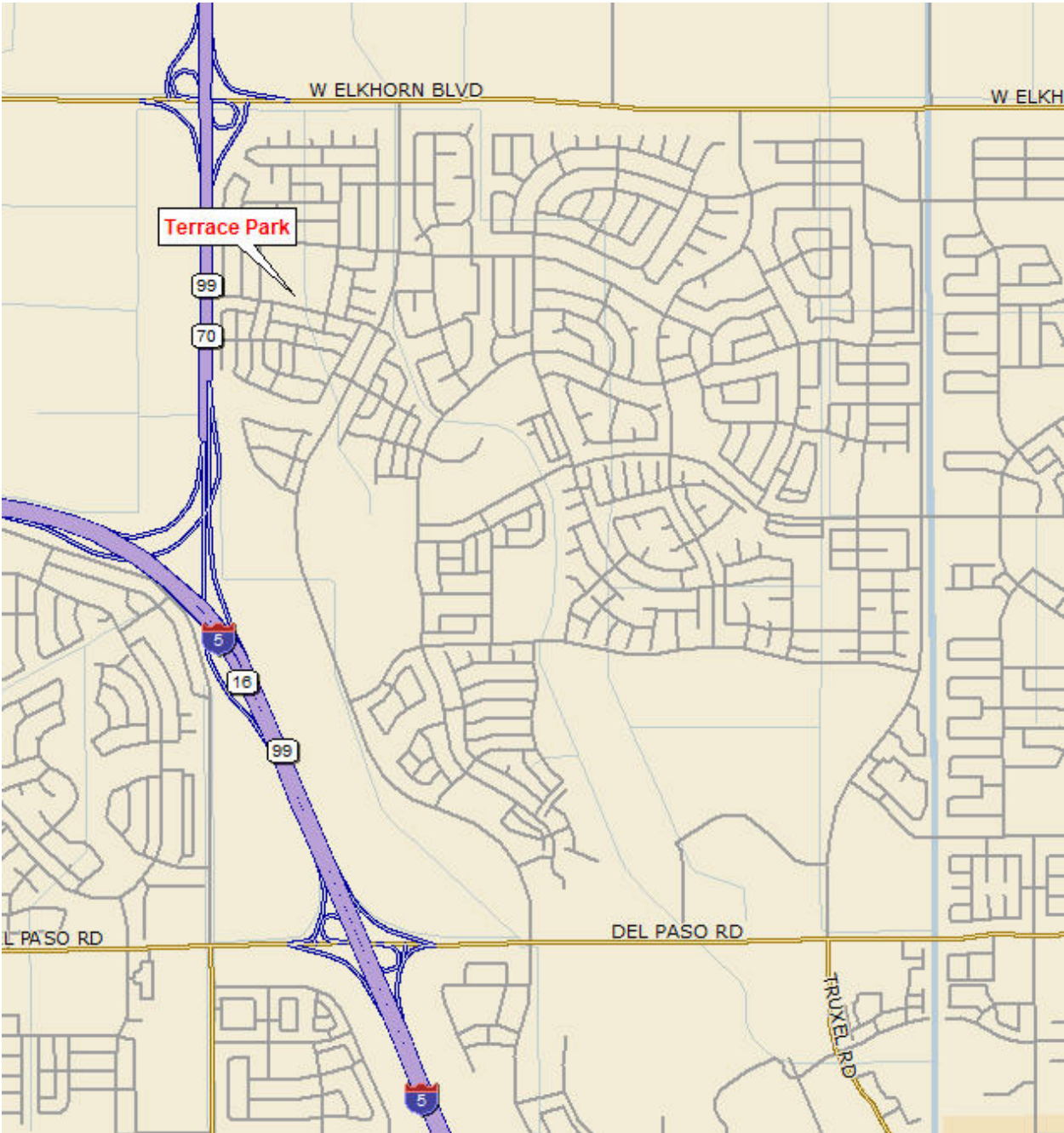
PLAT MAP



AERIAL MAP



LOCAL MAP



PHOTOGRAPHS – TERRACE PARK



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)

HIGHEST AND BEST USE – TERRACE PARK

A determination of highest and best use is necessary prior to valuation of a property. In the sixth edition of *The Dictionary of Real Estate Appraisal*, the Appraisal Institute defines Highest and Best Use as: “The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

We conduct four tests to determine the highest and best use of the subject property:

- Legally permissible per the applicable zoning standards and other restrictions
- Physically possible
- Financially feasible
- Maximally productive

Typically, these tests are applied in the order listed above. The highest and best use of a property is the one that meets the first three criteria, and will produce the greatest future benefit to the owner. Analysis of the highest and best use of the land assumes that the subject site is vacant and available for development to the determined highest and best use. The analysis of Highest and Best Use As Improved determines whether continued use as is, alteration, or demolition and redevelopment constitutes the maximally productive use of the existing improvements.

AS IF VACANT

LEGALLY PERMISSIBLE

The subject is zoned R-1A-PUD, single family alternative residential. Based on this zoning designation, the site can be developed with residential use. No other restrictions have been identified that would limit development of the property beyond the development standards stipulated by the municipal code for the subject’s designated zoning.

PHYSICALLY POSSIBLE

The subject site is comprised of a single parcel. Its shape is rectangular, and its topography is level. Access and infrastructure are adequate. Overall, the physical site attributes result in average utility, and the property could be developed to a variety of uses per the provisions of its zoning designation, and with the approval of the local planning department.

FINANCIALLY FEASIBLE

Based on our review of the market, it appears that the value of a new residential subdivision on the subject site would be commensurate with its cost to build. Demand in the area is adequate to justify new construction, and near-term development of a residential subdivision on the subject site is determined to be financially feasible.

MAXIMALLY PRODUCTIVE

Of the uses that would likely be developed on the subject site, only residential use meets the first three criteria (legally permissible, physically possible, and financially feasible); therefore, near-term development of a new residential use would render the highest residual land value, and is determined to be the maximally productive use of the property.

CONCLUSION – HIGHEST & BEST USE AS IF VACANT

The foregoing analysis indicates that only residential use meets the four criteria utilized in determining highest and best use; therefore, near-term development of a new residential use is determined to be the highest and best use of the subject as vacant.

AS IMPROVED**MOST PROBABLE PURCHASER**

Considering the physical attributes of the subject, and trends in the market, the most probable purchaser of the subject property is a developer.

SALES COMPARISON APPROACH – TERRACE PARK

METHODOLOGY

In the sales comparison approach, we develop an opinion of value of the subject by compiling, verifying, and comparing recent and pending sales, as well as listings of properties similar in locational, physical, and economic attributes. The sales comparison approach is based upon the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The sales comparison approach to value involves the following steps:

- **Determine the Unit of Comparison:** Examine market trends, interview market participants, and consider market data in order to determine the most widely used unit of comparison for properties with characteristics similar to those of the subject. For purposes of this analysis, the unit of comparison utilized is price per square foot of land area.
- **Compile and Verify Comparable Data:** Research is conducted to compile comparable pending sales, closed sales, and active listings of properties that are similar to the subject in location, size, density, construction age and quality, and other physical, legal, and economic characteristics. A reasonable effort has been made to verify the salient facts of each comparable transaction, as well its arm's length status. In the event that we are unable to confirm a comparable with a direct party to the transaction, we have obtained secondary verification from public records and other market sources unless otherwise noted.
- **Comparison and Adjustment:** Once the comparable data set has been identified, we adjust each sale/listing to account for specific differences in value-impacting transactional, locational, physical, and legal attributes (elements of comparison). All adjustments are applied to the comparables as they relate to the subject property.
- **Reconciliation:** The value indications rendered from the adjustment process are evaluated for reliability and relevance to the subject, and reconciled to a single value conclusion for the subject property. The relevance of each comparable is largely captured in a comparison of the net and overall adjustments that are necessary in the adjustment process.

The following exhibits summarize the comparable data set that has been determined to be most relevant to the subject for purposes of sales comparison:

COMPARABLE LAND SALES

On the following pages, we present a summary of the comparable improved sales that have been determined to be most relevant to the subject, including maps.

COMPARABLE SALES MAP



SUMMARY OF COMPARABLE LAND SALES						
No.	Property/Location	Date of Sale; Sale Status	Effective Sale Price	Site Size (SF); Site Size (Acres)	Zoning	\$/SF Land
1	Vintage Park Vintage Park Dr. Sacramento Sacramento County CA Tax ID: 121-0110-056 Grantor: Roman Catholic of Sacramento Grantee: KB Home Sacramento	Dec-19 Closed	\$3,292,000	744,005 17.08	Residential	\$4.42
Comments: Sale of 17.08 acres of residential land to a developer. The property is approved for 81 residential lots.						
2	Solaire Solaire Dr. Roseville Placer County CA Tax ID: 496-100-054, -035, -036, -037 Grantor: WP Development LLC Grantee: TRI Point Homes	Jul-20 Closed	\$5,969,000	662,112 15.20	Residential	\$9.02
Comments: Sale of 15.08 acres of residential land. Buyer plans to develop a single family subdivision on the site.						
3	Bruceville Rd. Land 9142 Bruceville Rd. Elk Grove Sacramento County CA Tax ID: 16-1380-005, 006, 008, 009, 020, 021 Grantor: EGB Elk Grove LLC Grantee: Pacific West Communities Inc.	Oct-19 Closed	\$2,300,000	363,726 8.35	Multifamily	\$6.32
Comments: Sale of 8.35 acres of residential land zoned for upto 15 units per acre. Buyer plans to develop apartments on the site.						
4	Truxel Land Truxel Rd. Sacramento Sacramento County CA Tax ID: 225-0070-098 Grantor: PCBP Properties Inc. Grantee: Arena senior Investors LP	Dec-19 Closed	\$3,100,000	392,476 9.01	Residential	\$7.90
Comments: Sale of 9.01 acres of land in Natomas. Property had an extended escrow while buyer got approvals to build a senior living facility. Buyer plans to build a 240 unit senior living facility.						
5	Gibson Crossing Elverta Rd. Antelope Sacramento County CA Tax ID: 203-0050-056 Grantor: Gibson Crossing LP Grantee: Taylor Builders	Apr-19 Closed	\$4,650,000	918,245 21.08	Residential	\$5.06
Comments: Sale of 21.08 acres of residential land that is partially entitled to be developed. Buyer plans to finish entitlement for approved 163 lot subdivision and build the homes.						

COMPARABLE LAND SALES ADJUSTMENTS						
Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	
Common Name	Terrace Park	Vintage Park	Solaire	Bruceville Rd. Land	Truxel Land	Gibson Crossing
Address	891 Greg Thatch Cir.	Vintage Park Dr.	Solaire Dr.	9142 Bruceville Rd.	Truxel Rd.	Elverta Rd.
City	Sacramento	Sacramento	Roseville	Elk Grove	Sacramento	Antelope
County	Sacramento	Sacramento	Placer	Sacramento	Sacramento	Sacramento
State	CA	CA	CA	CA	CA	CA
Sale Date		Dec-19	Jul-20	Oct-19	Dec-19	Apr-19
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$3,292,000	\$5,969,000	\$2,300,000	\$3,100,000	\$4,650,000
Effective Sale Price		\$3,292,000	\$5,969,000	\$2,300,000	\$3,100,000	\$4,650,000
Square Feet	357,628	744,005	662,112	363,726	392,476	918,245
Acres	8.21	17.08	15.20	8.35	9.01	21.08
Price per square foot		\$4.42	\$9.02	\$6.32	\$7.90	\$5.06
Property Rights Conveyed		Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Terms/Conditions of Sale						
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions		Dec-19	Jul-20	Oct-19	Dec-19	Apr-19
Annual % Adjustment	-	-	-	-	-	-
Cumulative Adjusted Price		\$4.42	\$9.02	\$6.32	\$7.90	\$5.06
Location		Inferior	Superior	Inferior	Inferior	Inferior
% Adjustment		10%	-10%	10%	10%	20%
Site Size		Inferior	Inferior	Similar	Similar	Inferior
% Adjustment		5%	5%	-	-	5%
Zoning/Density		Inferior	Similar	Similar	Similar	Similar
% Adjustment		5%	-	-	-	-
Utility		Inferior	Similar	Similar	Similar	Similar
% Adjustment		10%	-	-	-	-
Entitlements		Similar	Similar	Similar	Similar	Similar
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net \$ Adjustment		\$1.33	-\$0.45	\$0.63	\$0.79	\$1.27
Net % Adjustment		30%	-5%	10%	10%	25%
Total % Adjustment		30%	-5%	10%	10%	25%
Indication for Subject		\$5.75	\$8.56	\$6.96	\$8.69	\$6.33
Range of Comparable Indications		\$5.75 - \$8.69				
Average		\$7.26				
Median		\$6.96				
Indicated Value		\$8.50				

VALUE INDICATION

After adjustment, the comparables support a range of value indications from \$5.75 - \$8.69 per square foot of land area. The average and median indicators are \$7.260 and \$6.96 per square foot, respectively. We place greatest weight on Sales 2, 3, and 4 as they are most similar to the subject.

Given the foregoing analysis, we conclude to a value indication by sales comparison as follows:

LAND VALUE CONCLUSION	
Indicated Value per Square Foot	\$8.50
Subject Square Feet	357,628
Indicated Value	\$3,039,835
Rounded	\$3,040,000

PROPERTY ANALYSIS – VINELAND

PROPERTY DESCRIPTION AND ANALYSIS – 6450 20TH STREET, RIO LINDA

The description of the site is based upon our physical inspection of the property and information available from the client and public resources.

IDENTIFICATION

Name: Vineland

Address: 6450 20th Street, Rio Linda, 95673

Assessor Parcel Number: 207-0221-016

LOCATION AND SURROUNDING USES

The subject is located at the northeast corner of 20th Street and I Street. The property is surrounded by large lot residential with some agricultural uses mixed in.

LAND AREA

9.05 acres

SHAPE AND DIMENSIONS

Rectangular

INFRASTRUCTURE AND OFFSITE IMPROVEMENTS

All streets are fully paved. They are rural roads and there are on sidewalks or gutters. Access to the property is provided by 20th Street, the primary access point, as well as I Street.

UTILITIES

Typical utilities and municipal services to site.

TOPOGRAPHY

The site is generally level.

ENVIRONMENTAL HAZARDS

We were not provided with an environmental report; however, no unusual conditions observed, and none were reported by the owner. For purposes of this appraisal, we assume that the subject site is not impacted by any significant environmental concerns that would warrant remediation, or otherwise impact the marketability of the property.

EASEMENTS, ENCROACHMENTS & RESTRICTIONS

We were not provided with a preliminary title report or deed. Our valuation assumes that any easements or restrictions that affect the subject property are typical of its type and location, and that there are no encroachments that adversely impact value. For purposes of this valuation we assume that the subject has a clear and marketable title.

ZONING AND OTHER LAND USE REGULATIONS

AR-2, Agricultural – Residential 2 acres. This use allows for residential and agricultural use with 2 acre lot size minimum.

FLOOD HAZARD STATUS

The property is located within FEMA map panel 06067C0066H with effective date of 8/16/2012. The property is located within Zone X, which are areas with 500 year flood protection.

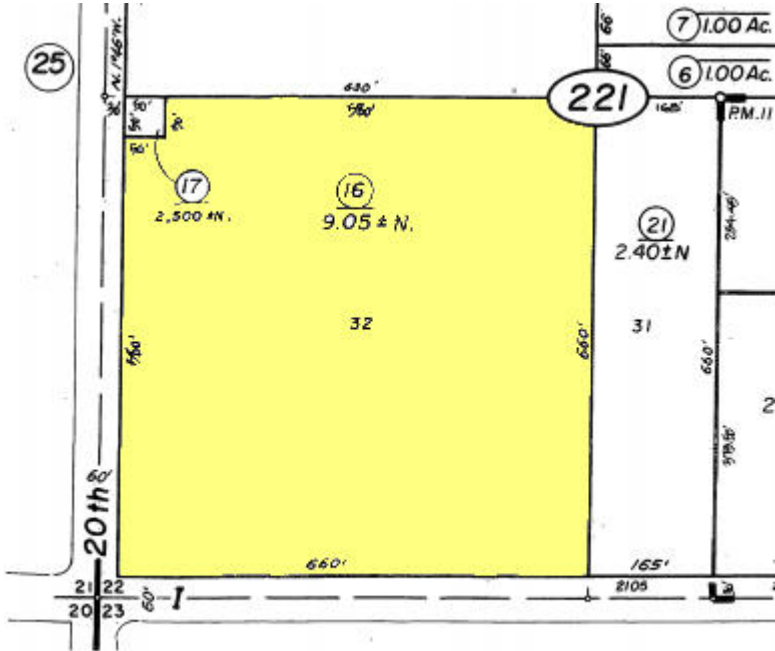
PROPERTY HISTORY AND OCCUPANCY

The subject property is owned by Twin Rivers Unified School District. The property has been owned in excess of three years. The property is currently partially occupied by an education use.

IMPROVEMENTS

The subject site is improved with a school property consisting of 30,000 square feet. The site includes a small industrial yard area with some small warehouse buildings. The improvements are in average condition and are currently mostly vacant with a small user occupying a small portion of the property. The property is in a rural setting and has some functional obsolescence due to the low demand for a school in the area.

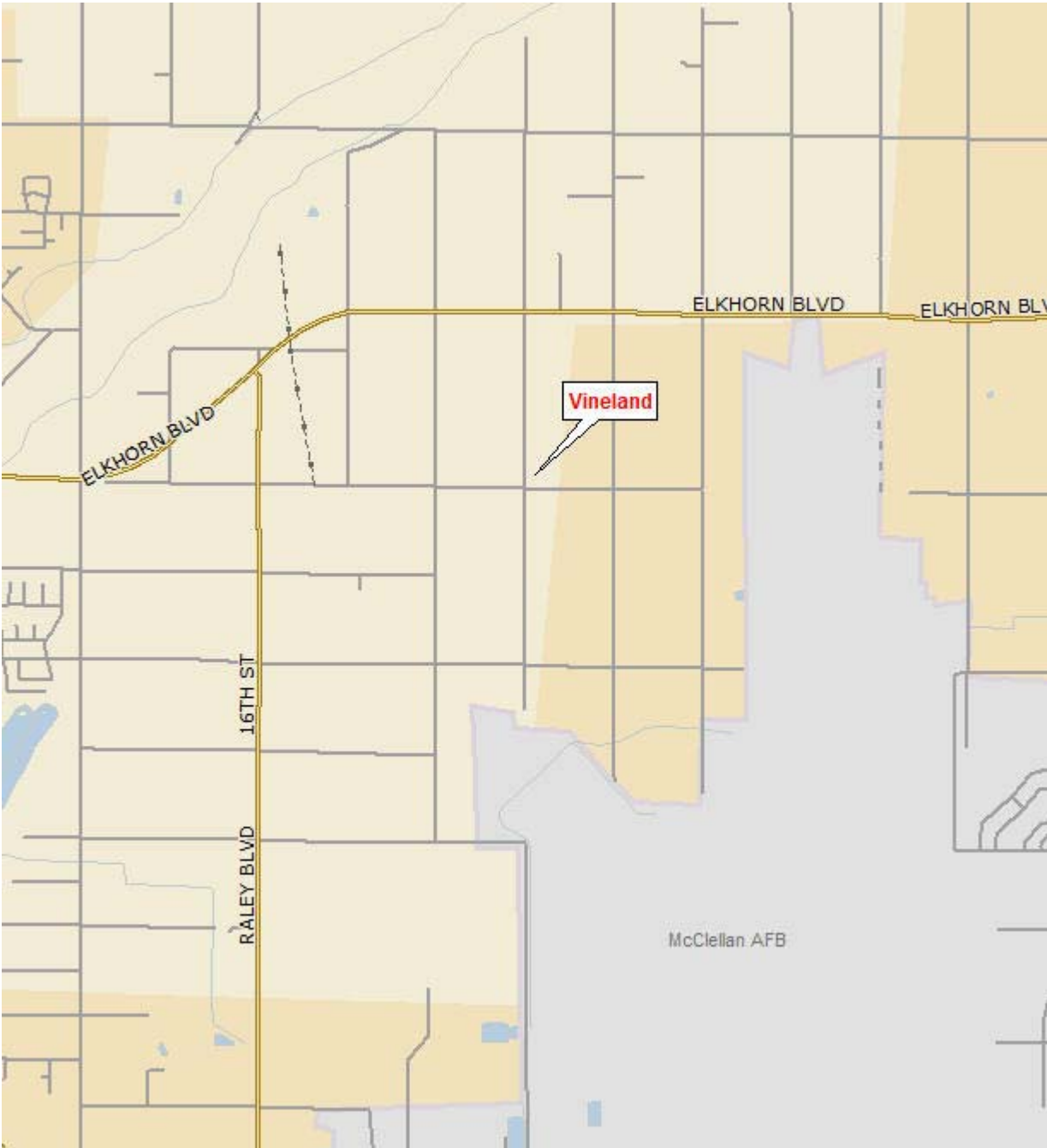
PLAT MAP



AERIAL MAP



LOCAL MAP



PHOTOGRAPHS – VINELAND



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)

HIGHEST AND BEST USE – VINELAND

A determination of highest and best use is necessary prior to valuation of a property. In the sixth edition of *The Dictionary of Real Estate Appraisal*, the Appraisal Institute defines Highest and Best Use as: “The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

We conduct four tests to determine the highest and best use of the subject property:

- Legally permissible per the applicable zoning standards and other restrictions
- Physically possible
- Financially feasible
- Maximally productive

Typically, these tests are applied in the order listed above. The highest and best use of a property is the one that meets the first three criteria, and will produce the greatest future benefit to the owner. Analysis of the highest and best use of the land assumes that the subject site is vacant and available for development to the determined highest and best use. The analysis of Highest and Best Use As Improved determines whether continued use as is, alteration, or demolition and redevelopment constitutes the maximally productive use of the existing improvements.

AS IF VACANT

LEGALLY PERMISSIBLE

The subject is zoned AR-2, agricultural-residential 2 acres. Based on this zoning designation, the site can be developed with agricultural and residential use with a minimum lot size of 2 acres. No other restrictions have been identified that would limit development of the property beyond the development standards stipulated by the municipal code for the subject’s designated zoning.

PHYSICALLY POSSIBLE

The subject site is comprised of a single parcel. Its shape is rectangular, and its topography is level. Access and infrastructure are adequate. Overall, the physical site attributes result in average utility, and the property could be developed to a variety of uses per the provisions of its zoning designation, and with the approval of the local planning department.

FINANCIALLY FEASIBLE

Based on our review of the market, it appears that the value of a new residential subdivision use on the subject site would be commensurate with its cost to build. Demand in the area is adequate to justify new construction, and near-term development of a residential use on the subject site is determined to be financially feasible.

MAXIMALLY PRODUCTIVE

Of the uses that would likely be developed on the subject site, only residential use meets the first three criteria (legally permissible, physically possible, and financially feasible); therefore, near-term development of a new residential use would render the highest residual land value, and is determined to be the maximally productive use of the property.

CONCLUSION – HIGHEST & BEST USE AS IF VACANT

The foregoing analysis indicates that only residential use meets the four criteria utilized in determining highest and best use; therefore, near-term development of a new residential use is determined to be the highest and best use of the subject as vacant.

AS IMPROVED

The subject property is improved with a 30,000 square foot school property. Based on a review of the zoning guidelines, the current use of the subject is legally conforming. In their current configuration, the subject improvements have some functional obsolescence as there is limited demand for a school site in the local area.

The underlying value of the land does not exceed the value of the improvements. As such, a continuation of the current school use is considered to be feasible.

Of the permissible, possible, and feasible uses of the subject improvements, and rates of return indicate that continuation of school use would result in the highest market value for the subject property. Moreover, this value of the underlying site does not exceed the value of the improvements. As such, continued school use is concluded to be the maximally productive use of the subject property as improved.

CONCLUSION – HIGHEST & BEST USE AS IMPROVED

Based on the foregoing, continued school use appears to be the only use that meets all four criteria; therefore, continued school use is concluded to be the highest and best use of the subject property as improved.

MOST PROBABLE PURCHASER

Considering the physical attributes of the subject, and trends in the market, the most probable purchaser of the subject property is a charter school operator.

SALES COMPARISON APPROACH – VINELAND

METHODOLOGY

In the sales comparison approach, we develop an opinion of value of the subject by compiling, verifying, and comparing recent and pending sales, as well as listings of properties similar in locational, physical, and economic attributes. The sales comparison approach is based upon the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The sales comparison approach to value involves the following steps:

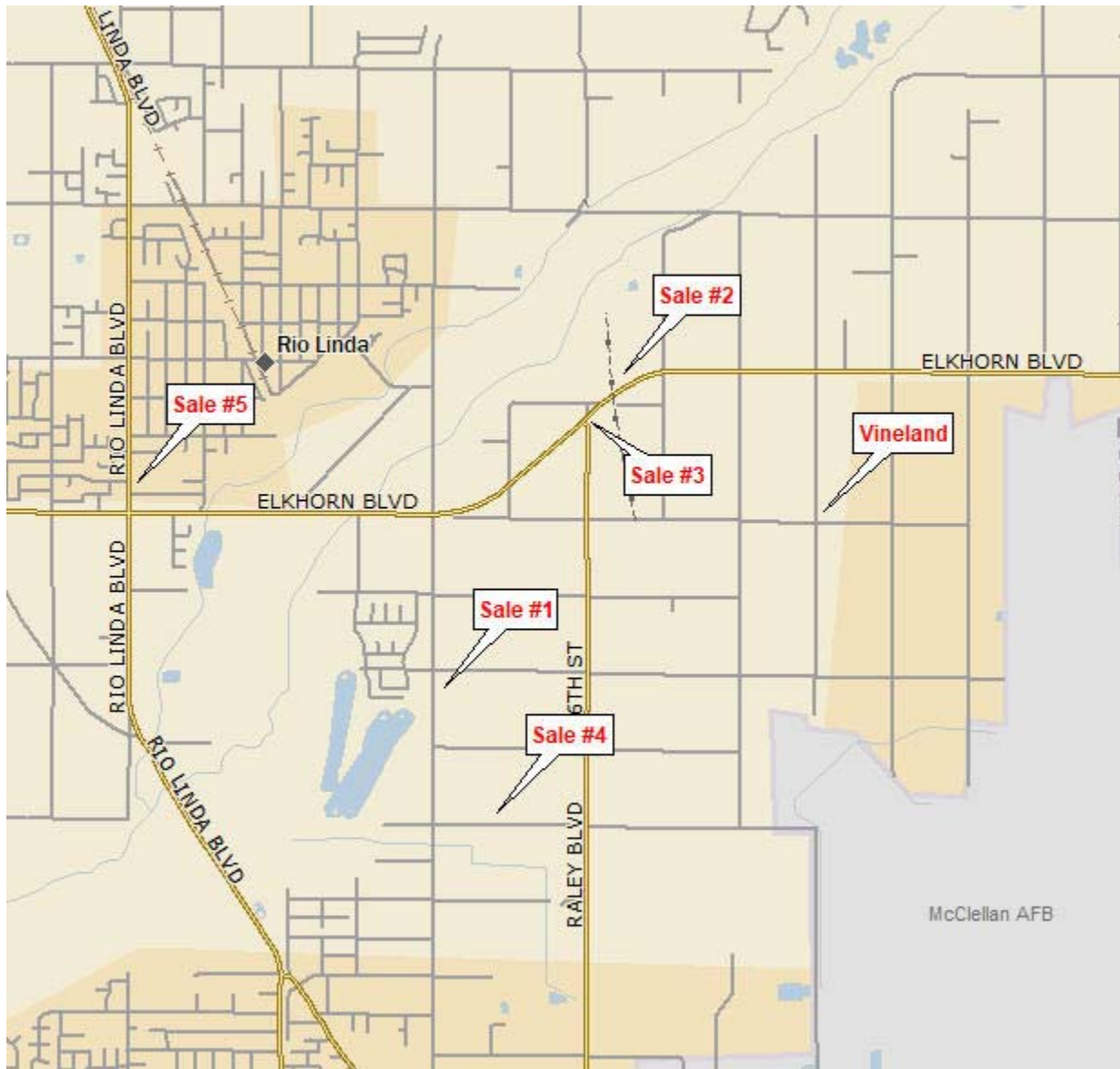
- **Determine the Unit of Comparison:** Examine market trends, interview market participants, and consider market data in order to determine the most widely used unit of comparison for properties with characteristics similar to those of the subject. For purposes of this analysis, the unit of comparison utilized is price per square foot of land area.
- **Compile and Verify Comparable Data:** Research is conducted to compile comparable pending sales, closed sales, and active listings of properties that are similar to the subject in location, size, density, construction age and quality, and other physical, legal, and economic characteristics. A reasonable effort has been made to verify the salient facts of each comparable transaction, as well its arm's length status. In the event that we are unable to confirm a comparable with a direct party to the transaction, we have obtained secondary verification from public records and other market sources unless otherwise noted.
- **Comparison and Adjustment:** Once the comparable data set has been identified, we adjust each sale/listing to account for specific differences in value-impacting transactional, locational, physical, and legal attributes (elements of comparison). All adjustments are applied to the comparables as they relate to the subject property.
- **Reconciliation:** The value indications rendered from the adjustment process are evaluated for reliability and relevance to the subject, and reconciled to a single value conclusion for the subject property. The relevance of each comparable is largely captured in a comparison of the net and overall adjustments that are necessary in the adjustment process.

The following exhibits summarize the comparable data set that has been determined to be most relevant to the subject for purposes of sales comparison:

COMPARABLE LAND SALES

On the following pages, we present a summary of the comparable improved sales that have been determined to be most relevant to the subject, including maps and photos.

COMPARABLE SALES MAP



SUMMARY OF COMPARABLE LAND SALES						
No.	Property/Location	Date of Sale; Sale Status	Effective Sale Price	Site Size (SF); Site Size (Acres)	Zoning	\$/SF Land
1	1200 E St. Rio Linda	Nov-20 Listing	\$199,999	58,680 1.35	Light commercial	\$3.41
	Sacramento County CA Tax ID: 215-0140-031 Grantor: Listing Grantee: Listing Comments: Listing of 1.35 acres of land zoned for light commercial use.					
2	Elkhorn Blvd. Land Elkhorn Blvd. Rio Linda	Jun-18 Closed	\$95,000	34,228 0.79	AR-2	\$2.78
	Sacramento County CA Tax ID: 207-0240-044 Grantor: Mamood Nasser Grantee: Adolfo Lopez Comments: Sale of 0.79 acres of residential/ agricultural land.					
3	6652 16th St. Rio Linda	Feb-19 Closed	\$170,000	122,404 2.81	AR-2	\$1.39
	Sacramento County CA Tax ID: 207-0240-015 Grantor: Nor Ca Conf Seventh Grantee: Irma Ortega Comments: Sale of 2.81 acres of residential/ agricultural land.					
4	1311 Ascot Ave. Rio Linda	Jul-20 Closed	\$355,000	177,725 4.08	AR-2	\$2.00
	Sacramento County CA Tax ID: 215-0220-025 Grantor: Anatoliy Azarov Grantee: Ali Maqsood Comments: Sale of 4.08 acres of residential/ agricultural land.					
5	415 Lilac Ln. Rio Linda	Oct-18 Closed	\$400,000	102,366 2.35	RD-7	\$3.91
	Sacramento County CA Tax ID: 214-0061-040 Grantor: Dan Kairn Grantee: Le Prop II LLC Comments: Sale of 2.35 acres of residential land.					

COMPARABLE LAND SALES ADJUSTMENTS						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Common Name	Vineland	1200 E St.	Elkhorn Blvd. Land	6652 16th St.	1311 Ascot Ave.	415 Lilac Ln.
Address	6450 20th St.	1200 E St.	Elkhorn Blvd.	6652 16th St.	1311 Ascot Ave.	415 Lilac Ln.
City	Rio Linda	Rio Linda	Rio Linda	Rio Linda	Rio Linda	Rio Linda
County	Sacramento	Sacramento	Sacramento	Sacramento	Sacramento	Sacramento
State	CA	CA	CA	CA	CA	CA
Sale Date		Nov-20	Jun-18	Feb-19	Jul-20	Oct-18
Sale Status		Listing	Closed	Closed	Closed	Closed
Sale Price		\$199,999	\$87,500	\$170,000	\$355,000	\$400,000
Effective Sale Price		\$199,999	\$95,000	\$170,000	\$355,000	\$400,000
Square Feet	394,218	58,680	34,228	122,404	177,725	102,366
Acres	9.05	1.35	0.79	2.81	4.08	2.35
Price per square foot		\$3.41	\$2.78	\$1.39	\$2.00	\$3.91
Property Rights Conveyed		Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Terms/Conditions of Sale		Listing				
% Adjustment		-10%	-	-	-	-
\$ Adjustment		-\$0.34	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions		Nov-20	Jun-18	Feb-19	Jul-20	Oct-18
Annual % Adjustment	-	-	-	-	-	-
Cumulative Adjusted Price		\$3.07	\$2.78	\$1.39	\$2.00	\$3.91
Location		Similar	Similar	Similar	Similar	Similar
% Adjustment		-	-	-	-	-
Site Size		Superior	Superior	Superior	Superior	Superior
% Adjustment		-10%	-10%	-10%	-5%	-10%
Zoning/Density		Superior	Similar	Similar	Similar	Superior
% Adjustment		-10%	-	-	-	-10%
Utility		Similar	Similar	Similar	Similar	Similar
% Adjustment		-	-	-	-	-
Entitlements		Similar	Similar	Similar	Similar	Similar
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net \$ Adjustment		-\$0.61	-\$0.28	-\$0.14	-\$0.10	-\$0.78
Net % Adjustment		-20%	-10%	-10%	-5%	-20%
Total % Adjustment		-28%	-10%	-10%	-5%	-20%
Indication for Subject		\$2.45	\$2.50	\$1.25	\$1.90	\$3.13
Range of Comparable Indications		\$1.25 - \$3.13				
Average		\$2.25				
Median		\$2.45				
Indicated Value		\$2.50				

VALUE INDICATION

After adjustment, the comparables support a range of value indications from \$1.25 - \$3.13 per square foot of land area. The average and median indicators are \$2.25 and \$2.45 per square foot, respectively. We apply equal weight to all sales.

We have calculated the depreciated replacement cost of the improvements in place and added that to the land value. Although the improvements are considered to be functionally obsolete, they do add some value as a buyer class may include a charter school looking for a secondary location for a lower price.

Given the foregoing analysis, we conclude to a value indication by sales comparison as follows:

LAND VALUE CONCLUSION

Indicated Value per Square Foot		\$2.50
Subject Square Feet		394,218
Indicated Value		\$985,545
Adjustments		
Value of Improvements		\$530,000
Total Adjustments		\$530,000
Indicated Value		\$1,515,545
Rounded		\$1,520,000

DEPRECIATED REPLACEMENT COST

Building Improvements		
Replacement Cost New		\$5,294,700
Less: Deferred Maintenance		\$0
Remaining Cost		\$5,294,700
Age-Life Depreciation	70.0%	-\$3,706,290
Additional Functional Obsolescence	20%	-\$1,058,940
Total Depreciation		-\$4,765,230
Depreciated Replacement Cost		\$529,470
Rounded:		\$530,000

PROPERTY ANALYSIS – AERO HAVEN

PROPERTY DESCRIPTION AND ANALYSIS – 5450 GEORGIA DRIVE, NORTH HIGHLANDS

The description of the site is based upon our physical inspection of the property and information available from the client and public resources.

IDENTIFICATION

Name: Aero Haven

Address: 5450 Georgia Drive, North Highlands, 95660

Assessor Parcel Number: 218-0261-001

LOCATION AND SURROUNDING USES

The subject is located at the southern end of Georgia Drive, south of McClellan. The property also borders Poplar Boulevard to the east. The property is surrounded by residential uses on all sides.

LAND AREA

10.48 acres

SHAPE AND DIMENSIONS

Generally rectangular

INFRASTRUCTURE AND OFFSITE IMPROVEMENTS

All streets are fully paved with sidewalks and gutters. Access to the property is provided by Georgia Drive/ McClellan Drive. Although the property borders Poplar Boulevard, there is currently no direct access to the property from there due to fencing.

UTILITIES

Typical utilities and municipal services to site.

TOPOGRAPHY

The site is generally level.

ENVIRONMENTAL HAZARDS

We were not provided with an environmental report; however, no unusual conditions observed, and none were reported by the owner. For purposes of this appraisal, we assume that the subject site is not impacted by any significant environmental concerns that would warrant remediation, or otherwise impact the marketability of the property.

EASEMENTS, ENCROACHMENTS & RESTRICTIONS

We were not provided with a preliminary title report or deed. Our valuation assumes that any easements or restrictions that affect the subject property are typical of its type and location, and that

there are no encroachments that adversely impact value. For purposes of this valuation we assume that the subject has a clear and marketable title.

ZONING AND OTHER LAND USE REGULATIONS

RD-5, Residential. This use allows for residential use.

FLOOD HAZARD STATUS

The property is located within FEMA map panel 06067C0067H with effective date of 8/16/2012. The property is located within Zone X, which are areas with 500 year flood protection.

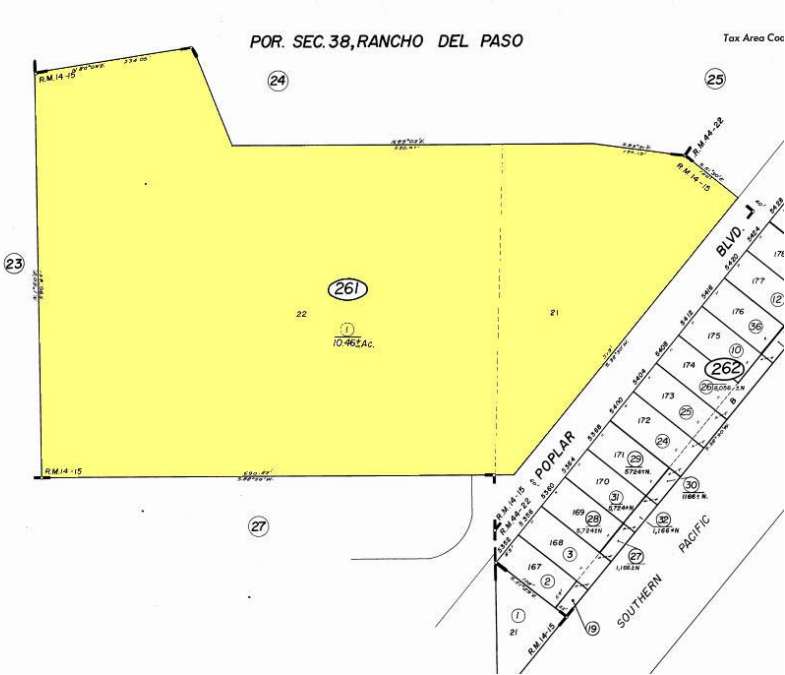
PROPERTY HISTORY AND OCCUPANCY

The subject property is owned by Twin Rivers Unified School District. The property has been owned in excess of three years. The property is currently partially occupied by an education use.

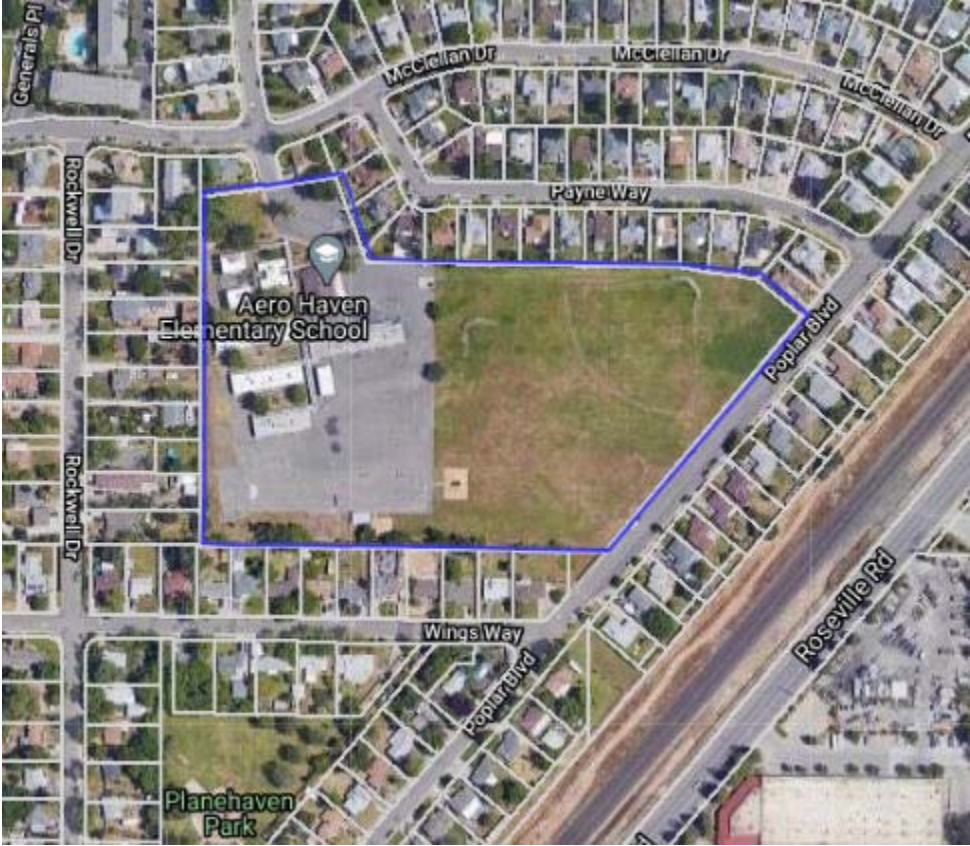
IMPROVEMENTS

The subject site is improved with a school property consisting of approximately 22,000 square feet of building area. The site includes multiple classroom buildings, office space, and a cafeteria. The buildings are reportedly in older condition and in need of significant improvements. There was reportedly a bid for some of the improvements that was in excess of \$1,000,000. There is a special needs school that occupies a small portion of the subject property. The cost to improve the property outweighs the value once improved and is not considered to be financially feasible.

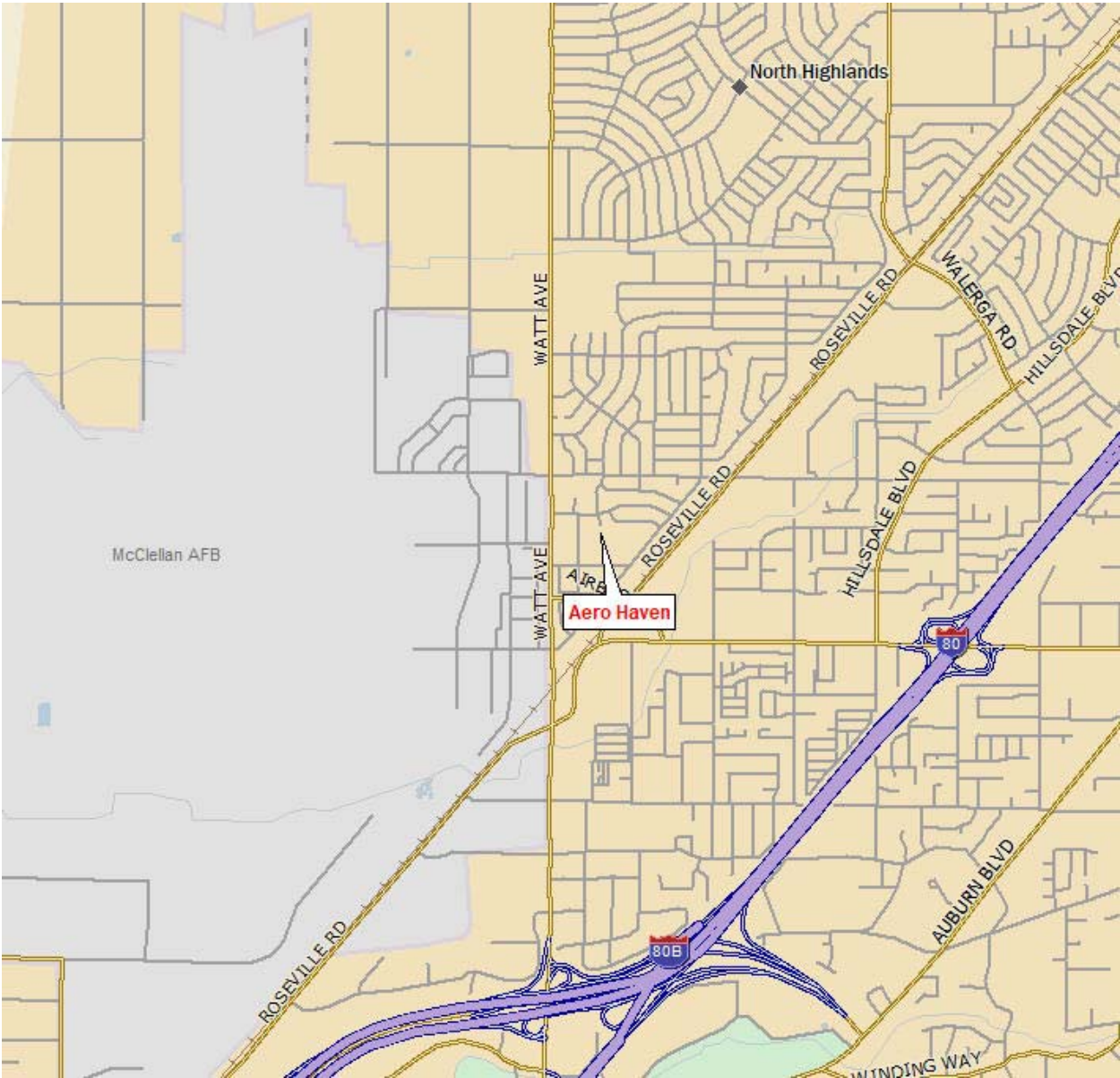
PLAT MAP



AERIAL MAP



LOCAL MAP



PHOTOGRAPHS – AERO HAVEN



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)

HIGHEST AND BEST USE – AERO HAVEN

A determination of highest and best use is necessary prior to valuation of a property. In the sixth edition of *The Dictionary of Real Estate Appraisal*, the Appraisal Institute defines Highest and Best Use as: “The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

We conduct four tests to determine the highest and best use of the subject property:

- Legally permissible per the applicable zoning standards and other restrictions
- Physically possible
- Financially feasible
- Maximally productive

Typically, these tests are applied in the order listed above. The highest and best use of a property is the one that meets the first three criteria, and will produce the greatest future benefit to the owner. Analysis of the highest and best use of the land assumes that the subject site is vacant and available for development to the determined highest and best use. The analysis of Highest and Best Use As Improved determines whether continued use as is, alteration, or demolition and redevelopment constitutes the maximally productive use of the existing improvements.

AS IF VACANT

LEGALLY PERMISSIBLE

The subject is zoned RD-5, residential. Based on this zoning designation, the site can be developed with residential use. No other restrictions have been identified that would limit development of the property beyond the development standards stipulated by the municipal code for the subject’s designated zoning.

PHYSICALLY POSSIBLE

The subject site is comprised of a single parcel. Its shape is generally rectangular, and its topography is level. Access and infrastructure are adequate. Overall, the physical site attributes result in average utility, and the property could be developed to a variety of uses per the provisions of its zoning designation, and with the approval of the local planning department.

FINANCIALLY FEASIBLE

Based on our review of the market, it appears that the value of a new residential development on the subject site would be commensurate with its cost to build. Demand in the area is adequate to justify new construction, and near-term development of a residential use on the subject site is determined to be financially feasible.

MAXIMALLY PRODUCTIVE

Of the uses that would likely be developed on the subject site, only residential use meets the first three criteria (legally permissible, physically possible, and financially feasible); therefore, near-term development of a new residential use would render the highest residual land value, and is determined to be the maximally productive use of the property.

CONCLUSION – HIGHEST & BEST USE AS IF VACANT

The foregoing analysis indicates that only residential use meets the four criteria utilized in determining highest and best use; therefore, near-term development of a new residential use is determined to be the highest and best use of the subject as vacant.

AS IMPROVED

The subject property is improved with a 22,000 square foot elementary school site. Based on a review of the zoning guidelines, the current use of the subject is legally permitted. The subject improvements are in poor condition and have been vacant for several years. The improvements are in need of extensive repairs to be used as a school site.

As such, a continuation of the current use is determined to not be financially feasible.

Of the permissible, possible, and feasible uses of the subject improvements, achievable net income and rates of return indicate that demolition of current improvements and development of residential use would result in the highest market value for the existing improvements. Moreover the value of the underlying site exceeds the value of the improvements under current conditions. As such, demolition of current improvements and development of residential use is concluded to be the maximally productive use of the subject property as improved.

CONCLUSION – HIGHEST & BEST USE AS IMPROVED

Based on the foregoing, demolition of current improvements and development of residential use appears to be the only use that meets all four criteria; therefore, redevelopment of residential use is concluded to be the highest and best use of the subject property as improved.

MOST PROBABLE PURCHASER

Considering the physical attributes of the subject, its leased status, and trends in the market, the most probable purchaser of the subject property is a developer.

SALES COMPARISON APPROACH – AERO HAVEN

METHODOLOGY

In the sales comparison approach, we develop an opinion of value of the subject by compiling, verifying, and comparing recent and pending sales, as well as listings of properties similar in locational, physical, and economic attributes. The sales comparison approach is based upon the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The sales comparison approach to value involves the following steps:

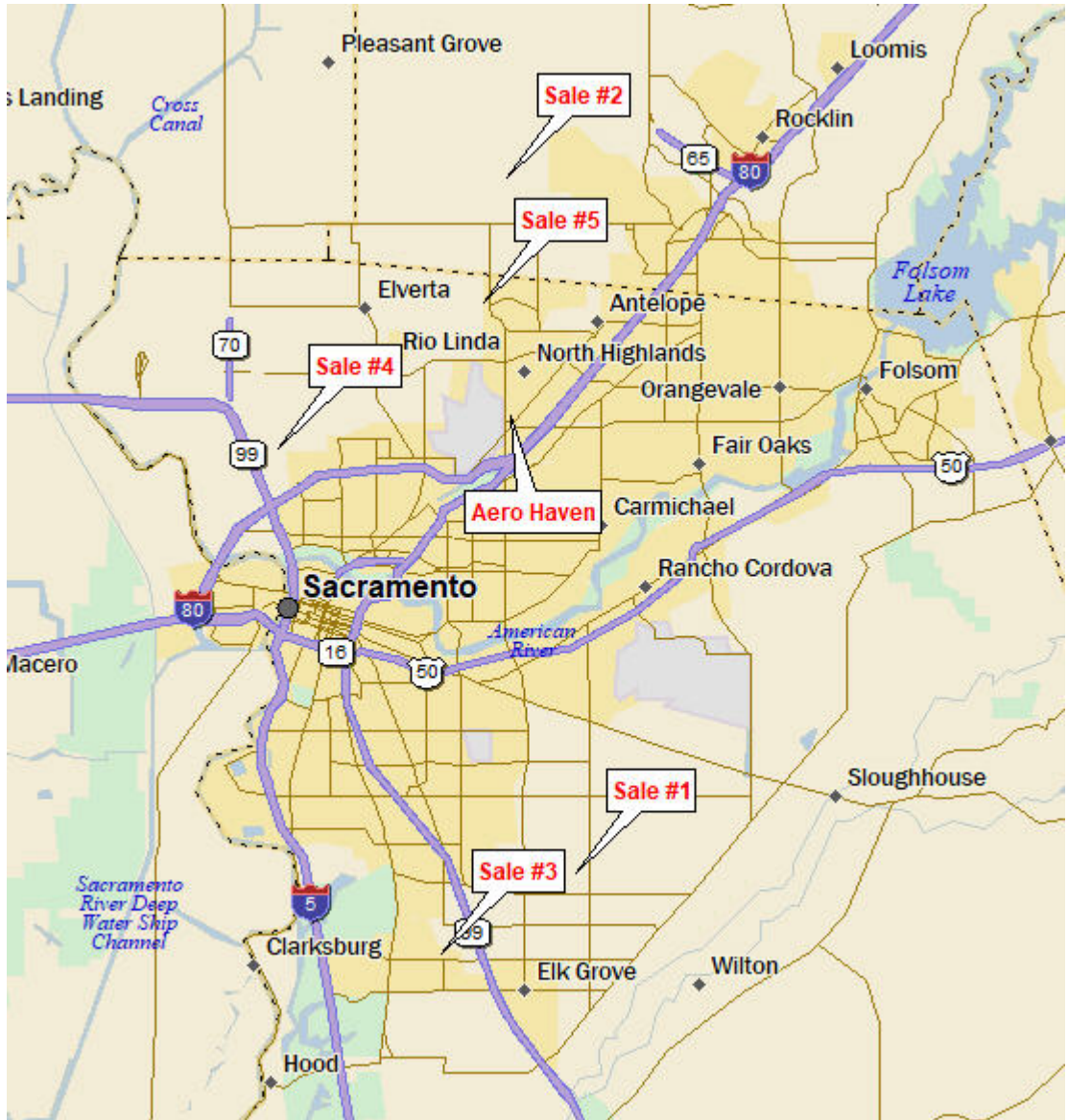
- **Determine the Unit of Comparison:** Examine market trends, interview market participants, and consider market data in order to determine the most widely used unit of comparison for properties with characteristics similar to those of the subject. For purposes of this analysis, the unit of comparison utilized is price per square foot of land area.
- **Compile and Verify Comparable Data:** Research is conducted to compile comparable pending sales, closed sales, and active listings of properties that are similar to the subject in location, size, density, construction age and quality, and other physical, legal, and economic characteristics. A reasonable effort has been made to verify the salient facts of each comparable transaction, as well its arm's length status. In the event that we are unable to confirm a comparable with a direct party to the transaction, we have obtained secondary verification from public records and other market sources unless otherwise noted.
- **Comparison and Adjustment:** Once the comparable data set has been identified, we adjust each sale/listing to account for specific differences in value-impacting transactional, locational, physical, and legal attributes (elements of comparison). All adjustments are applied to the comparables as they relate to the subject property.
- **Reconciliation:** The value indications rendered from the adjustment process are evaluated for reliability and relevance to the subject, and reconciled to a single value conclusion for the subject property. The relevance of each comparable is largely captured in a comparison of the net and overall adjustments that are necessary in the adjustment process.

The following exhibits summarize the comparable data set that has been determined to be most relevant to the subject for purposes of sales comparison:

COMPARABLE LAND SALES

On the following pages, we present a summary of the comparable improved sales that have been determined to be most relevant to the subject, including maps.

COMPARABLE SALES MAP



SUMMARY OF COMPARABLE LAND SALES						
No.	Property/Location	Date of Sale; Sale Status	Effective Sale Price	Site Size (SF); Site Size (Acres)	Zoning	\$/SF Land
1	Vintage Park Vintage Park Dr. Sacramento Sacramento County CA Tax ID: 121-0110-056 Grantor: Roman Catholic of Sacramento Grantee: KB Home Sacramento	Dec-19 Closed	\$3,292,000	744,005 17.08	Residential	\$4.42
Comments: Sale of 17.08 acres of residential land to a developer. The property is approved for 81 residential lots.						
2	Solaire Solaire Dr. Roseville Placer County CA Tax ID: 496-100-054, -035, -036, -037 Grantor: WP Development LLC Grantee: TRI Point Homes	Jul-20 Closed	\$5,969,000	662,112 15.20	Residential	\$9.02
Comments: Sale of 15.08 acres of residential land. Buyer plans to develop a single family subdivision on the site.						
3	Bruceville Rd. Land 9142 Bruceville Rd. Elk Grove Sacramento County CA Tax ID: 16-1380-005, 006, 008, 009, 020, 021 Grantor: EGB Elk Grove LLC Grantee: Pacific West Communities Inc.	Oct-19 Closed	\$2,300,000	363,726 8.35	Multifamily	\$6.32
Comments: Sale of 8.35 acres of residential land zoned for upto 15 units per acre. Buyer plans to develop apartments on the site.						
4	Truxel Land Truxel Rd. Sacramento Sacramento County CA Tax ID: 225-0070-098 Grantor: PCBP Properties Inc. Grantee: Arena senior Investors LP	Dec-19 Closed	\$3,100,000	392,476 9.01	Residential	\$7.90
Comments: Sale of 9.01 acres of land in Natomas. Property had an extended escrow while buyer got approvals to build a senior living facility. Buyer plans to build a 240 unit senior living facility.						
5	Gibson Crossing Elverta Rd. Antelope Sacramento County CA Tax ID: 203-0050-056 Grantor: Gibson Crossing LP Grantee: Taylor Builders	Apr-19 Closed	\$4,650,000	918,245 21.08	Residential	\$5.06
Comments: Sale of 21.08 acres of residential land that is partially entitled to be developed. Buyer plans to finish entitlement for approved 163 lot subdivision and build the homes.						

COMPARABLE LAND SALES ADJUSTMENTS						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Common Name	Aero Haven	Vintage Park	Solaire	Bruceville Rd. Land	Truxel Land	Gibson Crossing
Address	5450 Georgia Drive	Vintage Park Dr.	Solaire Dr.	9142 Bruceville Rd.	Truxel Rd.	Elverta Rd.
City	North Highlands	Sacramento	Roseville	Elk Grove	Sacramento	Antelope
County	Sacramento	Sacramento	Placer	Sacramento	Sacramento	Sacramento
State	CA	CA	CA	CA	CA	CA
Sale Date		Dec-19	Jul-20	Oct-19	Dec-19	Apr-19
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$3,292,000	\$5,969,000	\$2,300,000	\$3,100,000	\$4,650,000
Effective Sale Price		\$3,292,000	\$5,969,000	\$2,300,000	\$3,100,000	\$4,650,000
Square Feet	456,509	744,005	662,112	363,726	392,476	918,245
Acres	10.48	17.08	15.20	8.35	9.01	21.08
Price per square foot		\$4.42	\$9.02	\$6.32	\$7.90	\$5.06
Property Rights Conveyed		Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Terms/Conditions of Sale						
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions		Dec-19	Jul-20	Oct-19	Dec-19	Apr-19
Annual % Adjustment	-	-	-	-	-	-
Cumulative Adjusted Price		\$4.42	\$9.02	\$6.32	\$7.90	\$5.06
Location		Superior	Superior	Superior	Superior	Superior
% Adjustment		-20%	-30%	-20%	-20%	-5%
Site Size		Inferior	Inferior	Similar	Similar	Inferior
% Adjustment		5%	5%	-	-	5%
Zoning/Density		Inferior	Similar	Similar	Similar	Similar
% Adjustment		5%	-	-	-	-
Utility		Inferior	Similar	Similar	Similar	Similar
% Adjustment		10%	-	-	-	-
Entitlements		Similar	Similar	Similar	Similar	Similar
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net \$ Adjustment		\$0.00	-\$2.25	-\$1.26	-\$1.58	\$0.00
Net % Adjustment		0%	-25%	-20%	-20%	0%
Total % Adjustment		0%	-25%	-20%	-20%	0%
Indication for Subject		\$4.42	\$6.76	\$5.06	\$6.32	\$5.06
Range of Comparable Indications		\$4.42 - \$6.76				
Average		\$5.53				
Median		\$5.06				
Indicated Value		\$5.00				

VALUE INDICATION

After adjustment, the comparables support a range of value indications from \$4.42 - \$6.76 per square foot of land area. The average and median indicators are \$5.53 and \$5.06 per square foot, respectively. We place greatest weight on Sales 1, 3, and 5.

It is necessary to account for the cost to demolish the improvements to reach market value. It costs approximately \$10 per square foot to demolish the improvements.

Given the foregoing analysis, we conclude to a value indication by sales comparison as follows:

LAND VALUE CONCLUSION	
Indicated Value per Square Foot	\$5.00
Subject Square Feet	456,509
Indicated Value	\$2,282,544
Adjustments	
Demolition Costs	-\$220,000
Total Adjustments	-\$220,000
Indicated Value	\$2,062,544
Rounded	\$2,060,000

PROPERTY ANALYSIS – WEST SIDE ELEMENTARY

PROPERTY DESCRIPTION AND ANALYSIS – 6537 W. 2ND STREET, RIO LINDA

The description of the site is based upon our physical inspection of the property and information available from the client and public resources.

IDENTIFICATION

Name: West Side Elementary (Portion)

Address: 6537 W. 2nd Street, Rio Linda, 95673

Assessor Parcel Number: 214-0022-002 (Portion)

LOCATION AND SURROUNDING USES

The subject is located at along the west wide of W. 2nd Street. The surrounding land uses include residential use and a community park. The subject is a portion of a larger parcel which includes a school site which is south of the subject portion.

LAND AREA

2.98 acres (approximate)

SHAPE AND DIMENSIONS

Rectangular

INFRASTRUCTURE AND OFFSITE IMPROVEMENTS

All streets are fully paved with sidewalks and gutters. Access to the property is provided by W. 2nd Street.

UTILITIES

Typical utilities and municipal services to site.

TOPOGRAPHY

The site is generally level.

ENVIRONMENTAL HAZARDS

We were not provided with an environmental report; however, no unusual conditions observed, and none were reported by the owner. For purposes of this appraisal, we assume that the subject site is not impacted by any significant environmental concerns that would warrant remediation, or otherwise impact the marketability of the property.

EASEMENTS, ENCROACHMENTS & RESTRICTIONS

We were not provided with a preliminary title report or deed. Our valuation assumes that any easements or restrictions that affect the subject property are typical of its type and location, and that

there are no encroachments that adversely impact value. For purposes of this valuation we assume that the subject has a clear and marketable title.

ZONING AND OTHER LAND USE REGULATIONS

AR-2, Agricultural – Residential, 2 acre minimum. This use allows for residential use agricultural use. As the subject property borders RD-5, a zoning change is probable

FLOOD HAZARD STATUS

The property is located within FEMA map panel 06067C0062H with effective date of 8/16/2012. The property is located within Zone X, which are areas with 500 year flood protection.

PROPERTY HISTORY AND OCCUPANCY

The subject property is owned by Twin Rivers Unified School District. The property has been owned in excess of three years. The property is currently a park area that is a part of West Side Elementary.

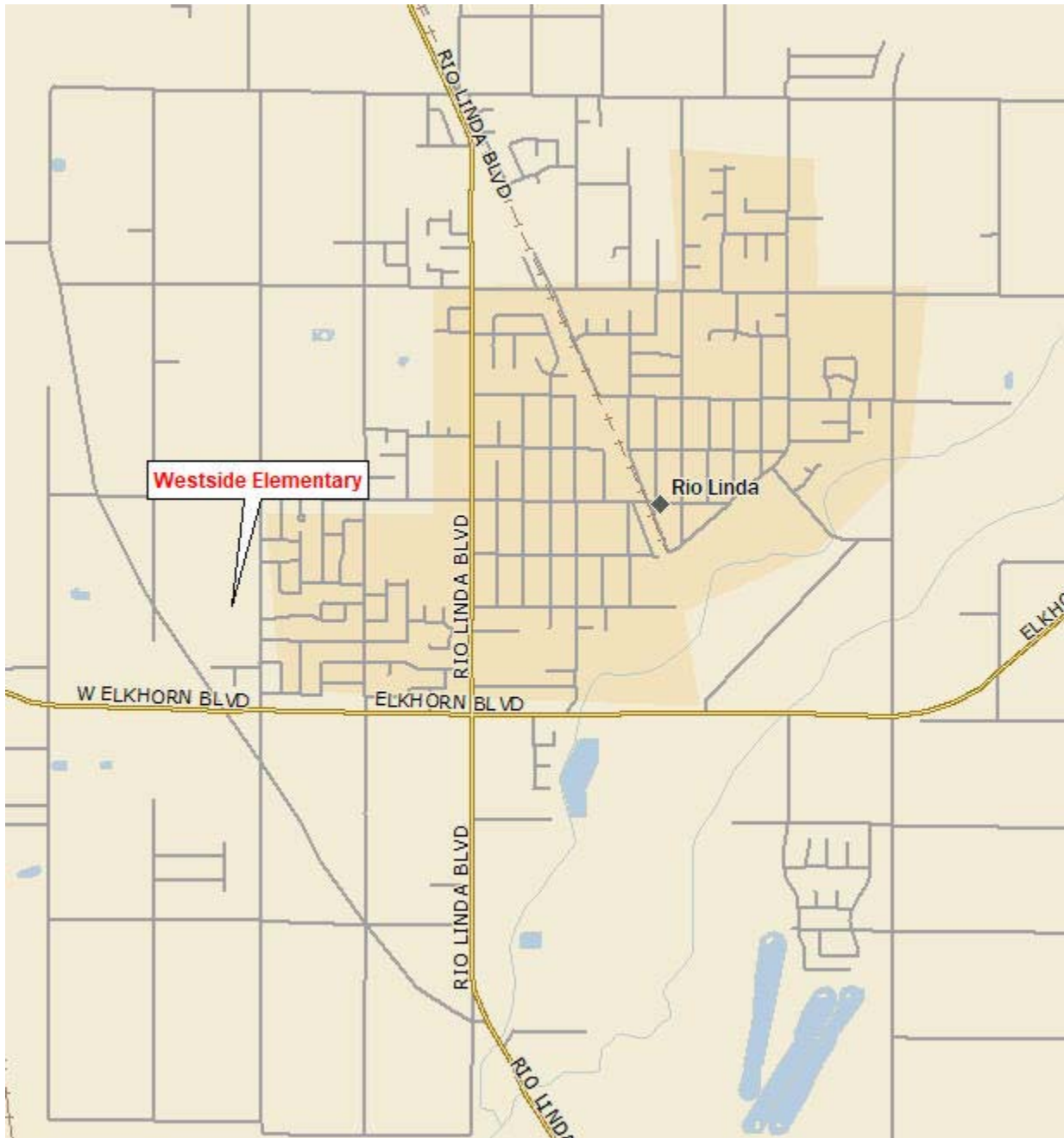
IMPROVEMENTS

There is a small play ground area on site. The rest of the site is grass field area.

AERIAL MAP



LOCAL MAP



PHOTOGRAPHS – WEST SIDE ELEMENTARY



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)



(Photo Taken on October 1, 2020)

HIGHEST AND BEST USE – WEST SIDE ELEMENTARY

A determination of highest and best use is necessary prior to valuation of a property. In the sixth edition of *The Dictionary of Real Estate Appraisal*, the Appraisal Institute defines Highest and Best Use as: “The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

We conduct four tests to determine the highest and best use of the subject property:

- Legally permissible per the applicable zoning standards and other restrictions
- Physically possible
- Financially feasible
- Maximally productive

Typically, these tests are applied in the order listed above. The highest and best use of a property is the one that meets the first three criteria, and will produce the greatest future benefit to the owner. Analysis of the highest and best use of the land assumes that the subject site is vacant and available for development to the determined highest and best use. The analysis of Highest and Best Use As Improved determines whether continued use as is, alteration, or demolition and redevelopment constitutes the maximally productive use of the existing improvements.

AS IF VACANT

LEGALLY PERMISSIBLE

The subject is zoned AR-2, agricultural-residential, 2 acre minimum. Based on this zoning designation, the site can be developed with residential and agricultural use. No other restrictions have been identified that would limit development of the property beyond the development standards stipulated by the municipal code for the subject’s designated zoning. Although the site is zoned for a 2 acre lot minimum, there is single family subdivision across the street from the subject property and a zoning change for higher density residential use is considered to be likely.

PHYSICALLY POSSIBLE

The subject site is comprised of a portion of a single parcel. Its shape is rectangular and its topography is level. Access and infrastructure are adequate. Overall, the physical site attributes result in average utility, and the property could be developed to a variety of uses per the provisions of its zoning designation, and with the approval of the local planning department.

FINANCIALLY FEASIBLE

Based on our review of the market, it appears that the value of a new residential use on the subject site would be commensurate with its cost to build. Demand in the area is adequate to justify new construction, and near-term development of a residential use on the subject site is determined to be financially feasible.

MAXIMALLY PRODUCTIVE

Of the uses that would likely be developed on the subject site, only residential use meets the first three criteria (legally permissible, physically possible, and financially feasible); therefore, near-term development of a new residential development would render the highest residual land value, and is determined to be the maximally productive use of the property.

CONCLUSION – HIGHEST & BEST USE AS IF VACANT

The foregoing analysis indicates that only residential use meets the four criteria utilized in determining highest and best use; therefore, near-term development of a new residential use is determined to be the highest and best use of the subject as vacant.

AS IMPROVED

The subject is currently a park area alongside a school property. The property has some minor improvements including playgrounds. The improvements add no value to the subject property and it is considered to be vacant land.

MOST PROBABLE PURCHASER

Considering the physical attributes of the subject, and trends in the market, the most probable purchaser of the subject property is a developer.

SALES COMPARISON APPROACH – WEST SIDE ELEMENTARY

METHODOLOGY

In the sales comparison approach, we develop an opinion of value of the subject by compiling, verifying, and comparing recent and pending sales, as well as listings of properties similar in locational, physical, and economic attributes. The sales comparison approach is based upon the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The sales comparison approach to value involves the following steps:

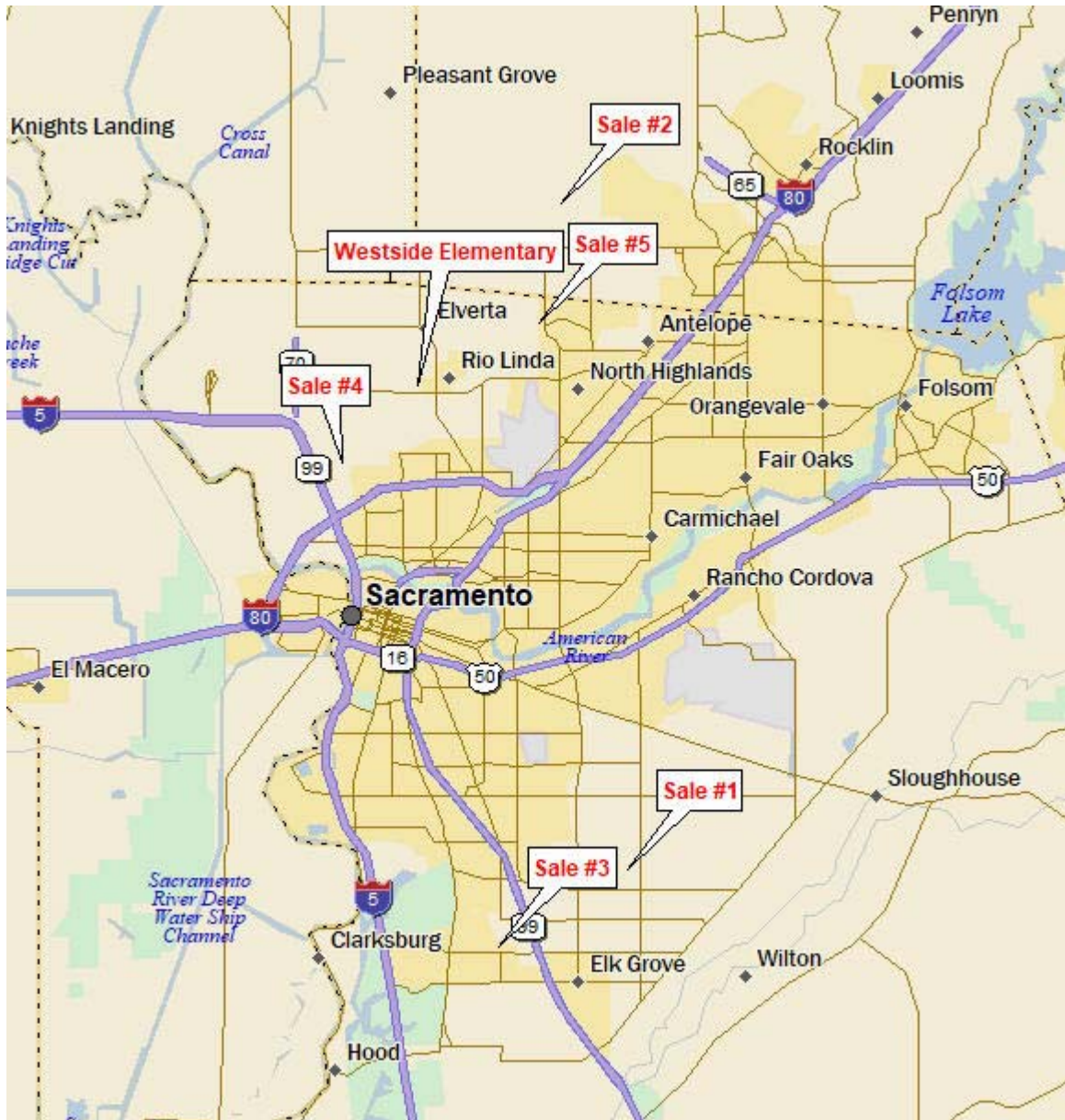
- **Determine the Unit of Comparison:** Examine market trends, interview market participants, and consider market data in order to determine the most widely used unit of comparison for properties with characteristics similar to those of the subject. For purposes of this analysis, the unit of comparison utilized is price per square foot of land area.
- **Compile and Verify Comparable Data:** Research is conducted to compile comparable pending sales, closed sales, and active listings of properties that are similar to the subject in location, size, density, construction age and quality, and other physical, legal, and economic characteristics. A reasonable effort has been made to verify the salient facts of each comparable transaction, as well its arm's length status. In the event that we are unable to confirm a comparable with a direct party to the transaction, we have obtained secondary verification from public records and other market sources unless otherwise noted.
- **Comparison and Adjustment:** Once the comparable data set has been identified, we adjust each sale/listing to account for specific differences in value-impacting transactional, locational, physical, and legal attributes (elements of comparison). All adjustments are applied to the comparables as they relate to the subject property.
- **Reconciliation:** The value indications rendered from the adjustment process are evaluated for reliability and relevance to the subject, and reconciled to a single value conclusion for the subject property. The relevance of each comparable is largely captured in a comparison of the net and overall adjustments that are necessary in the adjustment process.

The following exhibits summarize the comparable data set that has been determined to be most relevant to the subject for purposes of sales comparison:

COMPARABLE LAND SALES

On the following pages, we present a summary of the comparable improved sales that have been determined to be most relevant to the subject, including maps.

COMPARABLE SALES MAP



SUMMARY OF COMPARABLE LAND SALES						
No.	Property/Location	Date of Sale; Sale Status	Effective Sale Price	Site Size (SF); Site Size (Acres)	Zoning	\$/SF Land
1	Vintage Park Vintage Park Dr. Sacramento Sacramento County CA Tax ID: 121-0110-056 Grantor: Roman Catholic of Sacramento Grantee: KB Home Sacramento	Dec-19 Closed	\$3,292,000	744,005 17.08	Residential	\$4.42
Comments: Sale of 17.08 acres of residential land to a developer. The property is approved for 81 residential lots.						
2	Solaire Solaire Dr. Roseville Placer County CA Tax ID: 496-100-054, -035, -036, -037 Grantor: WP Development LLC Grantee: TRI Point Homes	Jul-20 Closed	\$5,969,000	662,112 15.20	Residential	\$9.02
Comments: Sale of 15.08 acres of residential land. Buyer plans to develop a single family subdivision on the site.						
3	Bruceville Rd. Land 9142 Bruceville Rd. Elk Grove Sacramento County CA Tax ID: 16-1380-005, 006, 008, 009, 020, 021 Grantor: EGB Elk Grove LLC Grantee: Pacific West Communities Inc.	Oct-19 Closed	\$2,300,000	363,726 8.35	Multifamily	\$6.32
Comments: Sale of 8.35 acres of residential land zoned for upto 15 units per acre. Buyer plans to develop apartments on the site.						
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Comments: Sale of 9.01 acres of land in Natomas. Property had an extended escrow while buyer got approvals to build a senior living facility. Buyer plans to build a 240 unit senior living facility.						
5	Gibson Crossing Elverta Rd. Antelope Sacramento County CA Tax ID: 203-0050-056 Grantor: Gibson Crossing LP Grantee: Taylor Builders	Apr-19 Closed	\$4,650,000	918,245 21.08	Residential	\$5.06
Comments: Sale of 21.08 acres of residential land that is partially entitled to be developed. Buyer plans to finish entitlement for approved 163 lot subdivision and build the homes.						

COMPARABLE LAND SALES ADJUSTMENTS						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Common Name	Westside Elementary	Vintage Park	Solaire	Bruceville Rd. Land	Truxel Land	Gibson Crossing
Address	6537 W. 2nd St.	Vintage Park Dr.	Solaire Dr.	9142 Bruceville Rd.	Truxel Rd.	Elverta Rd.
City	Rio Linda	Sacramento	Roseville	Elk Grove	Sacramento	Antelope
County	Sacramento	Sacramento	Placer	Sacramento	Sacramento	Sacramento
State	CA	CA	CA	CA	CA	CA
Sale Date		Dec-19	Jul-20	Oct-19	Dec-19	Apr-19
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$3,292,000	\$5,969,000	\$2,300,000	\$3,100,000	\$4,650,000
Effective Sale Price		\$3,292,000	\$5,969,000	\$2,300,000	\$3,100,000	\$4,650,000
Square Feet	129,809	744,005	662,112	363,726	392,476	918,245
Acres	2.98	17.08	15.20	8.35	9.01	21.08
Price per square foot		\$4.42	\$9.02	\$6.32	\$7.90	\$5.06
Property Rights Conveyed		Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Terms/Conditions of Sale						
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions		Dec-19	Jul-20	Oct-19	Dec-19	Apr-19
Annual % Adjustment	-	-	-	-	-	-
Cumulative Adjusted Price		\$4.42	\$9.02	\$6.32	\$7.90	\$5.06
Location		Superior	Superior	Superior	Superior	Superior
% Adjustment		-20%	-30%	-20%	-20%	-5%
Site Size		Inferior	Inferior	Similar	Similar	Inferior
% Adjustment		5%	5%	-	-	5%
Zoning/Density		Similar	Superior	Superior	Superior	Superior
% Adjustment		-	-5%	-5%	-5%	-5%
Utility		Inferior	Similar	Similar	Similar	Similar
% Adjustment		10%	-	-	-	-
Entitlements		Similar	Similar	Similar	Similar	Similar
% Adjustment		-	-	-	-	-
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net \$ Adjustment		-\$0.22	-\$2.70	-\$1.58	-\$1.97	-\$0.25
Net % Adjustment		-5%	-30%	-25%	-25%	-5%
Total % Adjustment		-5%	-30%	-25%	-25%	-5%
Indication for Subject		\$4.20	\$6.31	\$4.74	\$5.92	\$4.81
Range of Comparable Indications		\$4.20 - \$6.31				
Average		\$5.20				
Median		\$4.81				
Indicated Value		\$4.50				

VALUE INDICATION

After adjustment, the comparables support a range of value indications from \$4.20 - \$6.31 per square foot of land area. The average and median indicators are \$5.20 and \$4.81 per square foot, respectively. We place greatest weight on Sales 1, 3, and 5.

Given the foregoing analysis, we conclude to a value indication by sales comparison as follows:

LAND VALUE CONCLUSION	
Indicated Value per Square Foot	\$4.50
Subject Square Feet	129,809
Indicated Value	\$584,140
Rounded	\$580,000

FINAL OPINION VALUE CONCLUSION

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 the as is market value of the properties as of October 1, 2020 are as follows:

Market Value Conclusions		
Property	Property Interest	Value Conclusion
Futures High School	Fee Simple	\$6,900,000
Plover School	Fee Simple	\$660,000
Smythe Academy Middle	Fee Simple	\$5,560,000
Terrace Park	Fee Simple	\$3,040,000
Vineland	Fee Simple	\$1,520,000
Aero Haven	Fee Simple	\$2,060,000
Westside Elementary	Fee Simple	\$580,000

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The values presented within this appraisal report are subject to the extraordinary assumptions and/or hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice (USPAP, 2020-2021 Edition) Standards Rule 2-2(a)(xi), it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

Extraordinary Assumption(s):

1. None.

Hypothetical Condition(s):

1. None.

EXPOSURE TIME AND MARKETING PERIOD

Exposure time is the amount of marketing time necessary in order for the subject to have sold on the effective date; therefore, exposure time is assumed to precede the current effective date. Marketing period is the amount of marketing time necessary in order for the subject property to sell at a price consistent with the concluded value. Unless a major shift is expected in market conditions, the marketing period will be similar to exposure time.

Based upon our review of comparable data and market trends, we estimate exposure time at 6 – 12 months, and the market period at 6 – 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 with this assignment.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. 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.
9. 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 laws and regulations.
10. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Scott Beebe, MAI, FRICS, has completed the continuing education program for Designated Members of the Appraisal Institute.
13. Scott Beebe, MAI, FRICS personally inspected the property.

14. Peter A. Luna provided significant professional assistance to the person signing this report, under appropriate supervision.



Scott Beebe, MAI, FRICS
California Certified General Appraiser
No. AG 015266
Ph: (925) 588-7641
Email: sbeebe@bbgres.com

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other

- legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
- f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
 - g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability

- or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
- m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
 - 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
 - 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
 - 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
 - 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates

contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.

ADDENDA

APPRAISER QUALIFICATIONS

Profile

Scott Beebe is a Senior Managing Director at BBG in the Sacramento office. Mr. Beebe has over 30 years of experience in the valuation and analysis of commercial real estate including multi-family, retail, industrial, office, mixed-use and development land. Prior to BBG, Scott was one of the founding partners of Integra Realty Resources in 1999. Specialized property types include all types of lodging facilities, affordable housing, senior apartment communities, sports and health club facilities, golf course properties, automobile dealerships, manufactured home parks, self-storage facilities, regional malls and power centers and others.

Mr. Beebe has provided valuation and consulting services for condemnation purposes, estate, financing, equity participation and due diligence support. Specialized services include portfolio valuations, institutional-grade property valuations, market feasibility studies and acquisition/disposition counseling. Mr. Beebe has testified as an expert witness in superior and municipal courts. Clients served include life insurance companies, pension funds and pension fund advisors, banks and financial institutions, conduits, developers and investors, law firms, businesses/corporations and government.

Professional Affiliations & Licences

Appraisal Institute

Member (MAI)

Royal Institute of Chartered Surveyors, Fellow (FRICS)

Lambda Alpha International – Honorary Land Economics Society

Board Director, Sacramento Sierra Chapter, Current Board Member and 2000-2002

Education Committee Member & Chair, (1996-2002)

General Certified Appraiser:

State of California (License # AG 015266)

Education

B.B.A. Degree, Business Administration, University of Texas, Austin, Texas, 1988

Successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, accredited universities and others.

Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members



VALUATION



ADVISORY



ASSESSMENT



ZONING



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

Michael S. Beebe

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 015266

Effective Date: February 11, 2019
Date Expires: February 10, 2021


Jim Martin, Bureau Chief, BREAA

3045128

PROPERTY DATA



DETAIL REPORT

Property Address: 3800 BOLIVAR AVE NORTH HIGHLANDS CA 95660-4370

Ownership

Parcel# (APN): 217-0110-006-0000
 Parcel Status: ACTIVE
 Owner Name: TWIN RIVERS UNIFIED SCH DIST
 Mailing Addr: 3222 WINONA WAY NORTH HIGHLANDS CA 95660
 Legal Description: POR OF SEC 37 RANCHO DEL PASO, BEG AT A PT ON THE S LINE OF MCCLELLAN MEADOWS NO 2, N 89%02'30E300 FT FR W LINE OF SEC 37; TH N 89%02'30E 1404.29 FT TH S 512.65 FT TH S 89%02'30W 1646.95 FT TH N 0%57'30W 20 FT TH N 89%02'30W 1646.95 FT TH N

Assessment

Total Value:	Use Code:	EFA00A	Use Type:	SCHOOLS
Land Value:	Tax Rate Area:	059-008	Zoning:	SPA
Impr Value:	Year Assd:	2020	Census Tract:	74.03/1
Other Value:	Property Tax:		Price/SqFt:	
% Improved:	Delinquent Yr:			
Exempt Amt:	HO Exempt:	N		

Sale History

	Sale1	Sale2	Sale3	Transfer
Recording date:	01/23/2013			01/23/2013
Recording Doc:	1301230101	0000000000		1301230101
Doc type:	GRANT DEED	GRANT DEED		
Transfer Amount:				
Seller (Grantor):	GRANT UNION HIGH SCHOOL			

Property Characteristics

Bedrooms:	Fireplace:	Units:
Baths (Full):	A/C:	Stories:
Baths (Half):	Heating:	Quality:
Total Rooms:	Pool:	Building Class:
Bldg/Liv Area:	Park Type:	Condition:
Lot Acres: 16.569	Spaces:	Site influence:
Lot SqFt: 721,789	Garage SqFt:	Timber Preserve:
Year Built:	Bsmt SqFt: N/A	Ag Preserve:
Effective Year:		

ENGAGEMENT LETTER



August 13, 2020

Yasmina Flores
Executive Assistant II
Superintendent's Office
Twin Rivers Unified School District
5115 Dudley Blvd.
McClellan, CA 95652

RE: Proposal for Real Estate Appraisal Services for various surplus properties in Twin River School District

Dear Ms. Flores:

We are pleased to submit this proposal and our Terms and Conditions for the appraisal of the referenced real estate.

PROPOSAL SPECIFICATIONS

Valuation Premise:	Market Value Appraisal for Each Property
Property Rights Appraised:	Fee Simple
Intended Use:	Internal Planning Purposes
Intended Users:	Twin Rivers Unified School District
Scope of Work:	All Applicable Approaches to Value
Appraisal Standards:	Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and CDIAC

BBG – NORTHERN CALIFORNIA

SAN FRANCISCO
465 CALIFORNIA, STE. 435
SAN FRANCISCO, CA 94104
P + (415) 248-5000
F + (415) 248-0080

WALNUT CREEK
1981 N. BROADWAY, SUITE 248
WALNUT CREEK, CA 94596
P + (925) 938-2600

SACRAMENTO
1708 Q STREET
SACRAMENTO, CA 95811
P + (916) 554-6492
F + (916) 554-6493

Properties & Fees

Future High School: \$4,750
Plover School: \$3,500
Smyth Academy Middle: \$2,750
Terrace Park: \$2,750
Vineland: \$2,750
Aero Haven: \$2,750
Portion of Westside Elementary: \$2,750

Completion:

6 weeks

Expenses:

Fee quoted includes all expenses

Payment Terms:

Balance is due and payable upon delivery of the final report or within 30 days of your receipt of our draft report.

Report Copies:

PDF only

The attached Terms and Conditions of the Engagement are deemed part of this Appraisal Services Agreement and are incorporated fully herein by reference and shall apply to any appraisal reports, contract or orders into which they are incorporated. In addition, with respect to any appraisal report, any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by BBG, Inc. and its agents, servants, employees, principals, affiliated companies and all those in privity with them, constitutes acceptance of such Terms and Conditions of the Engagement, as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the appraisal report. Use of this appraisal report constitutes acknowledgement and acceptance of the Terms and Conditions of the Engagement, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

As Agent for BBG, Inc.



AGREED AND ACCEPTED

Client Signature

Date

Terms and Limiting Conditions of the Engagement

The Terms and Conditions of the Engagement are deemed part of the attached Proposal Specifications and Appraisal Services Agreement and are incorporated fully therein, and shall apply to any appraisal reports, contract or orders into which they are incorporated.

A) Definitions. In the Terms and Conditions of the Engagement:

1. "BBG, Inc." means BBG, Inc. and its agents, successors, assigns, servants, employees, principals, affiliated companies and all those in privity with them.
2. "Appraiser" means the appraiser(s) performing part or all of the appraisal services and/or signing an appraisal report.
3. "Appraisal Services Agreement" means any written agreement with Client for performance of the appraisal services by Appraiser, including any agreement entered into electronically.
4. "Client" means any party identified expressly as a client in an Appraisal Services Agreement and also any party identified expressly as a client by the Appraiser in an appraisal report.
5. "Appraisal" means the appraisal or consulting report(s) prepared by BBG, Inc.

B) Venue and Jurisdiction

THIS APPRAISAL SERVICES AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC SUBSTANTIVE LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION. IF ANY ACTION RELATING TO THIS APPRAISAL SERVICES AGREEMENT OR THE CONTEMPLATED TRANSACTIONS IS BROUGHT BY A PARTY HERETO AGAINST ANY OTHER PARTY HERETO, THE PREVAILING PARTY IN SUCH ACTION WILL BE ENTITLED TO RECOVER ALL REASONABLE EXPENSES RELATING THERETO (INCLUDING ATTORNEYS' FEES AND EXPENSES) FROM THE NON-PREVAILING PARTY.

Each party to this Appraisal Services Agreement (a) hereby irrevocably submits to the exclusive jurisdiction and venue of the state courts located in San Francisco, California for the purpose of any Action between any of the parties hereto arising in whole or in part under or in connection with this Appraisal Services Agreement, any Ancillary Agreement, or the Contemplated Transactions, (b) hereby waives and agrees not to assert any claim that he, she or it is not subject personally to the jurisdiction of the above-named courts or that any such Action brought in the above-named courts should be dismissed on grounds of forum non conveniens. Notwithstanding the foregoing, a party hereto may commence any Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by the above-named courts.

C) Limitations of Liability

It is expressly agreed that in any action which may be brought against BBG, Inc., arising out of, relating to, or in any way pertaining to this engagement, this Appraisal Services Agreement, this Appraisal, or any information or opinions contained therein, BBG, Inc. shall not be responsible or liable for any incidental or consequential losses, unless the Appraisal was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of BBG, Inc. in any such action shall not exceed the fees paid for the preparation of the respective Appraisal unless the Appraisal was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

Client hereby agrees to indemnify, defend, protect and hold BBG, Inc. harmless from and against all claims, damages, losses and expenses, including attorneys' fees, expenses and costs, incurred upon investigating and defending any claim, action or proceeding arising from, or in any way connected to, relating to, or in any way pertaining to this engagement, this Appraisal Services Agreement, the Appraisal, or any information or opinions contained therein.

Further, you acknowledge that any opinions and conclusions expressed by professionals employed by BBG, Inc. related to the Appraisal are representations made by them as employees and not as individuals. BBG, Inc.'s responsibility is limited to you a Client, and use of BBG, Inc.'s product by third parties shall be solely at the risk of you and/or third parties. BBG, Inc. acknowledges that Client will be the end-user of, and can rely upon, the opinion and conclusions of BBG, Inc. for this Appraisal.

D) Confidentiality

The parties agree that (i) this Appraisal Services Agreement and the terms contained herein, (ii) valuation conclusions, (iii) the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof, and (iv) all information regarding the Site of whatever nature made available to either party by the other (including BBG, Inc.'s final report and all prior drafts of same) and methods of each party revealed during the performance of the Services (altogether, collectively, the "Confidential Information") shall be treated as strictly confidential. Accordingly, neither party nor any employee, agent or affiliate thereof shall disclose the same to any third party without the written consent of other party and approval of Appraiser; provided, however, that, a party shall not hereby be precluded from disclosure of Confidential Information that may be compelled by legal requirements, or from disclosing this Appraisal Services Agreement (and the terms contained

Terms and Limiting Conditions of the Engagement

herein) to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to that party by duties of confidence.

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.

E) General Assumptions and Limiting Conditions

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
 - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of

Terms and Limiting Conditions of the Engagement

- the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
 - 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.

Terms and Limiting Conditions of the Engagement

- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.



To be completed by Budget Services

S.A. # _____
Vendor # _____

TWIN RIVERS UNIFIED SCHOOL DISTRICT
Mailing Address: 3222 Winona Way, North Highlands, CA 95660

SERVICES AGREEMENT / CONTRACT - LESS THAN \$35,000

THIS AGREEMENT shall be between the Twin Rivers Unified School District ("District") and BBG ("Contractor"); **FOR THE FOLLOWING SERVICES** (List specific services and deliverables to be provided and dates due. Attach a scope of services if available. Please do not attach an outside vendor's contract.): Appraisal for District properties per attached Proposal. Terms and conditions of Contractor's Proposal are incorporated herein by reference. In the event of a conflict in terms and conditions between Contractor's Proposal and this Agreement, the terms and conditions of this Agreement shall supersede.

AT THE FOLLOWING LOCATION(S): District Office, or other-district designated site

THIS AGREEMENT shall be effective from July 1, 2020 through June 30, 2021. **THIS AGREEMENT MAY ALSO BE TERMINATED** by either party giving **thirty (30) days'** written notice of termination to the other party.

INSURANCE

The District assumes no liability for workers' compensation or liability for loss, damage or injury to person(s) or property during or relating to the performance of service under this Agreement.

The Contractor agrees to hold harmless and to indemnify the District for:

Any injury to person or property sustained by the Contractor or by any person, firm or corporation employed directly by the Contractor or by any of the individuals participating in or associated with him/her, however caused; and any injury to person or property sustained by the person, firm or corporation, caused by any act, neglect, default or omission, of the Contractor or of any person, firm, or corporation directly or indirectly employed by the Contractor upon or in connection with this Agreement or any other persons/parties performing services arising out or in the course of the term of this Agreement, and the Contractor at his/her own cost, expense and risk, shall defend any and all actions, suits, or other legal proceedings that may be instituted against the District for any such claim or demand, and pay or satisfy any judgment that may be rendered against the District in any such action, suit or legal proceedings or result thereof. Nothing herein shall be construed to require the Contractor to hold harmless or indemnify the Twin Rivers Unified School District for liability or damages resulting from the negligence or willful act or omission of the District or its officers, agents, or employees.

As an independent contractor, it shall be the sole responsibility of Contractor to obtain any needed business licenses, certificates, permits to conduct business to meet the terms of this Contract. **FACILITIES/MAINTENANCE CONTRACTORS – PLEASE PROVIDE CA STATE DIR REGISTRATION NO. AND DATE:** _____ (For Public Works Projects Only)

THE CONTRACTOR AGREES to perform the services described for the sum NOT TO EXCEED \$22,000.00 (less than \$35,000)

BBG 8/20/2020 sbeeb@bbgres.com
Contractor Printed Name / Contractor Signature / Date E-mail Address
1708 Q Street Sacramento CA 95811
Contractor Address City State Zip Code
916-949-7360 47-3942404
Phone Fax SSN or Tax ID
Contractor or Business License Number _____

CONTRACTOR'S SIGNATURE ACKNOWLEDGES COMPLIANCE WITH ALL PROVISIONS OF ED. CODE 45125.1 RELATING TO FINGERPRINTING.

TO BE COMPLETED BY ADMINISTRATOR
W-9 Form Yes No Fingerprinting (Ed Code 45125.1) Required Not Required TB Clearance (AR1240) Required Not Required

Department: _____
Project: _____

Initiator/Coordinator Signature _____ Date _____

% or \$ BUDGET CODES:
_____-_____-_____-_____-_____-_____-_____-_____-_____-_____-
_____-_____-_____-_____-_____-_____-_____-_____-_____-_____-
_____-_____-_____-_____-_____-_____-_____-_____-_____-_____-

Program Administrator Signature _____ Date _____

Administrator _____ Date _____

PLEASE NOTE: Accounts Payable will not process payment until the services have been completed and the Initiator verifies this fact by transmitting a Request for Direct Payment Form. If progress payments are needed, they must be stated in the contract and supported by Requests for Direct Payment. Invoices should be submitted to (name/department of initiating administrator, Twin Rivers Unified School District, 3222 Winona Way, North Highlands, CA 95660). As a general procedure, payment is remitted 30 days from receipt and verification of invoice.

Budget Services Signature _____ Date _____



TWIN RIVERS UNIFIED SCHOOL DISTRICT
ADMINISTRATIVE SERVICES
 District Mailing Address: 3222 Winona Way
 North Highlands, CA 95660

CONTRACTOR CERTIFICATION

I, Scott Beebe, certify to the District Board of Trustees that I am familiar with the facts contained in this certification and authorized to execute this certification on behalf of the undersigned business BBG. I hereby certify further that the undersigned business has complied with Education Code Section 45125.1 and conducted the required criminal background check(s) of all persons who will be providing services to the Twin Rivers Unified School District on behalf of the undersigned business, and that none of those persons have been reported by the California Department of Justice (“DOJ”) as having been convicted of a serious or violent felony as defined in Education Code Section 45122.1.

As further required by Education Code Section 45125.1, I have attached and incorporated by reference a complete and accurate list of the names of the employees of the undersigned business who will be providing services to Twin Rivers Unified School District and who may come into contact with pupils. I agree to keep this list current and to notify the Twin Rivers Unified School District of any additions or deletions as soon as they occur. I understand that this Certificate is not to be signed and submitted until I have received clearance from DOJ regarding all persons listed.

I understand that the responsibility for criminal background clearance extends to all employees, agents, representatives, consultants, contractors, and subcontractors coming into contact with pupils regardless of whether they are designated as employees or acting as independent contractors. The undersigned business shall not allow any person who has not received satisfactory written verification of compliance to enter District property for any purpose related to or arising out of this Agreement at any time that District pupils may be present.

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

Executed this 20 day of August, 2020, in Sacramento, County, California.

BBG
 Name of Contractor/Consultant (*please print*)

Scott Beebe
 Name/Title of Authorized Representative (*please print*)

 Signature of Authorized Representative



TWIN RIVERS UNIFIED SCHOOL DISTRICT
ADMINISTRATIVE SERVICES
District Mailing Address: 3222 Winona Way
North Highlands, CA 95660

**LIST OF EMPLOYEES/VOLUNTEERS WHO
MAY COME IN CONTACT WITH STUDENTS**

NAME OF EMPLOYEES/VOLUNTEERS	NAME OF CONTRACTOR/CONSULTANT	SCHOOL SITES (IF KNOWN)
Scott Beebe		All
Art Leck		All
Peter Luna		All

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. BBG, Inc.		
	2 Business name/disregarded entity name, if different from above		
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <small>Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.</small> <input type="checkbox"/> Other (see instructions) ▶ _____		4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
	5 Address (number, street, and apt. or suite no.) 8300 Douglas Avenue, Suite 600		Requester's name and address (optional)
	6 City, state, and ZIP code Dallas, TX 75225		
	7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number	
[][] - [][] - [][][][]	
or	
Employer identification number	
4 7 - 3 9 4 2 4 0 4	

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶ 1/4/2017
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.