AGENDA
CITY OF ROCKLIN PLANNING COMMISSION
DATE: February 7, 2017
TIME: 6:30 PM
PLACE: Council Chambers, 3970 Rocklin Road
www.rocklin.ca.us

CITIZENS ADDRESSING THE COMMISSION

Citizens may address the Planning Commission on any items on the agenda, when the item is considered. Citizens wishing to speak may request recognition from the presiding officer by raising his or her hand and stepping to the podium when requested to do so. An opportunity will be provided for citizens wishing to speak on non-agenda items to similarly request recognition and address the Planning Commission. Three to five-minute time limits may be placed on citizen comments.

All persons with electronic presentations for public meetings will be required to bring their own laptop or other form of standalone device that is HDMI or VGA compatible. It is further recommended that presenters arrive early to test their presentations. The City is not responsible for the compatibility or operation of non-city devices or the functionality of non-city presentations.

ACCOMMODATING THOSE INDIVIDUALS WITH SPECIAL NEEDS

In compliance with the Americans with Disabilities Act, the City of Rocklin encourages those with disabilities to participate fully in the public hearing process. If you have a special need in order to allow you to attend or participate in our public hearing process or programs, please contact our office at (916) 625-5160 well in advance of the public hearing or program you wish to attend so that we may make every reasonable effort to accommodate you.

WRITTEN MATERIAL INTRODUCED INTO THE RECORD

Any citizen wishing to introduce written material into the record at the hearing on any item is requested to provide a copy of the written material to the Planning Department prior to the hearing date so that the material may be distributed to the Planning Commission prior to the hearing.

COURT CHALLENGES AND APPEAL PERIOD

Court challenges to any public hearing items may be limited to only those issues which are raised at the public hearing described in the notice or in written correspondence delivered to the City at or prior to the public hearing. (Government Code Section 65009)

There is a 10-day appeal period for most Planning Commission decisions. However, a Planning Commission approval of a tentative parcel map has a 15-day appeal period. Appeals can be made by any interested party upon payment of the appropriate fee and submittal of the appeal request to the Rocklin City Clerk or the Planning Department, 3970 Rocklin Road, Rocklin.

FURTHER INFORMATION

Any person interested in an agenda item may contact the Planning Staff prior to the meeting date, at 3970 Rocklin Road, Rocklin, CA 95677 or by phoning (916) 625-5160 for further information.

Any writing related to an agenda item for the open session of this meeting distributed to the Planning Commission less than 72 hours before this meeting is available for inspection at the Community Development Department, 3970 Rocklin Road, First Floor, Rocklin, during normal business hours. These writings will also be available for review at the Planning Commission meeting in the public access binder located at the back table in the Council Chambers.

INTRODUCTION

1. **Meeting called to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Minutes**
    a. December 20, 2016
5. **Correspondence**
6. **Citizens Addressing the Commission on Non Agenda Items**

CONSENT ITEMS

None

PUBLIC HEARINGS

CONTINUED FROM JANUARY 17, 2017

7. **GENERAL PLAN CONSISTENCY FINDINGS FOR EXCESS CITY PROPERTY WEST OAKS BOULEVARD WEST OF SUNSET / FORMER FIRE STATION SITE (APN 365-020-030)**

    a. Resolution of the Planning Commission of the City of Rocklin Making Findings Under Government Code Section 65402 (General Plan Consistency Finding (West Oaks West of Sunset/Former Fire Station Site/APN 365-020-030)

NON PUBLIC HEARINGS

8. **Reports and Discussion Items from Planning Commissioners**
9. **Reports from City Staff**
10. **Adjournment**

CITY OF ROCKLIN
MINUTES OF THE PLANNING COMMISSION MEETING

December 20, 2016
Rocklin Council Chambers
Rocklin Administration Building
3970 Rocklin Road
(www. rocklin.ca.us)

1. **Meeting Called to Order at 6:30p.m.**
2. **Pledge of Allegiance was led by Commissioner McKenzie.**
3. **Roll Call**

Chairman Sloan
Vice Chairman Martinez
Commissioner McKenzie
Commissioner Whitmore
Commissioner Gayaldo

Others Present:

DeeAnne Gillick, Interim City Attorney
Bret Finning, Planning Services Manager
Nathan Anderson, Associate Planner
Marc Mondell, Director of Economic & Community Development
Dave Palmer, City Engineer
David Mohlenbrok, Env. Services Ops Manager
Terry Stemple, Planning Commission Secretary

About 7 others

4. **Minutes –** Minutes of November 15, 2016 were approved as submitted.
5. **Correspondence** - None
6. **Citizens Addressing the Commission on Non Agenda Items – None**

CONSENT ITEMS

Commissioner McKenzie asked to pull Item 8 off the consent calendar for discussion.

7. **LUI-TAYLOR FAMILY TRUST PROPERTY PURCHASE**
   GENERAL PLAN CONSISTENCY FINDING

On a motion by Commissioner Martinez and seconded by Commissioner Whitmore, Resolution of the Planning Commission of the City of Rocklin Making Findings Under Government Code Section 65402 (Lui-Taylor Property Purchase /Portion of APN 010-230-003) was approved by the following vote:

AYES: Martinez, Whitmore, Gayaldo, McKenzie, Sloan
NOES: None
ABSENT: None
ABSTAIN: None

8. GENERAL PLAN CONSISTENCY FINDINGS FOR EXCESS CITY PROPERTIES WEST OAKS WEST OF SUNSET/FORMER FIRE STATION SITE (APN 365-020-030)

Commissioner McKenzie explained that the reason he pulled this item from consent is he has several concerns which include:

- Site is adjacent to Kathy Lund park with is significantly under parked.
- Site is zoned for recreation purposes

He had questions for staff regarding:

- Has the concept gone to the Parks, Recreation and Arts Commission
- How the site was acquired
- How the site was determined to be surplus property

Bret Finning and DeeAnne Gillick explained that the site was originally dedicated to the City for the construction of a Fire Station which was then decided that an alternate site was a better fit. The City worked with the Sunset West area developer and obtained a clear and unencumbered title to the site with no restrictions. It was also explained that over the last couple of years, the City Council authorized a study of City owned properties determining which ones could be declared surplus. Staff was then directed to market the properties.

Bret also explained that this would come back to the Planning Commission when there is an actual project proposed at the site.

Additional questions for Staff:

- Potential use of offer
- Public entity interest/purchase of property

The hearing was opened to the public for comment. There being none, the hearing was closed.

Commission Deliberation/Discussion:

Commissioner McKenzie stated he cannot support the findings.

Commissioner Martinez stated he shares some of the same concerns regarding parking as Commission McKenzie. Doesn't feel there is enough information to make a decision.

Commissioner Gayaldo also feels there is not enough information to make a determination.

Commissioner Whitmore stated he is not sure the property is suitable for parking.

The Commission determined that the item should be continued so that additional information to answer their questions and concerns could be researched and brought back to them.

On a motion by Commissioner McKenzie and seconded by Commissioner Martinez, Item 8 is continued to the January 17, 2017 Planning Commission meeting.

AYES: McKenzie, Martinez, Gayaldo, Whitmore, Sloan
NOES: None
ABSENT: None
ABSTAIN: None

PUBLIC HEARINGS

9. OAK VISTA TENTATIVE SUBDIVISION MAP
TENTATIVE SUBDIVISION MAP, SD2015-0002
REZONE, Z2015-0002
OAK TREE PRESERVATION PERMIT, TRE2015-0008

This application is a request for approval of a Tentative Subdivision Map, Rezone, and Oak Tree Preservation Permit to subdivide a 14.3-acre parcel into 63 residential lots. The subject site is generally located on the southwest corner of Makabe Lane and Diaz Lane and is bordered on three sides by the existing Rocklin 60 Subdivision. APN's 045-043-009, -030, -031, -032, and -052; 453-070-042; 453-061-022; and 453-070-040. The zoning for this property is currently Unclassified. The General Plan designation is Medium Density Residential (MDR).

Notice is hereby given that the City of Rocklin will consider adoption of a Mitigated Negative Declaration for the development project described above. The review period for the Mitigated Negative Declaration begins on November 17, 2016 and ends at 5:00 p.m. on December 16, 2016. The environmental document is available for review during normal business hours at the City of Rocklin Community Development Department, Planning Division, located at 3970 Rocklin Road, Rocklin, CA 95677 and online at http://www.rocklin.ca.us/depts/develop/planning/currentenvirondocs.asp. Written comments regarding the environmental document may be submitted to the attention of the Environmental Coordinator at the mailing address above or e-mailed to planner@rocklin.ca.us.

The applicant is Ryan Bradford. The property owner is Placer Partners, LLC.

Nathan Anderson, Associate Planner, presented the staff report.

David Mohlenbrok, Environmental Services, summarized the blue memo.

The Commission had questions for staff regarding:

- Clarification on which oak trees will be remaining
- Mitigation measures for the removal of the trees
- Comment letter submitted

Applicant, Ryan Bradford, Placer Partners, addressed the Commission and stated that staff did a great job and they are content with the findings.

The Commission had no questions for the applicant.

The hearing was opened to the public for comment at 7:21 pm.

- Jay Pawlek, Taylor Morrison Homes, stated they have reached a conceptual agreement with the applicant.

There being no further comment, the hearing was closed at 7:22 pm.

Additional questions for Staff:

- Future of project if consensus cannot be made on Lots D & F.
- IOD from Rocklin 60 subdivision on Lots D & F – status of acceptance from City
- Zoning Change

Commission Deliberation/Discussion:

Commissioner Whitmore feels the project is consistent with the identified findings. He is appreciative of the trees saved and supports the project.

Commissioner Martinez agreed with Commissioner Whitmore's comments. Feels it is compatible with the surrounding development and supports the project.

Commissioner McKenzie stated he was on the Planning Commission when Rocklin 60 came before the Planning Commission. He has an issue with treatment of oak trees in the mitigated negative declaration, and believes the mitigation is not sufficient. He said the mitigation does not analyze that future trees may be taken out and he cannot support the project.

Commissioner Gayaldo thinks the project is compatible with the area and appropriate. She appreciates the comments in the blue memo and supports the project.

Chairman Sloan stated that the project is consistent with the surrounding uses and supports the project.

On a motion by Commissioner Whitmore and seconded by Commissioner Gayaldo, Resolution of the Planning Commission of the City of Rocklin Recommending Approval of a Mitigated Negative Declaration of Environmental Impacts (Oak Vista Subdivision / SD-2015-0002, Z-2015-0002, and TRE-2015-0008) was approved by the following vote:

AYES:	Whitmore, Gayaldo, Martinez, Sloan
NOES:	McKenzie
ABSENT:	None
ABSTAIN:	None

On a motion by Commissioner Whitmore and seconded by Commissioner Gayaldo, Resolution of the Planning Commission of the City of Rocklin Recommending Approval of an Ordinance Rezoning an Area From Unclassified (U) to a Combination of Residential Six Thousand Square Foot Net Minimum Lot Size (R1-6) and Residential Twelve Thousand Square Foot Net Minimum Lot Size (R1-12.5) (Oak Vista Subdivision / Z-2015-0002) was approved by the following vote:

AYES:	Whitmore, Gayaldo, Martinez, Sloan
NOES:	McKenzie
ABSENT:	None
ABSTAIN:	None

On a motion by Commissioner Whitmore and seconded by Commissioner Gayaldo, Resolution of the Planning Commission of the City of Rocklin Recommending Approval of a Tentative Subdivision Map and an Oak Tree Preservation Plan Permit (Oak Vista Subdivision / SD-2015-0002, TRE-2015-0008) was approved by the following vote to include the following modification to Condition #11.b

> *Prior to approval of a Final Map, issuance of a grading permit, or Improvement Plans (whichever occurs first) the applicant shall obtain ownership of Lots D and F ~~from the City~~ for incorporation into the project. The transfer of these properties shall require agreement between the subdivider and the prior owners of Lots D and F ~~payment of fair compensation~~, to the satisfaction of the City Manager. If the subdivider is unable to reach an agreement with the prior owner and the City Manager ~~with the city~~ on the transfer of these lots the subdivider will be required to apply for approval of a new or modified project that does not include these parcels.*

AYES: Whitmore, Gayaldo, Martinez, Sloan
NOES: McKenzie
ABSENT: None
ABSTAIN: None

NON PUBLIC HEARINGS

10. Informational Items and Presentations

a. None

11. Reports and Discussion Items from Planning Commissioners

- Architectural Review Committee meetings
  - Appointments will be made first council meeting in January

12. Reports from City Staff

- City Council Strategic Planning Session is January 27, 2017 at 8:30am

13. Adjournment

There being no further business brought before the Commission, the meeting was adjourned at 7:51 p.m.

Respectfully submitted,

Terry Stemple
Assistant City Clerk

Approved at the regularly scheduled Meeting of , 2017

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ROCKLIN
CALIFORNIA

CITY MEMORANDUM

DATE: **February 7, 2017**

TO: **Planning Commission**

FROM: **Marc Mondell, Economic and Community Development Director**
Bret Finning, Planning Services Manager

SUBJECT: **General Plan Consistency Findings for Excess City Property West Oaks Boulevard west of Sunset former Fire Station Site (APN 365-020-030)**

At the Planning Commission meeting of December 20, 2016 staff presented a request for a finding of General Plan Consistency related to the proposed sale of the former fire house site adjacent to Kathy Lund Park. The Planning Commission expressed concern about parking issues related to Kathy Lund Park and asked that staff provide some additional information regarding how the site was determined to be a surplus property and if consideration had been given to the use of this site to address the parking issue.

The site was originally dedicated to the City for the construction of a Fire Station. It was later determined that an alternative location on Wildcat Boulevard would be more centrally located and allow for better response times and the station was constructed on the alternate site. During that process the City worked with the developer of the Sunset West area and obtained clear and unencumbered title to the site allowing it to be used however the City saw fit.

On June 24, 2014 the City Council approved a resolution authorizing the City Manager to execute a Professional Services Agreement with CBRE, Inc to provide real estate and brokerage services to assist in implementing one of the goals in the City's Community Investment Plan that had previously been adopted by the City Council, specifically:

"Goal 1 – Civic Investment

Objective 1.3 – Leverage surplus City properties for desired development or funding opportunities."

The goal identifies three specific action steps:

> "*Step 1.3.1 – Identify surplus City properties, market value and potential investors.*
> *Step 1.3.2 – Complete Property Management Plan for former RDA properties.*
> *Step 1.3.3 – Identify potential investors interested in acquiring former RDA properties for development."*

The report discussed that the City of Rocklin has a handful of city-owned properties that can potentially be declared surplus and sold as well as former Redevelopment Agency (RDA) owned properties that the state has directed the City to sell. The City's main goal in selling these properties is to generate quality developments that will result in new residential opportunities, businesses, jobs and amenities to help fulfill the City's goal of economic sustainability." The former Fire House site adjacent to Kathy Lund Park was specifically included in the potential list of properties to be marketed.

On July 14, 2015 the City Council directed staff to proceed to market several of the properties identified in the June 2014 resolution, including the former Fire House site adjacent to Kathy Lund Park a surplus property, see Attachment 1. Subsequently a preliminary sales agreement was reached with a potential buyer and the City Council approved a resolution authorizing the City Manager to execute a purchase and sale agreement to sell the property, see Attachment 2. That buyer later chose not to complete the purchase of the property and the City continued to market the site.

The parking issues at Kathy Lund Park are discussed in the November 2015 report to the City Council and the possibility of using the former Fire House site for overflow parking was noted but it was also noted that there were no funds set aside to construct such improvements. The report also identifies that there is an opportunity to develop additional parking on a portion of the exiting park site, possibly shared with the adjacent St. Matthew Lutheran Church, see Attachment 3, and states that this would be the preferred alternative for constructing additional parking for the park.

Staff has verified with the Public Services Director and the Director of Recreation, Arts, and Event Tourism that the Parks, Recreation and Arts Commission has not been specifically charged by the City Council with making recommendations on the determination of a property to be surplus or of potential park use and it has not been the City's past practice to ask the Commission for such recommendations.

It should also be noted the Rocklin General Plan sets a goal of developing 5 acres of parkland for each 1,000 residents. As of October 2012 the City had 2,200 acres of open space, including 428 acres of improved and unimproved parklands. With 428 acres of parklands (219 improved acres) as of 2012 City had a ratio of 7.94 acres of parkland per 1,000 people, well in excess of the General Plan Goal of 5 acres per 1,000. Even if the City's anticipated build out population of 76,000 people were to increase to by several

thousand the City would still have more than enough existing parklands to comply with the General Plan Goal.

It is staff's belief that the above and attached supplemental information illustrates that the City fully considered the pros and cons of declaring the former Fire House site to be a surplus property and that the City is working on a plan to address the parking issues experienced at Kathy Lund Park that does not involve this site. Given the above, staff recommends that the Planning Commission approve a resolution finding that the sale of this property to be consistent with the Goals and Policies of the Rocklin General Plan. The staff report and draft resolution prepared for the December 20th, 2016 meeting on this item are attached, for use by the Planning Commission at this time.

Attachments

1. City Council Staff Report on surplus property, 714-15
2. City Council Staff Report and Resolution approving a sales agreement for site, 11-10-15
3. Conceptual parking expansion plan for Kathy Lund Park
4. Planning Commission Staff Report re: General Plan Consistency Finding, 12-20-2016
5. Draft Resolution for General Plan Consistency Finding

City Council Report

Subject: Former RDA and Excess City Parcels Update and Next Steps

Submitted by: Karen Garner **Date:** July 14, 2015

Department: Economic & Community Development

Staff Recommendation:

- Direct staff to market all properties as presented, evaluate proposals as received and bring recommended projects forward to City Council or Successor Agency as appropriate for review and approval.

BACKGROUND:

The City has several vacant parcels around the city that are either former RDA parcels or are underutilized city owned parcels. In June 2014, the Council directed staff to enter into a contract with CBRE to market these properties. A contract was signed on July 1, 2014 with CBRE and Bill Ayres has been representing the city on these properties and has kept staff apprised of any interest in the properties.

As noted in the June 2014 staff report, the City's main goal in selling these properties is to generate quality developments that will result in new businesses, jobs and amenities and help fulfill the City's goal of economic sustainability. Sale of the parcels also meets objectives within the city's Community Investment Plan.

Goal 1 – Civic Investment

Objective 1.3 – Leverage surplus City properties for desired development or funding opportunities.

The objective identifies three specific action steps:

Step 1.3.1 – Identify surplus City properties, market value and potential investors.
Step 1.3.2 – Complete Property Management Plan for former RDA properties.
Step 1.3.3 – Identify potential investors interested in acquiring former RDA properties for development.

This report is intended to apprise Council of recent activity related to the former RDA and excess city-owned properties and request direction on next steps as well as confirm the properties to be marketed to the development community.

Each former RDA site and excess city-owned parcel is unique and different strategies are necessary to prepare the property for sale, but in general, the following steps are needed;

- Research
    - For city owned parcels, title search or research into why and how the city obtained the property is necessary to determine if there are any restrictions on selling the property. Sale of former RDA parcels need to follow requirements of AB1X 26 (Dissolution Act) and AB 1484.
- Entitlement processing, if needed
    - To maximize the value of some properties, it may be necessary to process a parcel map, rezone or some other entitlement. This step can be done prior to or concurrent with entering in to a contract with a developer.
- General Plan Consistency Findings
    - All parcels being sold require action by the Planning Commission making a finding of consistency with the General Plan.
- Proposal Review
    - Staff evaluation of development proposals taking into consideration goals and objectives of the city's General Plan, Strategic Plan, Community Investment Plan and other applicable plans as well as overall project quality.
- Contract or Development Agreement Negotiation and Preparation
    - Staff will prepare a contract or Development Agreement outlining specific terms and obligations of the developer and the city including timelines and costs. The contract will include detailed information on the proposed development.
- City Council or Successor Agency Review and Public Hearing
    - Staff will bring forward proposals and contracts to the City Council (excess city-owned properties) or Successor Agency (former RDA properties) for review at a noticed public hearing. The sale of former RDA parcels will also require approval from the Oversight Board. The City Council can recommend sale of city-owned property on a project-by-project basis and there are no requirements to sell to the highest bidder, so the quality and benefits of an individual project can be the basis for determining whether to sell a parcel.
- Developer Performance
    - The developer will need to meet milestones and performance standards as outlined in the contract or Development Agreement. This may include timeline requirements for design review or other entitlement application submittal or entitlement approvals. These performance requirements will ensure that the developer is actively pursuing the project and not tying up the property for speculative development opportunities.
- Property Sale
    - Final sale of the property will be contingent upon successful completion of developer performance requirements. Contracts or Development Agreements may also include performance requirements to obtain building permits and begin construction.

Attachment 1 includes a summary list of former RDA and city surplus properties followed by maps and a more detailed status report for each.

Marketing

CBRE has largely been responsible for marketing the properties, although staff regularly discusses sites with developers as appropriate. Marketing that has been done by CBRE includes:

- Installed "for sale" sign(s) on each property.
- Created individual custom brochures.
- Sent brochure(s) to all 60 commercial brokers in CB Sacramento/Roseville (Stockton and Reno) offices.
- Posted on CBRE available land report.
- Notice of listing/sale and brochure link sent monthly to over 600 commercial brokers via the Trainor Law Firm Eblast system (similar to MLS).
- Notice of listing/sale and brochure link sent monthly to a database of all regional commercial and mixed use developers in the region.
- Properties continuously discussed on phone calls and meetings with commercial, Multifamily and senior care developers by listing brokers Bill Ayres and Brian Parker.

FINDINGS, CONCLUSIONS & RECOMMENDATIONS:

Findings:

- City staff expects to receive letters of interest and proposals for former RDA and excess city-owned properties as a result of the marketing of these properties.
- The highest priority when considering a development proposal is the long-term financial benefit, quality of the project, and jobs or amenities the proposed development will bring to Rocklin.
- There are several steps involved in order to move forward with the sale of former RDA and city owned property.

Conclusions:

- Sale of former RDA and excess city-owned properties supports the goals and objectives of the City's Strategic Plan and Community Investment Plan.
- To maximize the value of each property a different approach may be necessary depending on the unique characteristics and circumstances of the property.
- Direction from Council will clarify staff's next steps and allow staff to bring back specific project proposals for review and comment.

Recommendations:

- Direct staff to market all properties as presented, evaluate proposals as received and bring recommended projects forward to City Council or Successor Agency as appropriate for review and approval.

Alternatives:

- Provide staff with alternative direction.

Fiscal Impact:

- No fiscal impact with this request. As individual projects are brought forward to the Council or Successor Agency for review, the fiscal impacts of that project will be discussed at that time.

Ricky A. Horst, City Manager
Reviewed for Content

Russell A. Hildebrand, City Attorney
Reviewed for Legal Sufficiency

Attachments:

1. Summary report of Former RDA & Excess City-owned Property Status

City of Rocklin Surplus & RDA Property Status

Surplus Properties			
Location	**Interested Parties**	**Proposed Project**	**Status**
3rd/5th/Farron	Northwest Home Co.	4 lots/SFD	• Council authorized parcel map for property on March 24, 2015 • LOI to purchase submitted; staff bringing proposal to City Council for review
Park & Ride Lot – Stanford Ranch	Stanford Ranch/Denton Kelly	Commercial	• Council approved GPA, rezone and property reconveyance to Stanford Ranch 1, LLC on June 23, 2015
West Oaks east of Sunset (former Fire Station) site	-	-	-
West Oaks near Kathy Lund Park (Lot 30 – also former Fire Station site)	Craig Davidson	Day Care	LOI to purchase submitted; staff evaluating proposal Site may need GPA & Rezone from RC & P-R
Bush St/Railroad Tracks (behind Kesti properties)	-	-	City working with Kesti family to jointly market property. Intent to prepare RFQ/RFP.
Dominguez Overcrossing parcel – Granite Dr. at Dominguez Rd.	-	-	Additional citywide traffic studies in process that will address the level of benefit and need for the overcrossing. Should it be determined to sell the parcel a General Plan Amendment and Parcel Map would be necessary to create a developable parcel.

Former RDA Properties			
Location	**Interested Parties**	**Proposed Projects**	**Status**
Big Gun site	Atlantic/Pacific	apartments	Staff will prepare RFQ/RFP to solicit further interest
Oak/Pine/Pacific	Northwest Home Co. Bruce Palmbaum	20-25+/- SFD 81 senior + 12 standard apartment units (includes affordable housing component)	LOI to purchase submitted; staff evaluating proposal LOI to purchase submitted; staff evaluating proposal
Pacific/Rocklin Rd corner	-	-	-

Updated 6/25/2015

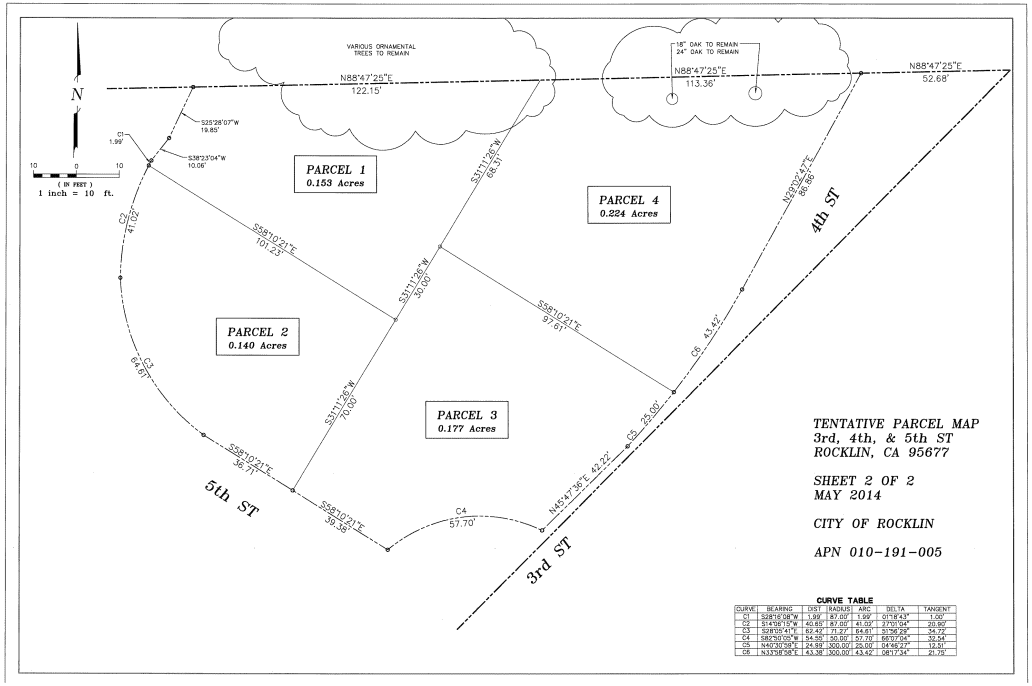
SURPLUS SITES

3rd/5th/Farron St. Residential Lots.

Notes: A parcel map dividing the site into four parcels was approved for this site on 3/24/15 by the City Council. A small portion of the site has been retained to create an entry feature.

Next Steps:

- Working with a developer who is proposing single-family homes. Comments sent back to developer recommending some modifications of original proposal.
- Will bring project proposal to City Council upon successful integration of staff comments.



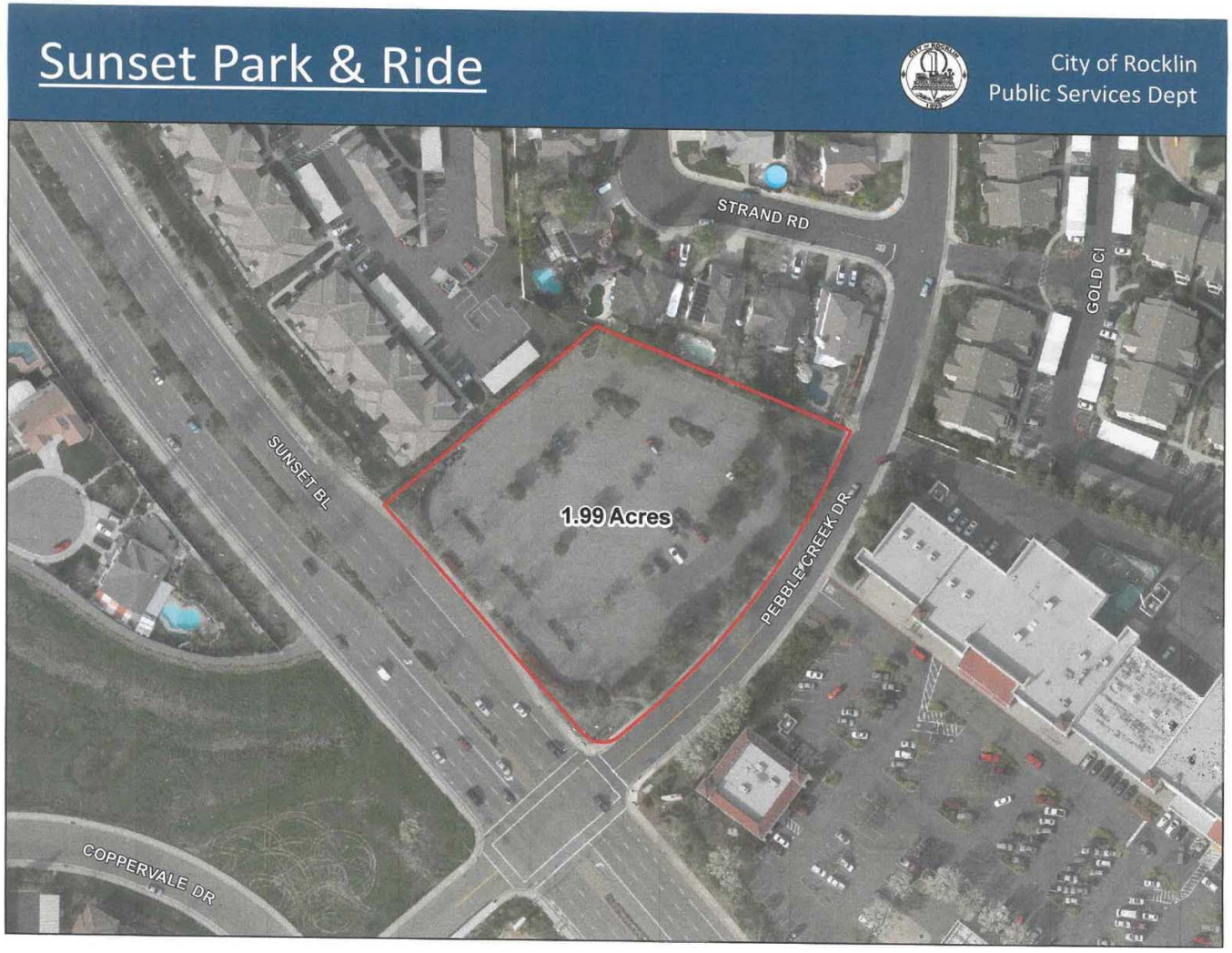
3rd/5th/Farron Street

Park & Ride Lot – Stanford Ranch

Notes: Council approved a General Plan Amendment, Rezone and reconveyance of property to original owner (Stanford Ranch 1, LLC) on June 23, 2015.

Next Steps:

- Development proposals will be handled through Stanford Ranch LLC and any project will require standard entitlement processing through the city such as Design Review Permit.



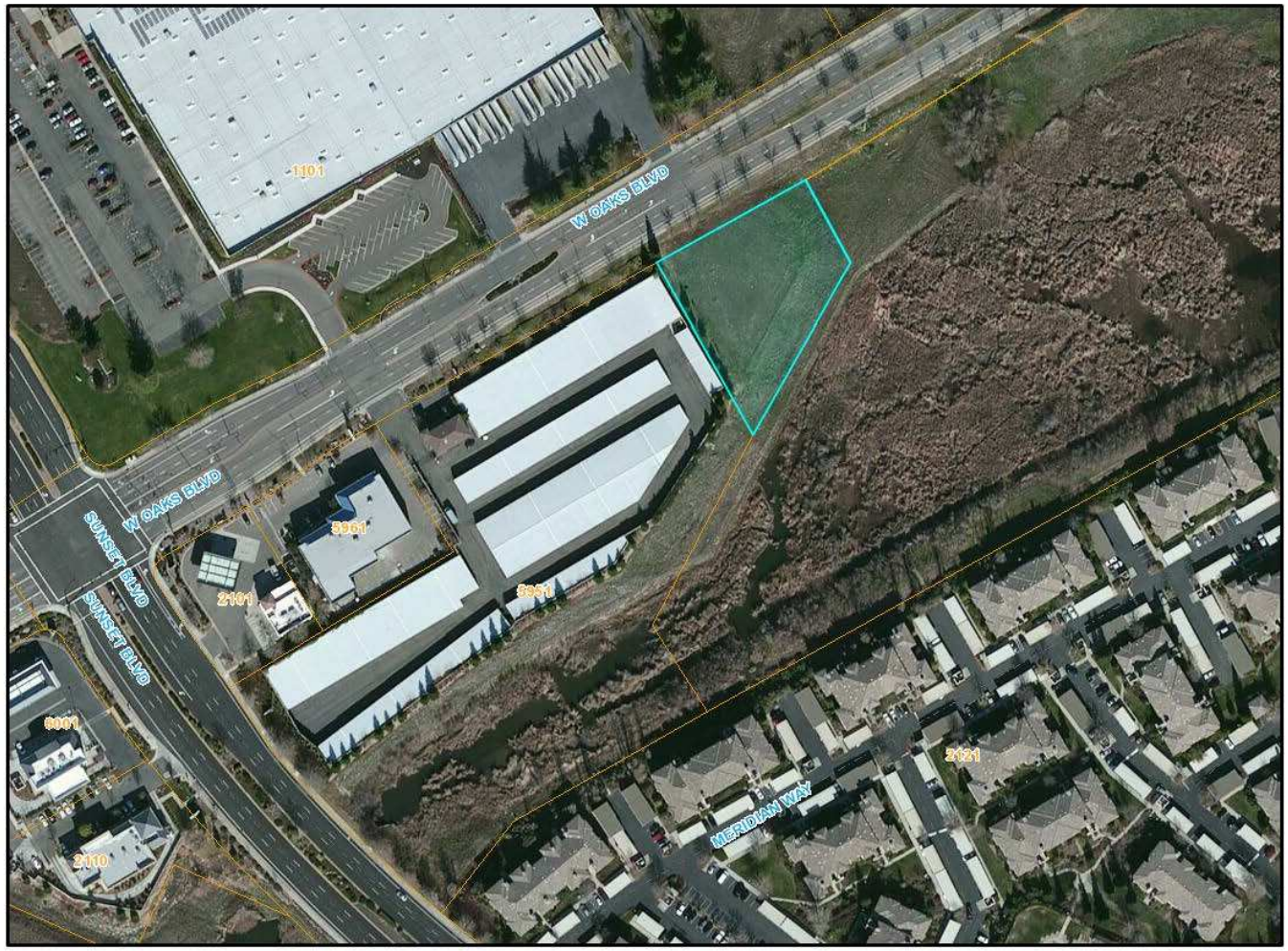
West Oaks east of Sunset (former Fire Station) site

Notes: Site was originally considered for Fire Station location (built on Wildcat instead).

Next Steps:

- No current development interest. Continuing marketing through CBRE.
- Will likely require General Plan Consistency Finding by Planning Commission.

West Oaks/Sunset City Surplus Lot



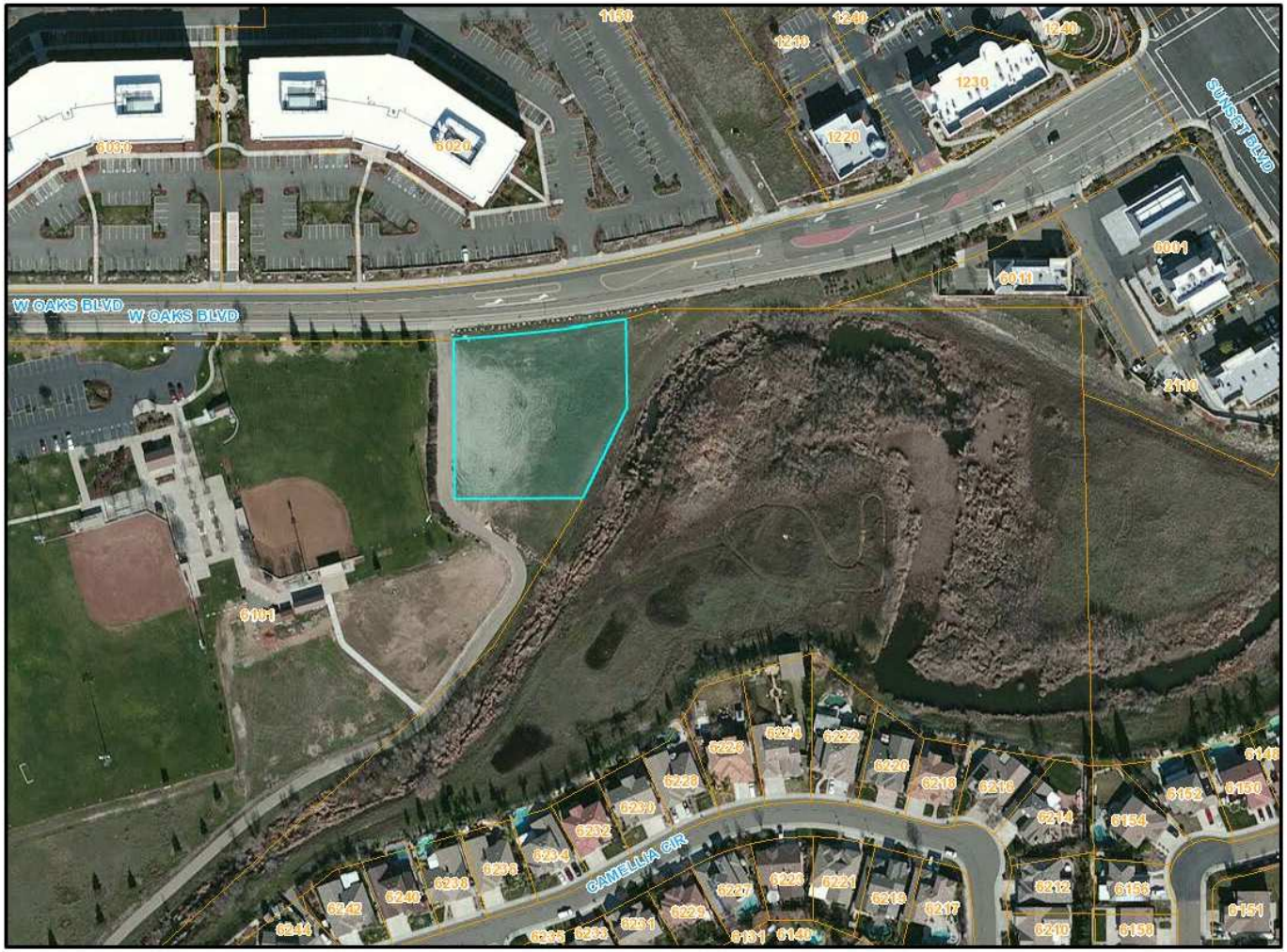
West Oaks near Kathy Lund Park (Lot 30)

Notes: Site was also originally considered for Fire Station location (built on Wildcat instead).

Next Steps:

- Proposal received for daycare. Staff is currently evaluating and preparing comments back to developer.
- Will bring project proposal to City Council upon successful integration of staff comments.
- Would require GPA & Rezone

West Oaks near Kathy Lund Park Surplus Parcel



Bush St/Railroad Tracks Parcel (behind Kesti Parcels)

Notes: City is working with Kesti family to jointly market properties .

Next Steps:

- Due to the size and strategic location of this site (bridge between Quarry Park and Front Street area), this site should be considered a catalyst site. Staff recommends preparing an RFQ or RFP to solicit developer interest once agreements with Kesti family finalized.
- Will likely require General Plan Consistency Finding by Planning Commission.

Bush St/RR Tracks Surplus Parcel

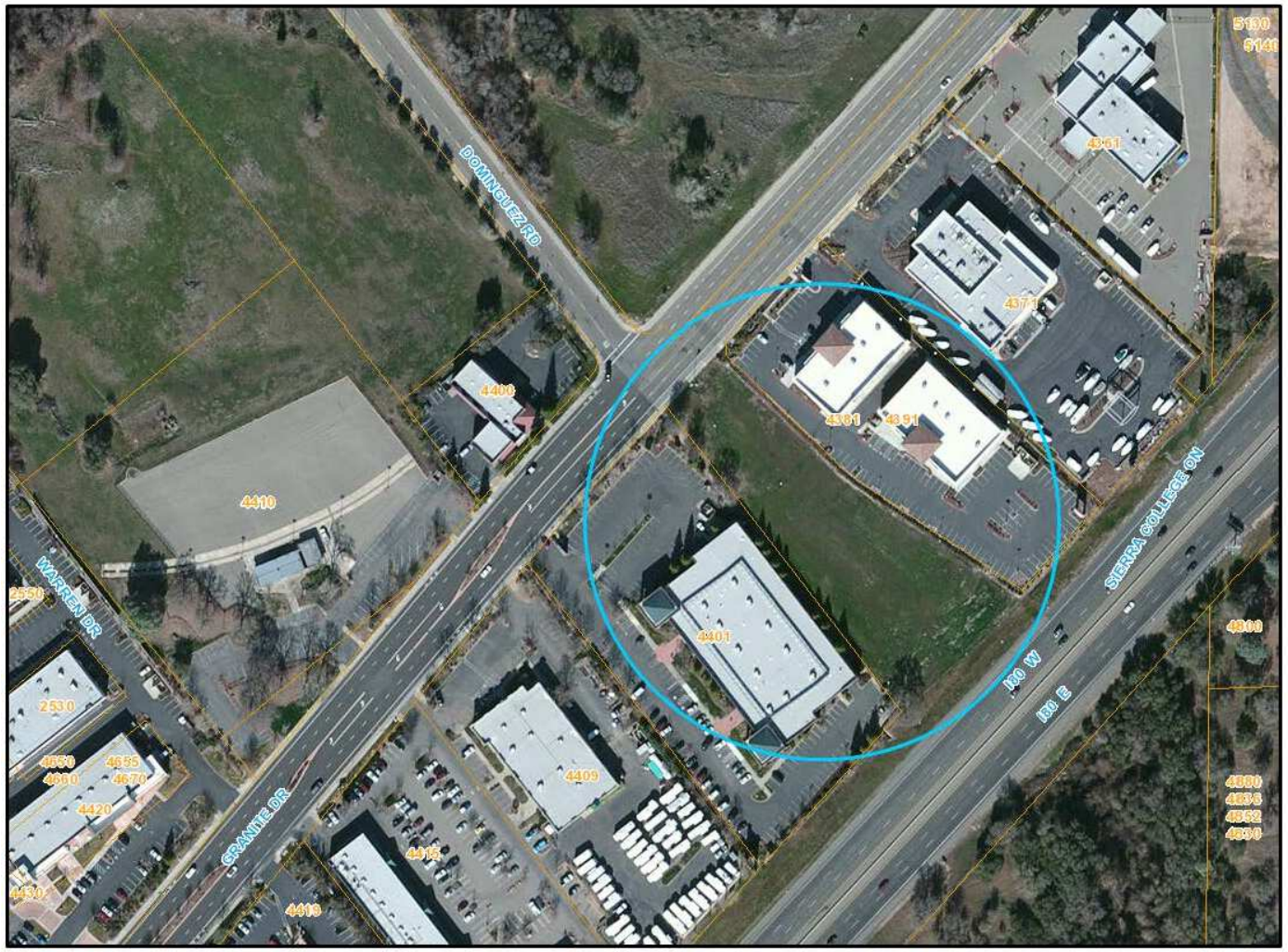
Dominguez Road Overcrossing Parcel (Granite Drive at Dominguez Road)

Notes: City staff is currently evaluating the Dominguez Road overcrossing as part of updates to citywide traffic studies. No actions will be taken on this property until Council makes a determination on the traffic study. Should Council determine the overcrossing is not necessary, a General Plan Amendment and Parcel Map would be necessary to prepare the parcel for market.

Next Steps:

- No action at this time.

Dominguez Road Overcrossing Site



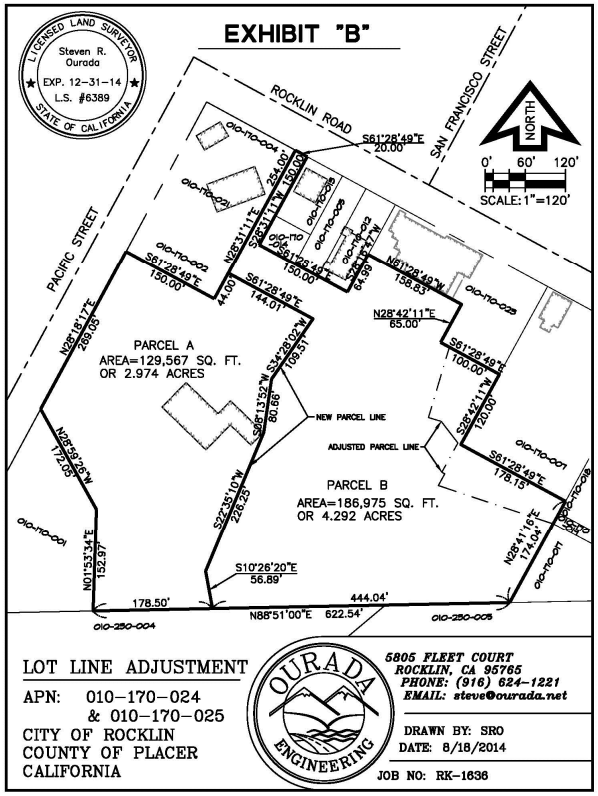
Former RDA Sites

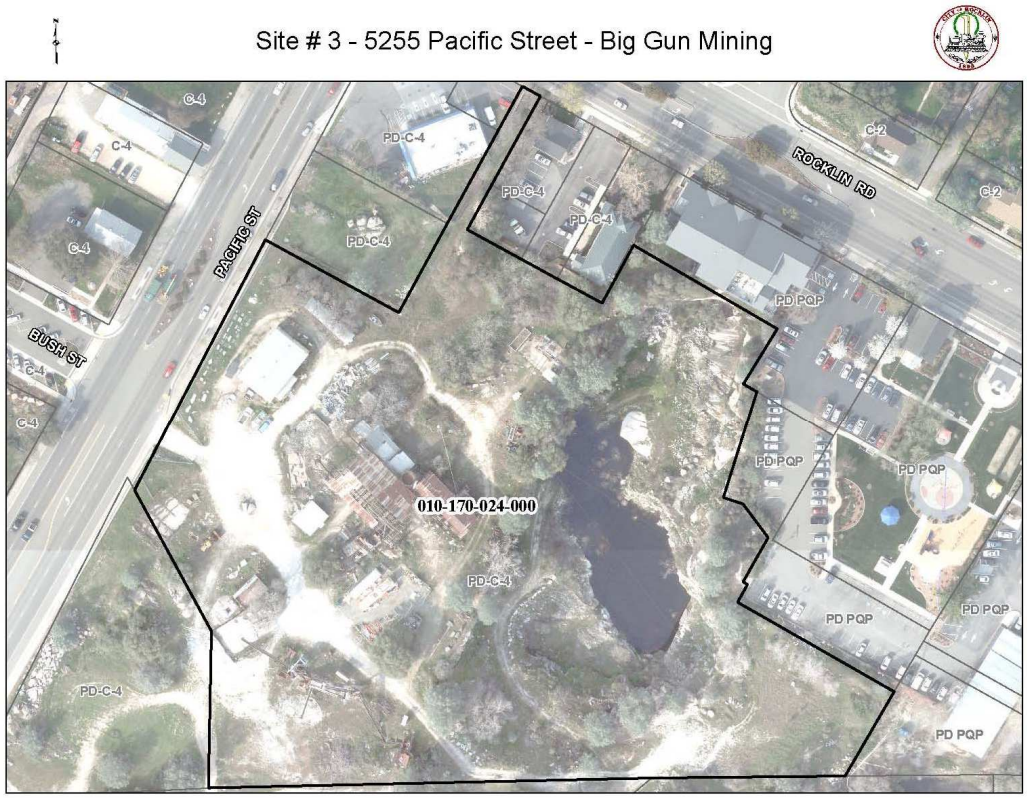
Big Gun Quarry Site

Notes: A Lot Line Adjustment was approved for this site which added Parcel B (quarry pit) to existing city property. This Lot Line Adjustment was approved by the California Department of Finance (per requirements of RDA disbanding process). Parcel A will be sold per the approved Long Range Property Management Plan.

Next Steps:

- Due to the size, strategic location and unique characteristics of this parcel, this site should be considered a catalyst site. Staff recommends preparing an RFQ or RFP to solicit developer interest.
- A proposal has been submitted to staff that includes high density housing and some commercial. Staff will continue to work with the developer to refine the proposal and will consider the proposal along with any others generated through the RFQ/RFP process.





Pacific St./Oak St. /Pine St./Railroad Ave.

Notes: Site does not include 3720 Pine Street which is privately owned.

Next Steps:

- Two proposals have been submitted for this site. Staff is currently evaluating the proposals and expects to bring forward a recommendation to the Successor Agency for review soon.

Pacific/Oak/Pine/Railroad Ave Former RDA Property

Corner of Pacific St. & Rocklin Road Former RDA Parcels

Notes:

Next Steps:

- Inquiries, but no proposals received on this site.

ROCKLIN
CALIFORNIA

Former RDA & Excess City Parcels Update & Next Steps

City Council, July 14, 2015

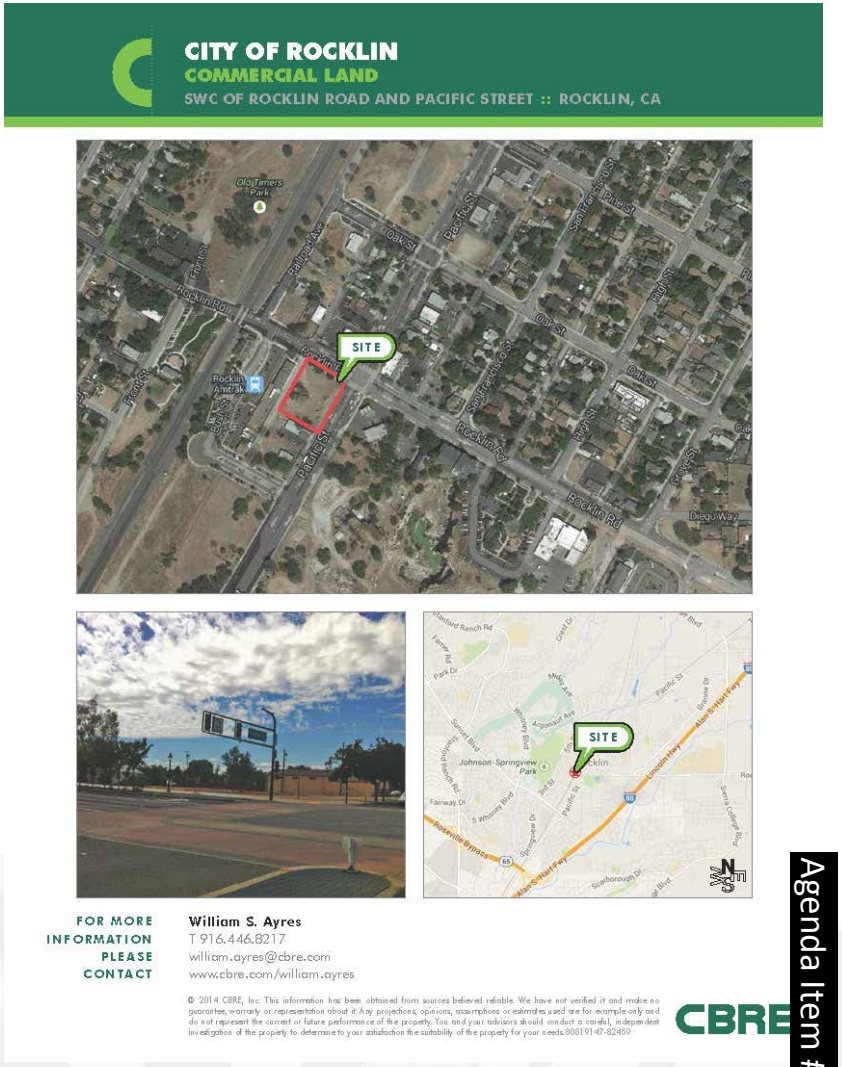
Background

- Former RDA and excess city-owned parcels
- June 2014-contract with CBRE to market properties
- Generate quality developments resulting in new businesses, jobs and amenities

Corner of Pacific St. & Rocklin Rd

Marketing

- For Sale signs
- Brochures
- Information to other brokers & developers
- Electronic brokerage listing
- Phone calls, direct email



Process

- Research - restrictions/sale-readiness
- Entitlements
- General Plan consistency
- Proposal review
- Contract negotiation & preparation
- City Council or Successor Agency review
- Developer performance
- Property sale
- Construction

Pacific St./Pine St./Oak St./Railroad Ave.

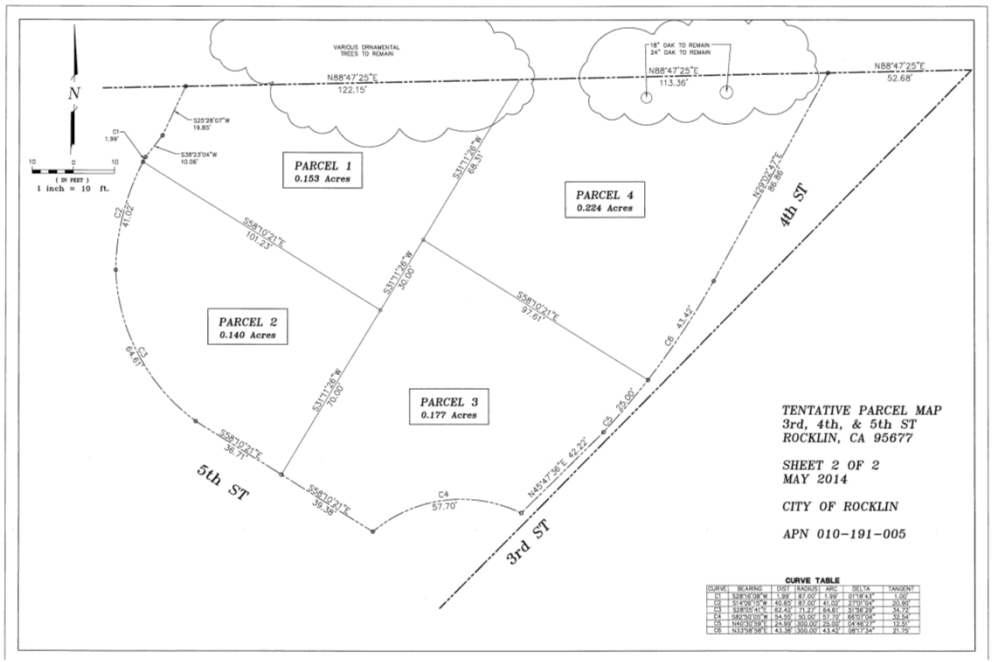
Excess City-owned Property

3rd/5th/Farron St. Residential Lots.

Parcel map dividing into four parcels approved 3/24/15 by City Council. A small portion of the site has been retained to create an entry feature.

Next Steps:

- Staff evaluating proposal for single-family homes.
- General Plan Consistency Findings (Planning Commission)
- Will bring project proposal to City Council for review.



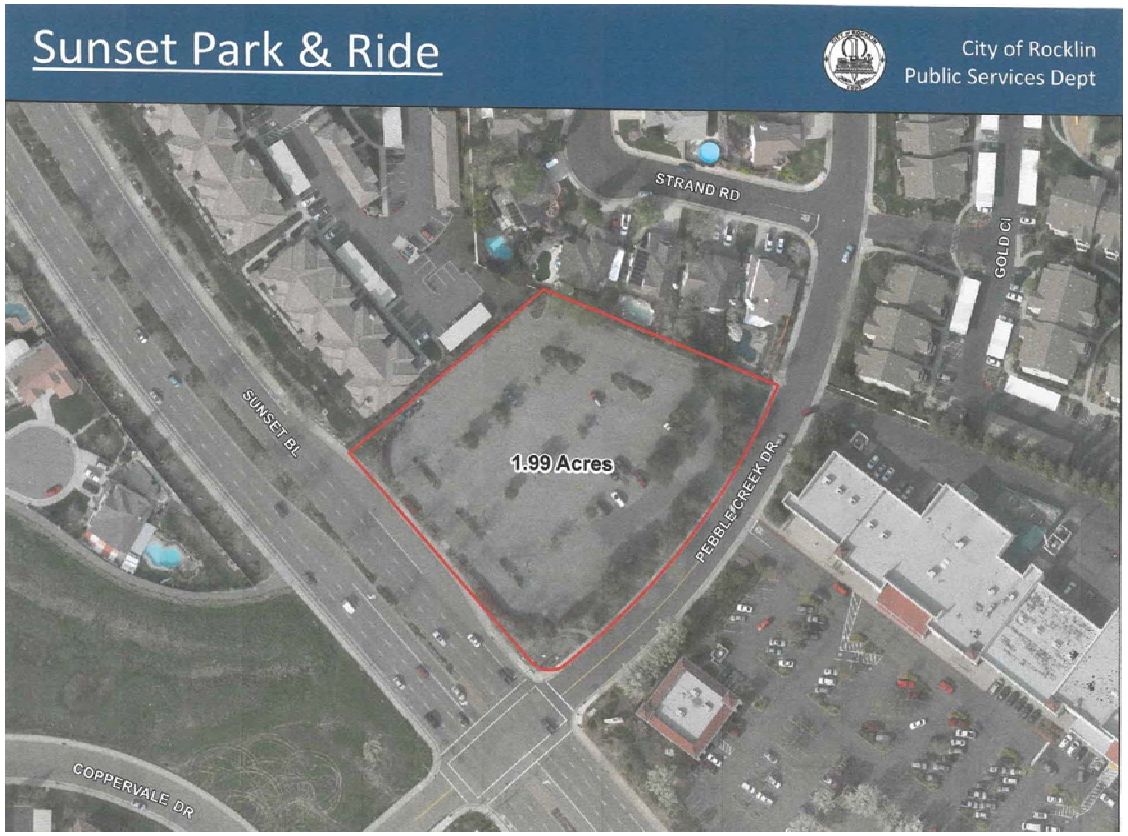
Excess City-owned Property

Park & Ride Lot – Stanford Ranch

General Plan Amendment, Rezone and reconveyance of property to original owner (Stanford Ranch 1, LLC) on June 23, 2015.

Next Steps:

- Development proposals through Stanford Ranch LLC.
- Projects will require standard entitlement processing through the city.



Excess City-owned Property

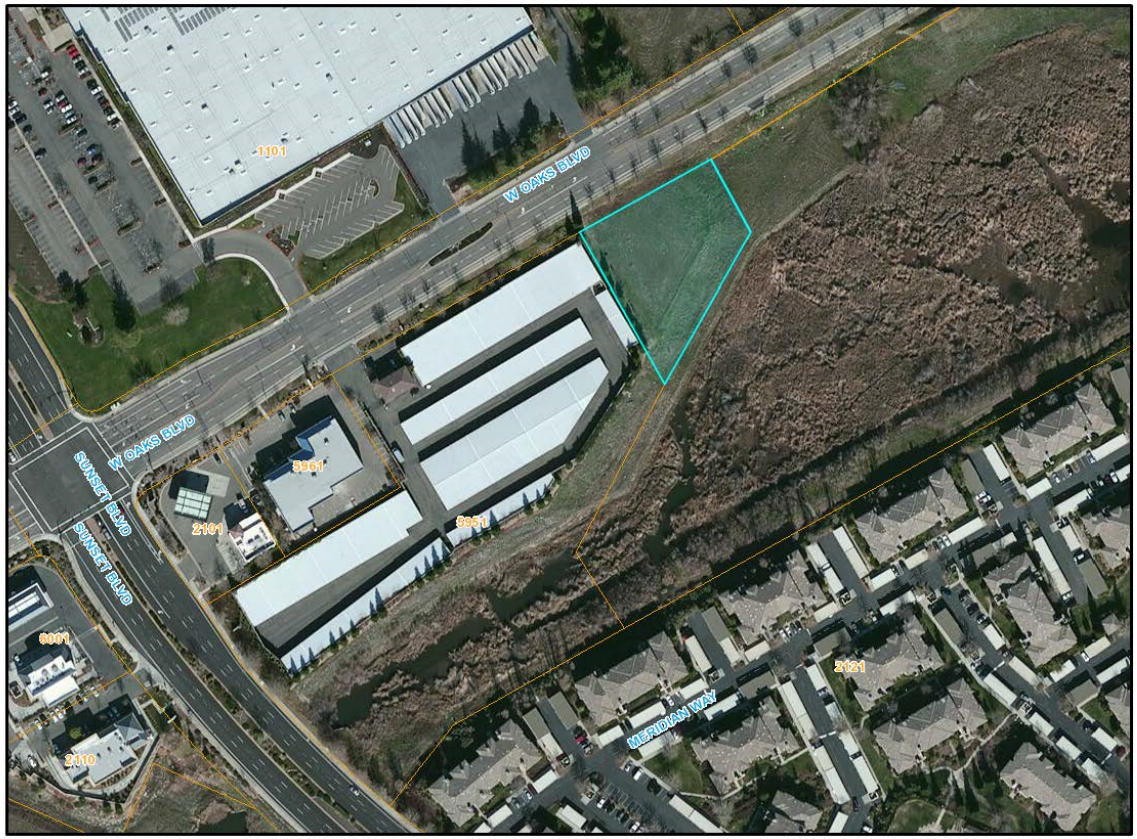
West Oaks east of Sunset (former Fire Station) site

Site originally considered for Fire Station.

Next Steps:

•No current development interest. Continuing marketing.

West Oaks/Sunset City Surplus Lot



Excess City-owned Property

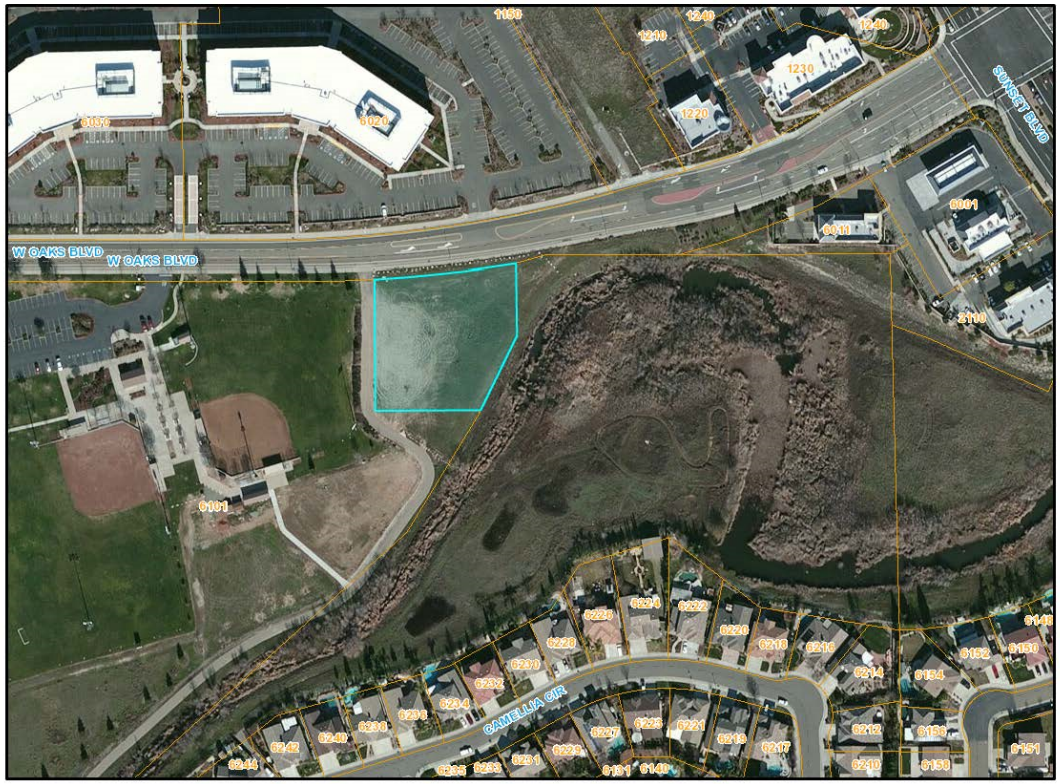
West Oaks near Kathy Lund Park (Lot 30)

Site originally considered for Fire Station.

Next Steps:

- Proposal received for daycare. Staff currently evaluating.
- Will bring project proposal to City Council for review.
- Requires GPA & Rezone

West Oaks near Kathy Lund Park Surplus Parcel



Excess City-owned Property

Bush St/Railroad Tracks Parcel (behind Kesti Parcels)

City working with Kesti family representatives to jointly market properties.

Next Steps:

- Catalyst site
- Prepare an RFQ or RFP to solicit developer interest.

Bush St/RR Tracks Surplus Parcel

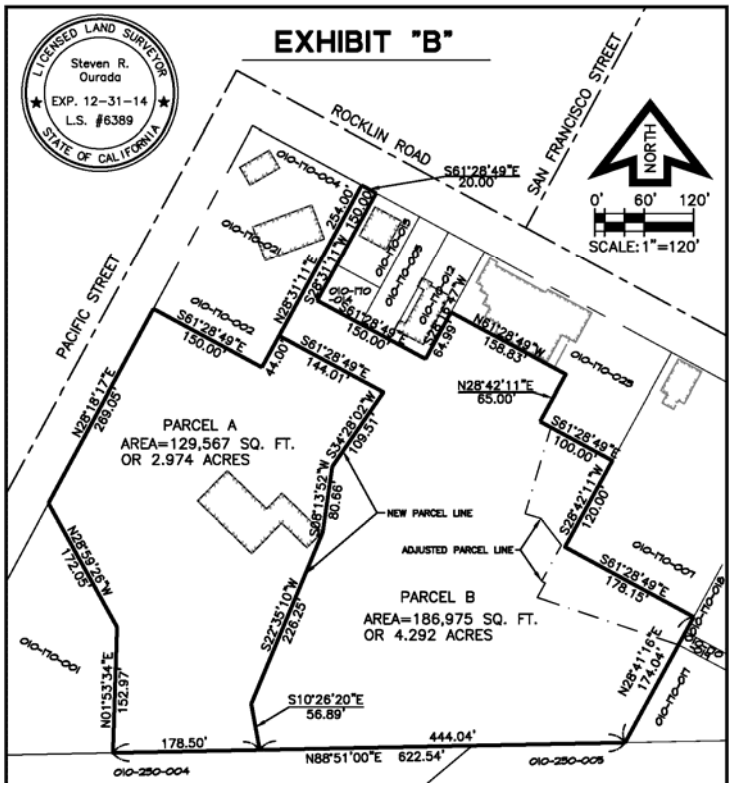
Former RDA Property

Big Gun Quarry Site

Lot Line Adjustment completed creating Parcels A & B.

Next Steps:

- Prepare an RFQ or RFP to solicit developer interest.
- Proposal received. Staff currently evaluating.
- Staff will continue to work with the developer to refine the proposal and will consider the proposal along with any others generated through the RFQ/RFP process.



Former RDA Property

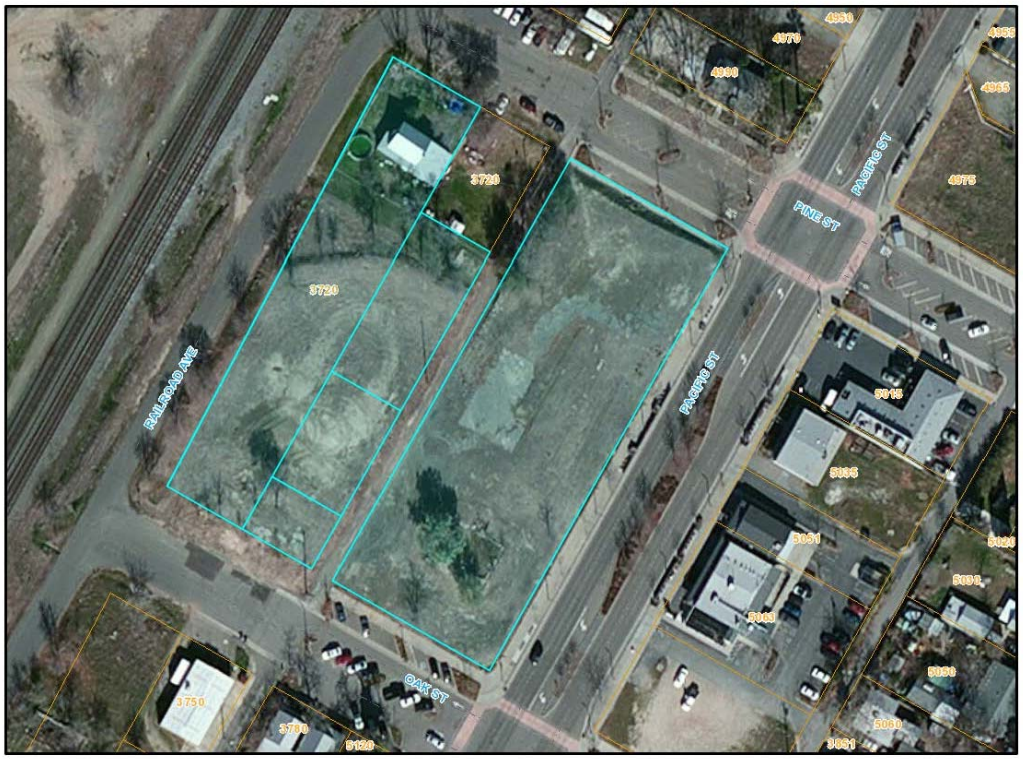
Pacific St./Oak St. /Pine St./Railroad Ave.

Site does not include 3720 Pine Street which is privately owned.

Next Steps:

•Two proposals have been submitted for this site. Staff currently evaluating and expects to bring forward recommendation to the Successor Agency for review.

Pacific/Oak/Pine/Railroad Ave Former RDA Property



Former RDA Property

Corner of Pacific St. & Rocklin Road Former RDA Parcels

Inquiries, but no proposals received on this site.

Corner of Pacific St. & Rocklin Rd. Former RDA Properties

Next Steps

- Further market properties/prepare RFQs
- Evaluate proposals
- Present projects that support the City's goals and objectives for review and comment

City Council Report

Subject: Purchase and Sale Agreement of City Owned property - Sunset West Lot 30 - West Oaks Boulevard near Kathy Lund Park, APN 365-020-030

Submitted by: Karen Garner **Date:** November 10, 2015

Department: Economic & Community Development Reso. Nos. 2015-300 & 2015-301

Staff Recommendation:

- Adopt Resolution 2015-XXX, a Resolution of the City Council of the City of Rocklin authorizing the City Manager to execute a purchase and sale agreement to sell the city-owned property on Sunset West Lot 30 - West Oaks Boulevard near Kathy Lund Park, APN 365-020-030

BACKGROUND:

On July 14, 2015, the City Council heard a report from staff reviewing the status of several excess city-owned and former RDA properties, some of which had received interest from potential buyers. One of the parcels included in the report is now being brought forward with an offer to purchase.

The 1.1 acre city-owned vacant parcel near Kathy Lund Park was a parcel originally considered as a location for Fire Station #3. That station was eventually built on Wildcat Blvd. Given the location, the site could serve as overflow parking for Kathy Lund Park, however there are no funds set aside for such improvements. A shared parking agreement with St. Matthew Lutheran Church to the west of the park could provide additional parking if needed and would be a preferred alternative to constructing additional parking. The buyer of this parcel has also agreed to enter into a shared parking agreement with the City. There is an existing sidewalk on the north side of the parcel along West Oaks Blvd. and the site has been previously rough graded. The parcel is a mixture of dirt and low growing vegetation with no other improvements.

The buyer has indicated an interest in developing the property as a daycare site. The size of the parcel, its proximity to one of Rocklin's main job centers, and location on a major arterial near a park make it an ideal site for a daycare use. A daycare is also typically a Monday through Friday early morning to early evening use, which would provide additional parking for the park use when needed most on weekends and evenings.

Although the buyer is interested in entering into a Purchase and Sale Agreement at this time in order to secure rights to purchase the property, there are several steps necessary before the final closing and transfer of the property can take place.

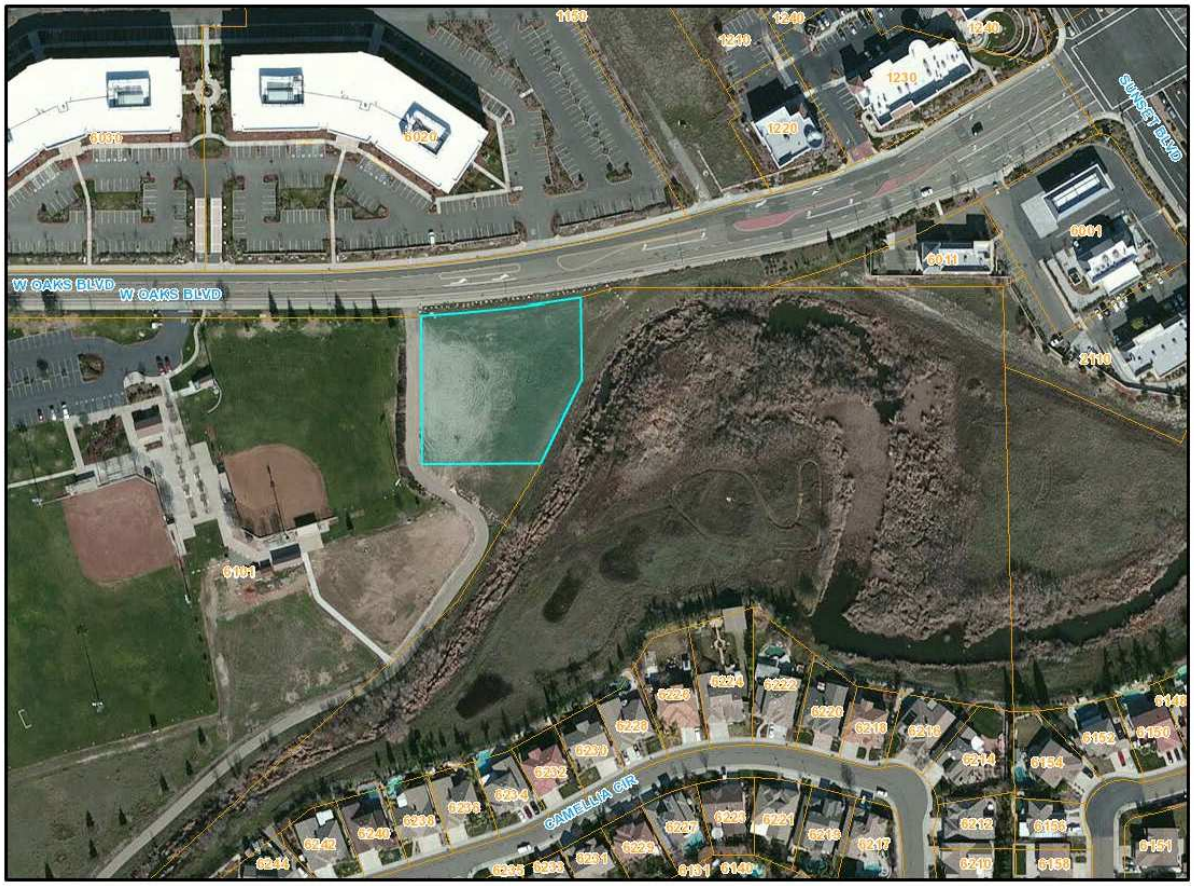
- Entitlements: This property will require several entitlements including a General Plan Amendment, Zoning change and Design Review Permit. The Land Use is currently Recreation-Conservation (RC) and the zoning is Parks & Recreation (P-R) which do not allow for daycare or other commercial uses.

- Consistency Findings: as required under Government Code 65402, the Planning Commission must make findings that the sale of property is consistent with the City's adopted General Plan. This step is necessary before public property may be acquired, transferred, abandoned or vacated. This would be at the time the GPA and Rezone are heard at the Planning Commission.

- Due Diligence: Once the buyer is assured of rights to purchase the property, the buyer will conduct further due diligence and prepare more detailed plans and documentation necessary to apply for the entitlements required by the City.

The buyer must obtain all necessary entitlements and follow the same process as is required for any project in the City.

West Oaks near Kathy Lund Park Surplus Parcel



Through CBRE, the City has received a Purchase and Sale Agreement from Craig Davidson, et al,. Purchase price is $277,700. The broker has informed City staff that this is a reasonable and fair offer. The City contracted with Seevers Jordan Ziegenmeyer, a commercial real estate appraisal and consulting firm to provide a formal appraisal of the property and also received a Broker's Opinion of Value report from Jim Dennis of Colliers International commercial brokerage firm. The appraisal and BOV (attached) also confirm that the purchase price is reasonable and fair.

A Notice of Exemption has been prepared for this project pursuant to California Code of Regulations Section 15061 (b) (3) - General rule of no potential for causing significant impact. Further environmental review will occur during the entitlement process and any necessary environmental review and documentation will be prepared based on the entitlements requested.

Purchase and Sale Agreement Summary

- Purchase price of $277,700
- Initial non-refundable deposit of $10,000
- Close of escrow to occur no later than 360 days from its opening or upon buyer receiving all necessary property entitlements
- Buyer may elect to extend the close of escrow for two additional periods of 60 days each by depositing an additional $5,000 deposit.
- Seller shall pay 5% commission at close of escrow (same broker representing buyer and seller).
- Buyer will file land use entitlement applications as soon as reasonably possible, but no later than 75 days after approval of due diligence materials.
- Should Buyer successfully entitle the property and be prepared to close escrow, buyer shall be given a price credit by seller for the actual entitlement costs, not to exceed $30,000.

Staff research concluded that there are no restrictions or requirements on the property that would preclude sale of the property. Sale proceeds will be used towards Quarry Park improvements.

FINDINGS, CONCLUSIONS & RECOMMENDATIONS:

Findings:

- The City-owned parcel on West Oaks Blvd near Kathy Lund Park (Sunset West Lot 30) is grossly underutilized and would be far more productive as a developed site with a joint use parking agreement in place with the City.
- A daycare use on this site will allow a joint parking agreement with the City and provide additional parking for activities at Kathy Lund Park on weekends and evenings.
- The City's Environmental Coordinator has reviewed the Sunset West Lot 30 and determined that it is exempt under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061 (b) (3) - General rule of no potential for causing significant impact.

Conclusions:

- Sale of excess city-owned properties supports the goals and objectives of the City's Strategic Plan and Community Investment Plan.
- Proceeds from the sale of the property will be reinvested in projects that benefit the general public, with the anticipated use of funds being the improvements of Quarry Park.

Recommendations:

- Authorize the City Manager to sign the Purchase and Sale Agreement for the parcel on Sunset West Lot 30 - West Oaks Blvd near Kathy Lund Park, APN 365-020-030

Alternatives:

- Do not authorize sale of property. Property will remain vacant.

Fiscal Impact:

- Sale of property will generate approximately $277,700 to be used for public investment and provide needed overflow parking at Kathy Lund Park. The parcel will also move from public to private ownership generating ongoing property tax.

Ricky A. Horst, City Manager
Reviewed for Content

Russell A. Hildebrand, City Attorney
Reviewed for Legal Sufficiency

Jim Dennis
Lic. #01017477

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EMAIL Jim.Dennis@colliers.com

October 15, 2015

Karen Garner
Director of Economic Development
3970 Rocklin Road
Rocklin, CA 95677

RE: Value of Lot
APN: 365-020-030
±1.1 Acres West Oaks Blvd Rocklin, CA 95765

Dear Karen,

Parcel **65-020-030**, which is approximately ±1.1 acres, is located on West Oaks Boulevard adjacent to the softball field. The current zoning and land use of Recreation-Conservation (RC) and Park & Recreation (P-R) is challenged due to lack of uses. Changing the zoning to Commercial will make the parcel more valuable with more traditional uses allowed.

Commercial properties are selling in a price range of $6.00 to $9.00 a foot depending on location and frontage. The location of the ±1.1 acres is slightly diminished and would be valued at the **$6.00** to **$7.00** per foot due to the fields next door and lack of being on a major thoroughfare. The price range of the ±1.1 acre parcel rezoned to commercial would be **$287,000** to **$335,000**.

If you have any questions, please contact me at 916-563-3019.

Sincerely,

COLLIERS INTERNATIONAL

Jim Dennis

Colliers International, and certain of its subsidiaries, is an independently owned and operated business and a member firm of Colliers International Property Consultants, an affiliation of independent companies with over 480 offices throughout more than 61 countries worldwide.

Appraisal Report

1.1± Acres of Vacant Land

APN: 365-020-030
Rocklin, California 95765

Date of Report: October 30, 2015

Prepared For:

Ms. Karen L. Garner
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677

Prepared By:

Kevin K. Ziegenmeyer, MAI

SJZ Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation

Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation

October 30, 2015

Ms. Karen L. Garner
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677

RE: 1.1± Acres of Vacant Land
APN: 365-020-030
Rocklin, California 95765

Dear Ms. Garner:

At your request and authorization, Seevers • Jordan • Ziegenmeyer has prepared an Appraisal Report pertaining to the fee simple interest in the above referenced property. This report is written in conformance with the requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP).

The subject property consists of 1.1± acres of vacant land located along the south line of West Oaks Boulevard, between Lonetree and Sunset Boulevards, within the city of Rocklin, Placer County, California. The subject is identified by Assessor's parcel number 365-020-030. A more detailed legal and physical description of the subject property is contained within the attached report.

As a result of our analysis, our conclusion of market value for the fee simple interest in the subject property (subject to a hypothetical condition), in accordance with the assumptions and limiting conditions set forth within the attached document, as of October 26, 2015, is…

TWO HUNDRED SEVENTY EIGHT THOUSAND DOLLARS

$278,000

The estimate of market value assumes a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimate is premised on an assumed sale after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, for their own self-interest and assuming neither is under duress.

The estimate of value provided herein is subject to a hypothetical condition. The estimate of value presumes the subject will be rezoned to a commercial zone compatible with future development. A hypothetical condition, defined as "that which is contrary to what exists, but is supposed for the purpose of the analysis."[1] It is a hypothetical condition under which the value estimate is derived since the subject, is currently zoned for park use.

[1] The Uniform Standards of Professional Appraisal Practice, 2010 ed. (Appraisal Standards Board), 3.

We hereby certify the property has been inspected and we have impartially considered all data collected in the investigation. Further, we have no past, present or anticipated future interest in the property.

This letter must remain attached to the report, which contains 45 pages, plus related exhibits and Appendix, in order for the value opinions contained in this letter to be considered valid.

The subject property does not have any significant natural, cultural, recreational or scientific value. The appraiser certifies that this appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

This appraisal has been performed in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), as well as the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Thank you for the opportunity to work with your office on this assignment.

Sincerely,

Kevin K. Ziegenmeyer, MAI
State Certification No. AG013567
Expires: June 4, 2017

/dtn

TABLE OF CONTENTS

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Appraised Property:	Vacant land
Location:	Along the south line of West Oaks Boulevard, between Lonetree and Sunset Boulevards
Street Address:	A street address has not been assigned to the subject parcel as of the date of this appraisal.
Assessor's Parcel Number:	365-020-030
Owner(s) of Record:	City of Rocklin
Zoning:	
Current	P-R, Parks & Recreation
Post Rezone	C-2, Retail Business Zone
Flood Zone:	Zone X – Areas outside of the 100- and 500-year floodplains
Land Area:	1.1± acres
Highest and Best Use:	Daycare development
Date of Inspection/Date of Value:	October 26, 2015
Date of Report:	October 30, 2015
Property Rights Appraised:	Fee simple estate
Exposure Time:	12 months
Conclusion of Value (Subject to a Hypothetical Condition):	**$278,000** This estimate of value is subject to a hypothetical condition. The estimate of value presumes the subject will be rezoned to a commercial zone compatible with future development. A hypothetical condition, defined as "that which is contrary to what exists, but is supposed for the purpose of the analysis."[2] It is a hypothetical condition under which the value estimate is derived since the subject, as previously profiled, is currently zoned for park use.

[2] The Uniform Standards of Professional Appraisal Practice, 2010 ed. (Appraisal Standards Board), 3.

CLIENT, INTENDED USER AND INTENDED USE

The client and intended user of this appraisal is the City of Rocklin. The intended use of this appraisal is to assist the client in negotiating a purchase price.

APPRAISAL REPORT FORMAT

This report documents an Appraisal Report, intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP).

TYPE AND DEFINITION OF VALUE

The purpose of this appraisal is to estimate the as-is market value of the fee simple interest in the subject property as of the date of inspection (October 26, 2015). Market value is defined as follows:

***Market Value*:** The most probable price that 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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interest;
- 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.[3]

Note the value estimated herein is based on a hypothetical condition. A hypothetical condition is defined by USPAP as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis."

[3] Code of Federal Regulations, Title 12, Section 34.42 (55 Federal Register 34696, Aug. 24, 1990; as amended at 57 Federal Register 12202, Apr. 9, 1992; 59 Federal Register 29499, June 7, 1994).

PROPERTY RIGHTS APPRAISED

The value estimate derived herein is for the fee simple estate, defined as follows:

> ***Fee Simple Estate*:** 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.[4]

DATES OF INSPECTION, VALUE AND REPORT

The date of market value is October 26, 2015, which is the date of inspection. This appraisal report was completed and assembled on October 30, 2015.

SCOPE OF WORK

The appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This analysis is intended to be an "appraisal assignment," as defined by USPAP; the intention is the appraisal service be performed in such a manner that the result of the analysis, opinions or conclusions be that of a disinterested third party.

We researched and documented several legal and physical aspects of the subject property. A physical inspection of the property was completed and serves as the basis for the site description contained in this report. A city council report and marketing material were provided for use in this appraisal. The property's history was verified by consulting public records. The subject's zoning and entitlements, earthquake zone, flood zone, utilities, and tax information were verified with the applicable public agencies.

We analyzed and documented data relating to the subject's neighborhood and surrounding market areas. This information was obtained through personal inspections of portions of the neighborhood and market areas, newspaper articles, real estate conferences and interviews with various market participants, including property owners, property managers, brokers, developers and local government agencies.

In this appraisal, we determined the highest and best use of the subject property as though vacant, based on the four standard tests (legal permissibility, physical possibility, financial feasibility and maximum productivity). In addition, we estimated a reasonable exposure time associated with the market value estimate.

With regard to the valuation, we employed the sales comparison approach to analyze several transactions involving vacant land in the subject's market area and surrounding areas, which lead to

[4] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 78.

an estimate of the as-is market value of the fee simple interest in the subject property. Due to the fact the subject represents vacant land, the cost and income capitalization approaches were not applicable.

The individuals involved in the preparation of this appraisal included Kevin Ziegenmeyer, MAI, and Kelly Clark, Research Analyst. Ms. Clark assisted in 1) the property inspection, 2) reviewing the subject property information provided by the client, 3) the collection and confirmation of market data, and 4) preparing portions of the draft report. Mr. Ziegenmeyer 1) inspected the subject, 2) reviewed the subject property information provided by the client, 3) collected and confirmed market data, 4) reviewed Ms. Clark's research 5) made any necessary revisions and/or amplifications and 6) completed the final report.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The valuation is premised on the following extraordinary assumptions and hypothetical conditions, the use of which may have affected assignment results.

Extraordinary Assumptions

1. The subject property contains 1.1± gross acres. There is an area with a slight drop off at the south side of the parcel. It is assumed this drop off does not significantly lower the subject's net usable area. If the subject's net land area is different than the reported 1.1± acres, this could have an effect on our conclusion of value.

Hypothetical Conditions

1. The estimate of value provided herein is subject to a hypothetical condition. Based on the development constraints imposed on the subject property, the City of Rocklin has obligated themselves to allow a rezone of the subject property from park use to a zone which would allow for commercial development of the site. According to the City of Rocklin, the subject will be rezoned to the Retail Business Zone (C-2). The estimate of value presumes the subject will be rezoned to a commercial zone compatible with future development. A hypothetical condition, defined as "that which is contrary to what exists, but is supposed for the purpose of the analysis."[5] It is a hypothetical condition under which the value estimate is derived since the subject, as previously profiled, is currently zoned for park use.

[5]The Uniform Standards of Professional Appraisal Practice, 2010 ed. (Appraisal Standards Board), 3.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

2. No responsibility is assumed for matters of law or legal interpretation.

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

4. The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.

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

6. It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

7. It is assumed the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.

8. It is assumed all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

9. It is assumed the use of the land and improvements is confined within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the report.

10. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the

subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.

12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.

13. Possession of this report or a copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Seevers • Jordan • Ziegenmeyer.

14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Seevers • Jordan • Ziegenmeyer.

15. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.

16. An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions, which currently impact the subject. The appraiser is not a surveyor nor qualified to determine the exact location of easements. It is assumed typical easements do not have an impact on the opinion (s) of value as provided in this report. If, at some future date, these easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion (s) of value.

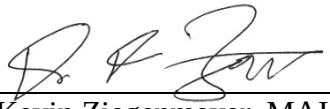
17. This appraisal report is prepared for the exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express consent of the appraiser.

18. The appraiser is not qualified to determine the existence of mold, the cause of mold, the type of mold or whether mold might pose any risk to the property or its inhabitants. Additional inspection by a qualified professional is recommended.

CERTIFICATION STATEMENT

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I 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.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made an inspection of the property that is the subject of this report.
- Kelly Clark, Research Analyst, provided significant real property appraisal assistance to the person signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I certify that my State of California real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment. Please see the Qualifications of Appraiser(s) portion of the Appendix of this report for additional information.
- As of the date of this report, I have completed the Continuing Education Requirement of the Appraisal Institute.



Kevin Ziegenmeyer, MAI
State Certification No.: AG013567 (Expires June 4, 2017)

October 30, 2015
DATE

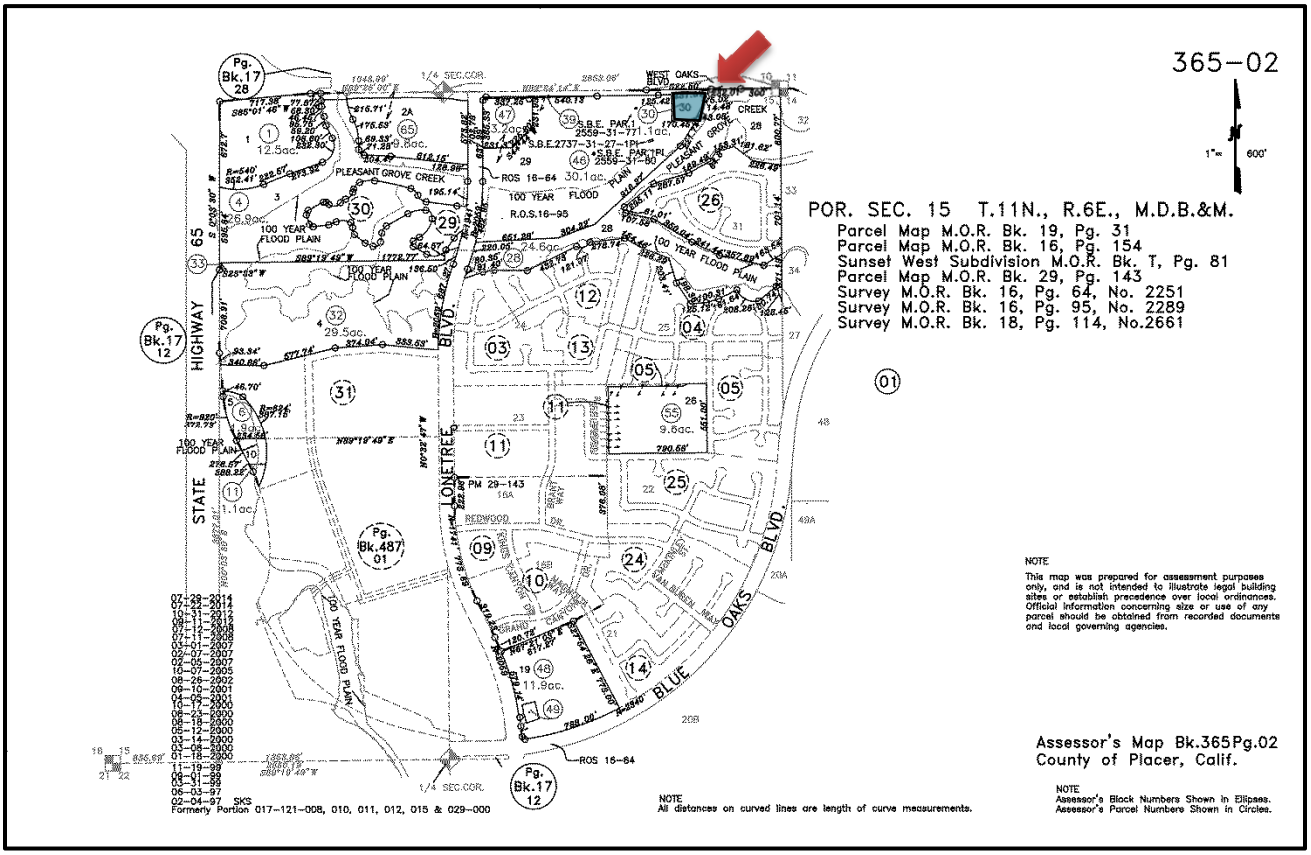
PROPERTY HISTORY

The subject property consists of 1.1± acres of vacant land located along the south line of West Oaks Boulevard, between Lonetree and Sunset Boulevards, within the city of Rocklin, Placer County, California. The subject is identified by Assessor's parcel number 365-020-030. The primary land uses in the immediate area are park development (just to the west), as well as office, retail and residential development. A more detailed legal and physical description of the subject property is contained within the attached report.

The subject property is currently owned by the City of Rocklin and is zoned for Parks & Recreation. The subject was originally considered for a fire station; however, the city ultimately constructed the station on Wildcat Boulevard. The city considers the subject to be underutilized and placed the property for sale in July of 2014 without a list price. According to the listing broker, the property received minimal inquires. There was some initial interest to turn the property into a townhome/ condo project, but the offer was declined as it was not compatible with the adjacent park development. The potential uses the city (seller) will consider for the subject property include office (professional/medical/veterinary) or daycare development. Further, the park adjacent to the subject is under parked. The city also plans to require the developer of the subject to include a shared parking agreement for after business hours use by the park. Considering the narrow range of potential uses imposed by the city, as well as the requirement to execute a shared parking agreement, the pool of prospective buyers is limited. As will be discussed in the Highest and Best Use section, near term feasibility is concluded to be very narrow, with either daycare use or a build-to-suit office development deemed the only viable uses at this time. As alluded to above, it is our understanding the city has obligated themselves to rezone the subject in order to sell the property. Although the rezone is presumed, a potential buyer is still responsible for all costs and efforts associated with the application to rezone the parcel.

The city is considering a letter of intent dated July 1, 2015 by Craig Davidson for a purchase price of $277,700 or $5.80 per square foot. The letter of intent is contingent on rezoning the property to a use which would allow the buyer is to construct a daycare facility on the site. According to public records, there have been no sales of the subject property within the previous three years.

PROPERTY LEGAL DATA



Location

The subject is located along the south line of West Oaks Boulevard, between Lonetree and Sunset Boulevards.

Street Address

A street address has not been assigned to the subject parcel as of the date of this appraisal.

Assessor's Parcel Number(s)

The subject property is situated within the confines of a single Assessor's parcel identified as 365-020-030.

Owner(s) of Record

Title to the subject property is vested with the City of Rocklin.

Legal Description

A complete legal description of the subject is contained within the grant deed provided, a copy of which is located in the Appendix to this report.

Conditions of Title

A preliminary title report was not provided for this appraisal. As a result, the appraiser assumes no negative title restrictions or easements affect the subject property. The client is advised to obtain a title report to determine any possible conditions of title affecting the property appraised. The appraiser accepts no responsibility for matters pertaining to title, and the opinion(s) of value stated herein could be negatively impacted by title restrictions.

Property Taxes and Assessments

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

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

Since the subject property is owned by the City of Rocklin, ad valorem taxes are not applied to the property. In other words, there is an exemption due to the public use of the property. If the user were to change with the property owned by a private entity for some other use, ad valorem property taxes would then be assessed at a rate of 1.36351% without any exemptions.

Zoning

Source:	City of Rocklin Planning Department
Zoning:	
Current	P-R, Parks & Recreation
Post Rezone	C-2, Retail Business Zone
Description:	
Current	According to the City of Rocklin Municipal Code, the purpose of the park district is to provide area for passive and active recreational opportunities.
Post Rezone	According to the City of Rocklin General Plan, the purpose of the retail commercial designations is to provide appropriately located areas for retail stores, professional offices, supportive commercial uses and

amusement uses in a concentrated area for the convenience of the public and in mutually beneficial relationships to each other. Although the C-2 zone offers a wide range of potential commercial uses, development options permitted for the subject are generally limited to either office or daycare development.

Conclusion: Due to city imposed restrictions on potential uses permitted uses are limited to essentially office and daycare development.

Flood Zone

Source: FEMA

Flood Zone: Zone X – Areas outside of the 100- and 500-year floodplains

Map Panel/Date: 060242-0413F, dated February 8, 1998

Flood Insurance: Not required

Earthquake Zone

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

Easements

An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions currently impacting the subject. However, the exact locations of typical roadway and utility easements, or any additional easements, which would be referenced in a preliminary title report, were not provided to the appraiser. The appraiser is not a surveyor nor qualified to determine the exact location of easements. It is assumed any easements noted in a current preliminary title report do not have an impact on the opinion(s) of value as provided in this report. If, at some future date, any easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion(s) of value contained herein.

SITE DESCRIPTION

Source: Google Maps; Boundaries are approximate.

Assessor's Parcel Number:	365-020-030
Land Area:	1.1± acres
Topography:	The subject is generally level and at street grade; the property has been rough graded.
Shape:	Irregular
Soils:	The appraiser has not been provided a soils report to determine the load bearing capacity of the subject property. No adverse subsoil conditions are apparent. The soils appear to be similar to other local parcels that, to the best of our knowledge, have been improved with no adverse effects.
On-Site Improvements:	None

Frontage/Access/Visibility

Off-Site Characteristics	West Oaks Boulevard
Paving	Asphalt
Curbs	Yes
Gutters	Yes
Sidewalks	Yes
Lanes	2
Direction of Traffic	East/West
Condition	Average
Traffic Levels	Average
Access/Curb Cuts	Average
Visibility	Average

Off-Site Improvements

All necessary off-site improvements are in place, including asphalt paved streets, curbs, gutters, sidewalks and streetlights.

Drainage:

Appears to be adequate

Environmental Issues:

An environmental report was not provided for this appraisal. At the time of inspection, the appraiser did not observe the existence of hazardous material, which may or may not be present, on the property. The appraiser has no knowledge of the existence of such materials on the property. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous materials could affect the value of the property. The value estimate is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field if desired.

Adjacent Uses:

North	Office development
South	Single-family residential development/vacant parcels
East	Commercial development/vacant parcels
West	Kathy Lund Park

Conclusion:

Overall, the subject property is functional in terms of its size, topography, shape and overall location within the city of Rocklin. There appear to be no unusual or restrictive physical limitations to the subject. The subject property is considered physically and functionally suitable for development.

SUBJECT PHOTOGRAPHS

Looking east across the subject

Looking north across the subject

Looking south across the subject

Looking west across the subject

Looking west along West Oaks Boulevard

Looking east along West Oaks Boulevard

SOUTH PLACER COUNTY

Source: Google Maps

Introduction

South Placer County is the southernmost component of Placer County, commonly referred to as the Valley. The remainder of Placer County is divided into the Gold Country, where parts of Auburn and Colfax are located, and the High Country, which encompasses Tahoe City and Kings Beach along Lake Tahoe. South Placer is comprised of the cities of Auburn, Colfax, Lincoln, Rocklin and Roseville; the town of Loomis; and a number of unincorporated communities, such as Granite Bay, Foresthill, Penryn and Newcastle.

South Placer County encompasses approximately 260 square miles, from the Placer County line bordering Sacramento, Sutter and Yuba Counties to the city of Auburn. It lies in the north-central part of California, approximately 420 miles north of Los Angeles, 250 miles south of Oregon, 100 miles northeast of San Francisco, 80 miles west of Lake Tahoe, and 100 miles southwest of Reno. In the southern portion of the region is Roseville, the county's largest city, which encompasses about 31.6 square miles. Elevations range from 165 feet above sea level in Roseville to 10,000 feet above sea level at the summit of the Sierra Nevada Mountains.

South Placer is developed with a mix of urban and rural uses. The larger cities, namely Roseville and Rocklin, are mostly urban, while the smaller communities, such as Loomis and Newcastle, have remained rural. Auburn and Lincoln both exhibit a combination of urban and rural settings.

However, in recent years the city of Lincoln has experienced dramatic growth and development, and has become one of the fastest-growing cities in California.

Population

South Placer County has experienced strong growth in the last decade. The primary points of origin for in-migration to the region are the Bay Area, other parts of the Sacramento region, and Southern California. The state's population data indicate a strong pattern of movement by residents from high-cost, high-density Bay Area counties to inland areas in Northern California.

Following is a table depicting the population change in Placer County and its component cities over the past few years.

POPULATION TRENDS

City	2010	2011	2012	2013	2014	2015	%/Yr
Auburn	13,307	13,378	13,572	13,600	13,817	13,818	0.8%
Colfax	1,946	1,966	1,992	1,993	2,000	1,994	0.5%
Lincoln	42,589	43,142	43,915	44,336	45,259	45,837	1.5%
Loomis	6,427	6,460	6,551	6,571	6,617	6,623	0.6%
Rocklin	56,720	57,765	58,752	59,171	59,746	60,252	1.2%
Roseville	118,180	120,302	123,028	124,993	127,153	128,382	1.7%
Unincorporated	107,964	108,450	110,337	111,069	112,086	112,548	0.8%
Total	**347,133**	**351,463**	**358,147**	**361,733**	**366,678**	**369,454**	**1.3%**

Source: California Department of Finance

As indicated in the previous table, Placer County has experienced a strong average rate of annual growth of 1.3% over the past five years. The city of Roseville is the fastest growing part of the region. Auburn, Colfax, Loomis and the unincorporated communities have had relatively little growth.

Over the past decade, Placer County has been the fastest-growing county within the four-county Sacramento MSA (which also includes Sacramento, El Dorado and Yolo Counties). It is projected this trend will continue for the near future.

Transportation

A significant advantage of the South Placer area is its central location with respect to transportation systems. Interstate 80, State Highway 65 and State Highway 193 are the major routes traversing the region. Major urban arterials include Douglas Boulevard, Sierra College Boulevard, Roseville Parkway, Pleasant Grove Boulevard, Sunrise Avenue, Auburn-Folsom Road and Foothills Boulevard. In 2005, a major public improvement project was completed at the Douglas Boulevard/

Sunrise Avenue/ Interstate 80 intersection. The project added new lanes, new on/off ramps and a tunnel that have greatly improved traffic flow in the area.

In addition to roadways within the county limits, South Placer enjoys proximity to many of the Sacramento region's freeways that provide access to the San Francisco Bay Area to the west, Central and Southern California to the south, Northern California and Oregon to the north, and Nevada to the east. South Placer is proximate to Sacramento International Airport, which is situated about 10 miles west of the county border. A smaller private airport, Lincoln Regional Airport, is located in the city of Lincoln. The region has good railroad service, including the transcontinental Union Pacific Railroad and Amtrak. The Capital Corridor system provides high-speed commuter rail service from Roseville to San Jose. Other modes of transportation in and out of South Placer include Greyhound bus lines and numerous trucking lines.

Recent growth in South Placer has fueled demand for a new transportation artery in the region. Plans are in the works for a four to six-lane expressway, referred to as Placer Parkway, which would extend from Highway 99 in the west to Highway 65 in the east, north of Roseville and south of Lincoln. This roadway is years away from being built, but is expected to eventually ease congestion on Interstate 80.

Employment & Economy

The California Employment Development Department has reported the following employment data for Placer County over the past several years.

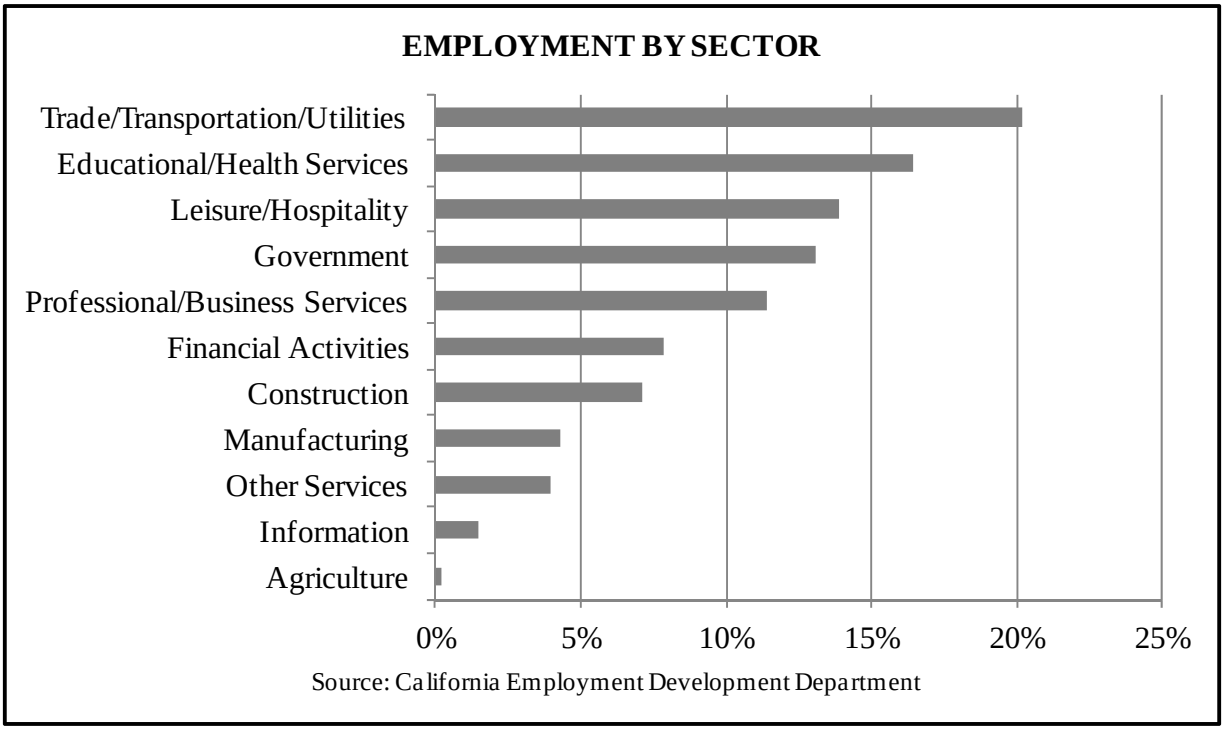
EMPLOYMENT TRENDS

	2009	2010	2011	2012	2013	2014
Labor Force	179,800	173,200	173,700	175,300	175,900	176,600
Employment	161,100	153,100	154,900	158,900	162,300	165,500
Job Growth	(4,800)	(8,000)	1,800	4,000	3,400	3,200
Unemployment Rate	10.4%	11.6%	10.8%	9.4%	7.7%	6.3%

Source: California Employment Development Department

The unemployment rate in Placer County was 4.4% in September 2015, which compares to rates of 5.9% for California and 5.1% for the U.S. Most areas within the state and nation, including Placer County, saw declining unemployment rates in 2004 through 2006, increases from 2007 to 2010, and declines during 2011-2015.

Placer County has a diverse economy, with no one sector accounting for a majority of the employment in the region. The following chart indicates the percentage of total employment for each sector within the county.



As can be seen in the chart above, the area's largest employment sectors are Trade/Transportation/ Utilities, which includes retail and wholesale trade (20.2% of total employment); Educational and Health Services (16.4%); Leisure and Hospitality (13.9%); and Government (13.1%).

Although many residents commute to employment centers in Sacramento, South Placer offers thousands of jobs and attracts workers from the local area as well as "reverse commuters" from Sacramento and residents of outlying areas such as Marysville/Yuba City to the north. The largest employers in the county, according to the Sacramento Business Journal Book of Lists 2013, are Kaiser Permanente (3,860 employees in the county), Hewlett-Packard (3,200), Sutter Health (2,299), Placer County (2,240), Thunder Valley Casino Resort (2,000), and Union Pacific Railroad (2,000).

Household Income

Median household income represents a broad statistical measure of well-being or standard of living in a community. The median income level divides households into two equal segments with one half of households earning less than the median and the other half earning more. The median income is considered to be a better indicator than the average household income as it is not dramatically affected by unusually high or low values. In the year 2013 (most recent data available from the U.S. Census Bureau), Placer County's median household income was $73,643, which was higher than the state of California's median income of $60,185.

Recreation & Community Services

South Placer County has ample community services and recreational opportunities. The County, cities and various park districts operate numerous public parks, golf courses, aquatic centers, libraries and community centers. Many private golf courses are located in the region, and several ski resorts are located in the mountains. Within the county lies a portion of the Folsom Lake State Recreation Area, a boating, fishing, and swimming retreat.

In terms of higher education, South Placer County is home to Sierra College in Rocklin, a two-year community college offering a wide range of day and evening classes serving over 25,000 students. Heald College, a business and technology vocational school, is located in Roseville, as is an extension campus for Sierra College, located at the old Sutter Hospital on Sunrise Avenue. In 2004, William Jessup University, a private Christian college, moved from San Jose to a new facility in Rocklin.

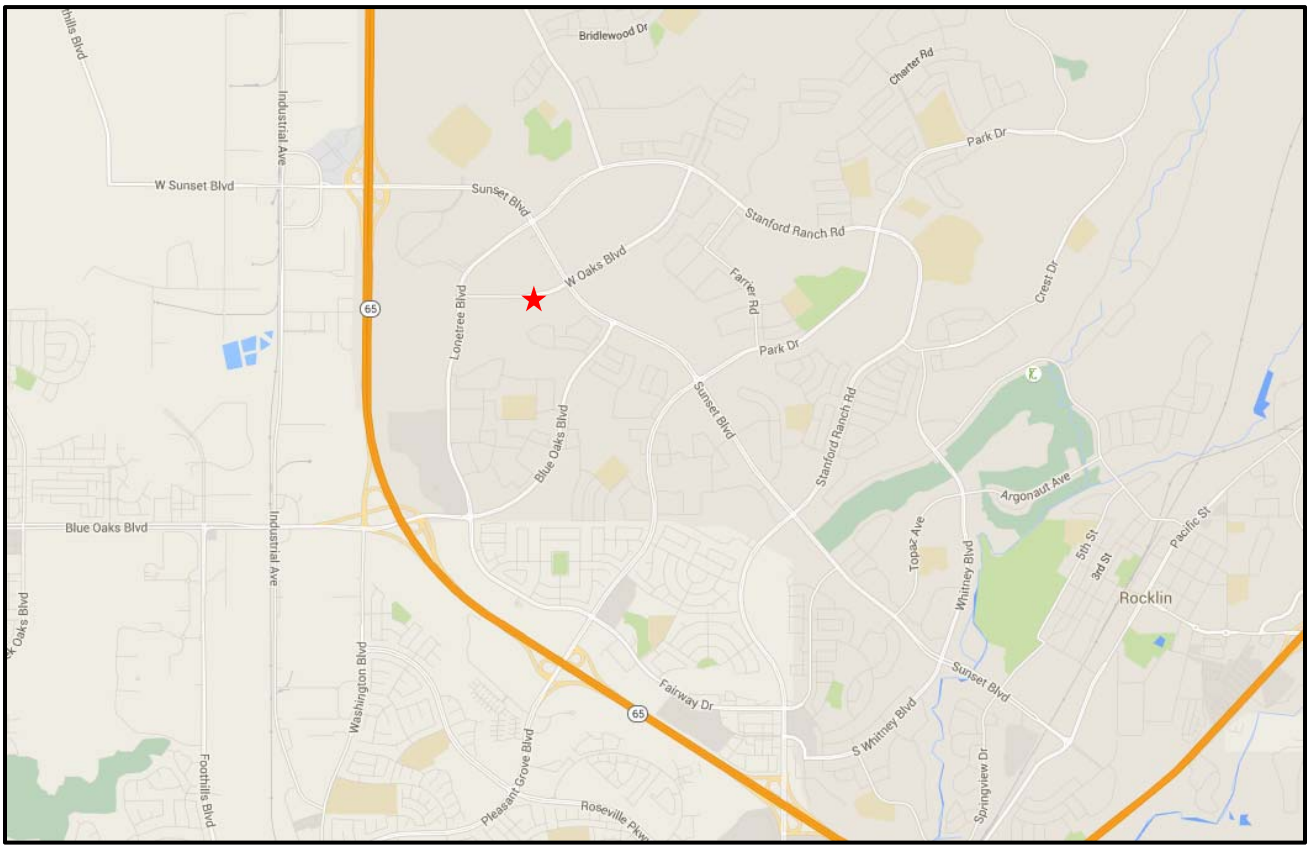
South Placer County has an excellent network of health services, including hospitals and medical office facilities. Two hospitals are located in Roseville – the Sutter Roseville Medical Center and Kaiser Permanente, both of which have recent or current expansion projects. The city of Auburn is home to Sutter Auburn Faith Hospital, Sutter Medical Center-Auburn, UC Davis Medical Center, Foundation Medical Clinic and Heritage Medical Center Complex. The city of Lincoln contains medical offices/clinics operated by Sutter, UC Davis, Kaiser and Catholic Healthcare West. In addition to these institutional health care facilities, South Placer is home to a large and growing number of private physicians, dentists, clinics and other medical specialists.

The city of Roseville is South Placer's hub for fine dining and entertainment. Several upscale restaurants are situated along Eureka Road, Roseville Parkway and Galleria Boulevard. Roseville contains two multi-screen movie theatres on Eureka Road. Another theatre recently opened in Rocklin. Shopping centers are widespread, the largest of which is the Galleria at Roseville, a regional shopping mall that opened in 2000 and was expanded in 2008-2009. The mall is anchored by Nordstrom, Macy's, Sears and JC Penney.

Conclusion

South Placer County is a diverse area, with growing cities, small towns and rural areas, and an abundance of open space. The cities of Roseville, Rocklin and Lincoln have experienced strong growth in population and development over the past several years. Placer County is one of the most affluent in the greater Sacramento region in terms of household income levels. The area has a number of positive attributes, including seismic stability, a well-educated work force, good transportation systems, relative affordability and availability of housing compared to the Bay Area, and an excellent level of community services. The long-term outlook for the region is very good.

NEIGHBORHOOD



Source: Google Maps

Introduction

This section of the report provides an analysis of the observable data that indicate patterns of growth, structure and/or change that may enhance or detract from property values. For the purpose of this analysis, a neighborhood is defined as "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."[6]

Neighborhood Boundaries

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

The subject property is located in the northwest part of the city of Rocklin. The neighborhood boundaries can generally be described as the city limits to the north, State Highway 65 to the west, and Stanford Ranch Road to the east and south.

[6] The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002), 160.

Demographics

The following statistics were gathered through Esri Business Analyst Online demographic reports for the subject's zip code (95765) as of 2015 and projected demographics for 2020.

Demographics	2015	2020
Population	37,003	39,203
Households	12,986	13,780
Families	9,786	10,432
Average Household Size	2.82	2.81
Owner Occupied Housing Units	8,676	9,275
Renter Occupied Housing Units	4,310	4,505
Median Age	35.6	35.6
Median Household Income	$88,299	$101,489
Average Household Income	$105,431	$123,205
Per Capita Income	$37,253	$43,551

As reported by DataQuick Information Services, the median resale home price in the 95765 zip code as of September 2015 (latest available) was $423,500, which marks an increase of 2.2% from the same period last year.

According to the California Employment Development Department, the city of Rocklin has an unemployment rate of 4.5% as of September 2015, down from 5.1% in March 2015, and below the 5.9% figure reported one year ago. The unemployment rate in Placer County was 4.4% as compared to 4.8% in El Dorado County, 5.4% in Sacramento County, and 5.3% in Yolo County.

Transportation

The subject property is situated along West Oaks Boulevard, between Lonetree and Sunset Boulevards. Lonetree Boulevard connects with Sunset Boulevard to the north and both connect to Blue Oaks Boulevard about a half-mile to the south. Sunset Boulevard and Blue Oaks Boulevard both provide direct access to State Highway 65 less than one mile from the subject. Highway 65 is a north-south route that provides access to Lincoln, Wheatland and Yuba City to the north and Interstate 80 to the south. Interstate 80 is a primary east-west corridor for the Sacramento Metropolitan Area. To the east, Interstate 80 provides access to the outlying portions of Placer County and continues toward Lake Tahoe and Reno, Nevada. To the west, Interstate 80 connects the subject neighborhood to Sacramento's Central Business District before continuing on towards Davis and San Francisco.

Public transportation in the neighborhood is available via Placer County Transit (PCT), a regional bus system that serves Roseville, Granite Bay, Loomis, Rocklin, Auburn, and Colfax. Currently, the PCT has a free transfer agreement with all of the Sacramento Regional Transit buses and trains.

Land Uses

Land uses within the subject's neighborhood include mostly office, flex, retail and residential development. Demand for commercial properties in the subject neighborhood is primarily generated by local residents. Much of the residential population in the neighborhood finds employment outside of the immediate area, commuting to Sacramento's Central Business District, though the Roseville/Rocklin submarket is an employment center in its own right. The following table summarizes some of the land use characteristics of the subject neighborhood.

Neighborhood Life Cycle Stage	Stability
Real Estate Cycle	Stabilization/Improvement
Land Uses	Mixed
Predominate Land Use	Residential
Age Range of R/E Improvements	0 - 20 years
General Quality & Condition of Improvements	Average
Percentage Developed (approximate)	40 - 50%
Infrastructure / Land Planning	Average

The subject neighborhood is primarily developed with residential developments with supporting commercial uses, retail centers, office projects, and vacant land. The bulk of retail development in the subject neighborhood is situated along Lonetree and Sunset Boulevards, while the bulk of office/flex development is found in the subject's immediate area.

Slightly farther north, at the northwest corner of Sunset and Lonetree Boulevards is an office campus occupied by Oracle Corporation. On Sunset Boulevard, just south of Lonetree Boulevard, is an industrial facility occupied by United Natural Foods, Inc. UNFI purchased this former Ace Hardware distribution center in 2005 and employs about 500 people at the Rocklin facility. Further south, the Rocklin 65 Corporate Center has been developed over the past couple years along the west side of Lonetree Boulevard, just east of Highway 65 and south of West Oaks Boulevard. The Rocklin 65 development includes 29 office and retail buildings.

The neighborhood also includes supporting retail and light industrial uses. Strikes Family Entertainment Center is located along the east side of Lonetree Boulevard, just south of Sunset Boulevard. Several retail buildings are located at the intersection of West Oaks and Sunset Boulevards, as well as Sunset and Lonetree Boulevards. To the east of the subject, at the northeast quadrant of Sunset and West Oaks Boulevards, there is a commercial complex housing restaurant options and additional facilities including a dentist, spa, and veterinary services. The southeast quadrant of this intersection is home to Starbucks and Chevron.

The Blue Oaks Town Center, located along State Highway 65 at the northeast corner of Blue Oaks and Lonetree Boulevards, is comprised of a unique mix of retail shops, restaurants, and

neighborhood services including Chevy's, Starbucks, Carl's Jr., RC Willey, Petco, Dollar Tree, Blue Oaks Century and Crunch Fitness. Also in this area, at the southwest quadrant of Blue Oaks and Lone Tree Boulevards, is Chili's Grill & Bar, Spring Hill Suites by Marriot and Chevron.

Development of retail projects in the Roseville/Rocklin area has intensified as new homes have been built and since the opening of the Galleria at Roseville, the first regional mall built in the Sacramento area in the last 25 years. This 1.1 million square foot regional shopping mall opened for business in August 2000, and is located at Galleria Boulevard and State Highway 65. The mall subsequently completed a major expansion project, which added approximately 100 new tenants and approximately a half-million square feet of retail space. Additional, large-scale retail centers adjacent to the Galleria include the Creekside Town Center, The Ridge at Creekside, and Creekside Plaza (formerly known as Tuscany Village). The Fountains, a lifestyle shopping center, is located across from the Galleria at the southwest corner of Galleria Boulevard and Roseville Parkway.

Community Uses

Community uses are somewhat limited in the subject's immediate neighborhood, due to the office park nature of the area. However, there are some existing community land uses, including Kathy Lund Park which is located west of the subject property; this 30 acre community park offers lighted soccer fields, three youth softball fields (two are lighted and one is plumbed for future lighting), 1,200 square-foot restroom/concession building, parking for 118 vehicles, playground for youth ages 5-12, and a water play area. Directly adjacent to Kathy Lund Park is St. Matthew Lutheran Church, located at the intersection of Lonetree Blvd. and West Oaks Blvd, which serves the Roseville/Rocklin/Lincoln Christian community. The private William Jessup University, located approximately a half mile north of the subject property just north of Sunset Boulevard, offers Christian higher education. Approximately one mile southwest of the subject property, located along Turnstone Way, is the K-12 charter school, Rocklin Academy.

Office Submarket Analysis

One of the potential developments that would be considered for the subject property is office development. In order to analyze office market conditions in the subject's immediate area, we have utilized survey data published by CB Richard Ellis. In addition, we relied on CoStar Property Analytics for a survey of office properties that are similar to and competitive with the subject.

According to market surveys published by CB Richard Ellis, the overall office vacancy rate in the Roseville/Rocklin submarket was approximately 18.2% during the third quarter of 2015 (latest available). Net absorption in the third quarter of 2015 was a positive 71,946 square feet. However, the year to date net absorption for the submarket is a negative 50,791 square feet. Despite the high vacancy during the third quarter of 2015, the Roseville/Rocklin submarket is generally consistent with the Sacramento area vacancy rate of 17.4%.

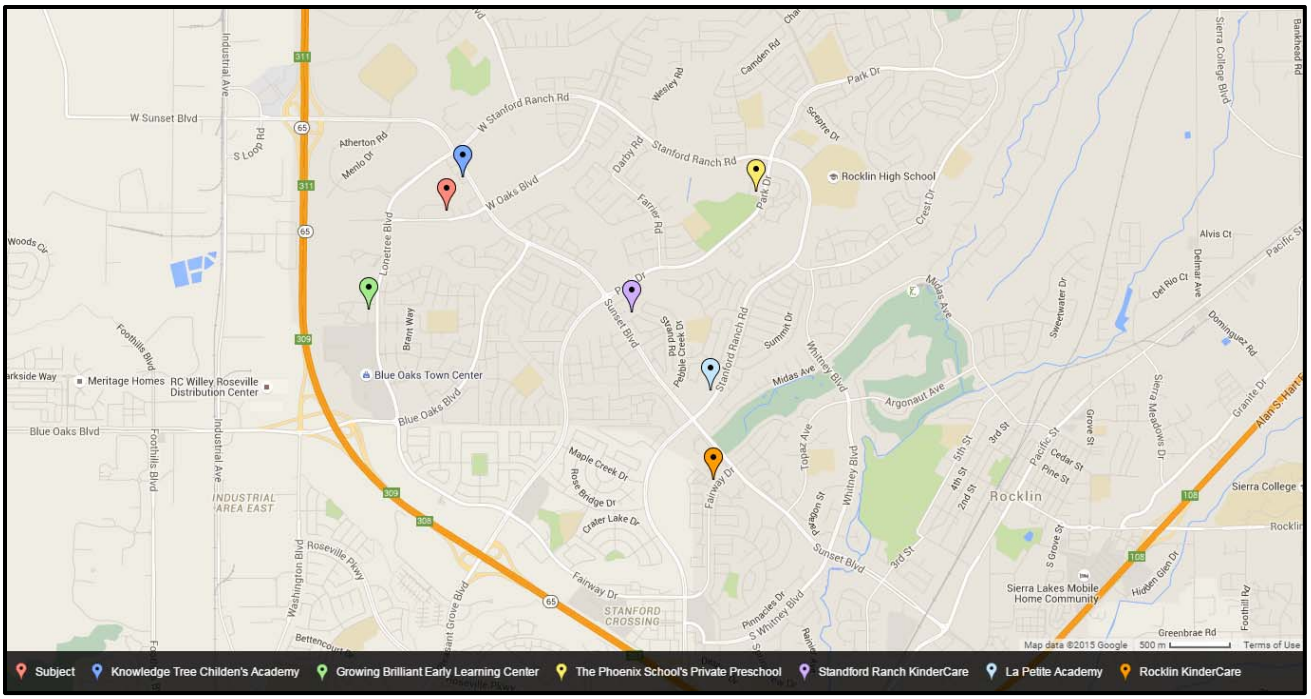
We also queried CoStar Property Analytics to determine the supply and vacancy for all existing office properties within a one-mile radius of the subject property. According to CoStar, there a total of 56 properties containing a total rentable area of 1,359,844 square feet, of which 158,782 square feet is vacant. The implied vacancy rate is 11.7%, which is considerably lower than the 18.2% vacancy rate reported by CB Richard Ellis for the Roseville/Rocklin submarket in the third quarter of 2015. The difference is likely attributable to the fact that the CoStar search focused on office properties in the subject's immediate area, whereas the CB Richard Ellis survey only included office properties larger than 10,000 square feet in the entire submarket.

Market Participant Interviews – Child Care Facilities

Since the subject's future construction plans are for a daycare, several interviews with local brokers active in the subject's market area were conducted. A broker with Coldwell Banker Commercial who is familiar with daycare/preschool facilities within the Sacramento region indicated that the previously high unemployment rates impacted the demand for child care. Specifically, parents who lost their jobs were able to remain at home and care for their children, which cut the number of prospective day care users. Additionally, this broker said that reductions in pay have also made child care services too expensive for many parents to afford. Reportedly, as a result of the decline in demand, many child care facilities closed during the recession. It was also reported overall pricing and rental rates have been down. However, with general economic stabilization and improvement occurring in recent periods, long term growth in the sector is projected by most market participants, who are optimistic going forward (particularly in light of the reduced competition due to the previously closed facilities).

As previously discussed in the *Demographics* section of this overview, the unemployment rate within the subject's neighborhood (i.e., within the city of Rocklin) is currently 4.5%, which is slightly higher than the unemployment rate for Placer County (4.4%). Additionally, the median household income within the subject's zip code is $88,299, which is at the middle to high end of the range as compared to other submarkets within the Sacramento region. Overall, demand within the subject's immediate area is projected to be steady over the long term, given the proximity of the subject to significant residential development, as well as the low unemployment rate and the higher average income level.

There are a few other private pre-school/younger children educational facilities in proximity to the subject. The following map shows locations of competing properties in the subject's immediate area. It does not appear that the submarket is overbuilt with these types of properties.



In addition to the survey of comparable child care facilities in the area, the appraiser utilized data collected by The California Child Care Resource & Referral Network. This organization researches child care facilities for each county in California and releases its findings in its biennial California Child Care Portfolio. The Portfolio is based on data gathered from the 60 state-funded California Child Care Resource & Referral Network agencies. According to the 2013 Portfolio (most recent available), Licensed Child Care Centers in Placer County decreased their total number of childcare slots (infants to school-age) from 9,333 in 2010 to 8,789 in 2012 (approximately 6%). With a lower unemployment rate in comparison to the greater Sacramento area as a whole, demand for daycare facilities is expected to be steady going forward as the economy continues to improve.

In summary, market conditions for school/daycare facilities are expected to generally fall in line with trends in the regional economy. The subject property is located within an area with good overall desirability relative to others in the region. In comparison to the office market, a daycare facility is expected to perform better in the near-term, as there is still a considerable amount of office vacancy in the area.

Conclusion

The subject is located in a growing commercial and residential area that should continue to experience steady demand for all types of commercial properties. The subject benefits from its good location and access to and from the area's main transportation routes. Demand for all types commercial properties should continue as population growth continues in Rocklin and nearby cities such as Roseville and Lincoln. Overall, the characteristics of the subject's neighborhood are desirable, and steady demand is projected over the long term.

HIGHEST AND BEST USE

The term "highest and best use," as used in this report, is defined as follows:

> The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.[7]

Two analyses are typically required for highest and best use. The first analysis is highest and best use of the subject property as though vacant. The second analysis would determine the highest and best use of the property as improved, which is not applicable since the subject represents vacant land. Definitions of these terms are provided in the *Glossary of Terms* in the Appendix of this report.

Highest and Best Use – As Vacant

Legal Permissibility

In accordance with the definition of highest and best use, it is appropriate to analyze the subject property as though vacant as it relates to legal permissibility, physical possibility, financial feasibility and maximum productivity. As discussed in *the Property Identification and Legal Data* section, the subject property is zoned P-R, Parks & Recreation with an expected rezone to C-2, Retail Business Zone. Typically the range of retail and office uses is broad within the C-2 zone. However, due to the previously discussed City imposed constraints on development, the primary legal uses which will be accepted by the City of Rocklin include either office or daycare uses. Thus, the remainder of the Highest and Best Use analysis will only consider this narrowed range of potential uses.

Physical Possibility

The physical characteristics of a site that affect its possible use(s) include, but are not limited to, location, street frontage, visibility, access, size, shape, topography, availability of utilities, off-site improvements, easements and soil and subsoil conditions. Since the legally permissible test has resulted in a potential for commercial development, at this point the physical characteristics are examined to see if they are suited for the legally permissible uses.

Location considerations include the compatibility and position of the subject property with respect to surrounding uses. Based on our physical inspection of the subject property, we know of no reason why the property would not support any legal development. The size, shape and topography of the subject property appear adequate for development. The property is located in Flood Zone X, described as

[7] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 93.

areas outside of the 500-year floodplains. Flood insurance is not required. In addition, the property is not located within a Fault-Rupture Hazard Zone. All utility services are available, and evidence of residential and commercial development in the immediate area provides additional support for the possibility of development. Typical roadway and utility easements exist but are not unusual in any way. It is assumed any easements do not adversely affect the subject's potential for development. Overall, the subject property has physical characteristics that support the legally permissible uses.

Financial Feasibility

While development of office and daycare uses are legally permissible and physically possible, distressed market conditions have impacted the feasibility of new office construction in the current market environment. The determination of financial feasibility is dependent primarily upon supply and demand influences. As previously discussed, vacancy for office properties in the subject's neighborhood is still too high to support new office development. In contrast, daycare properties are not considered to be over supplied in the area.

Based upon current market supply and demand factors for daycare properties in the Sacramento and Central Valley regions, the outlook is optimistic. Residential development in Rocklin has been increasing recently, which will also likely increase demand for daycare facilities in the area. Current market conditions indicate that development of a daycare use is financially feasible at this time, in the case of office use that would likely depend on either owner occupancy or a build-to-suit scenario.

Maximum Productivity – Conclusion

Legal, physical and financial feasibility conditions have been analyzed to evaluate the highest and best use of the subject property. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the property. Based on the factors previously discussed, daycare development of the subject property is the maximally productive land use that is legally permissible, physically possible and financially feasible. Considering the subject's specific characteristics, the highest and best use of the subject property – as vacant – is to construct a daycare.

APPROACHES TO VALUE

The valuation process is a systematic procedure employed to provide the answer to a client's question about the value of real property.[8] This process involves the investigation, organization and analysis of pertinent market data and other related factors that affect the market value of real estate. The market data is analyzed in terms of any one or all of the three traditional approaches to estimating real estate value. These are the cost, sales comparison, and income capitalization approaches. Each approach to value is briefly discussed and defined as follows:

Cost Approach

The cost approach is based on the premise that no prudent buyer would pay more for a particular property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility. Thus, this approach to value relates directly to the economic principle of substitution, as well as supply and demand. The cost approach is most applicable when valuing properties where the improvements are new or suffer only a minor amount of accrued depreciation, and is especially persuasive when the site value is well supported. The cost approach is also highly relevant when valuing special-purpose or specialty properties and other properties that are not frequently exchanged in the market.

The definition of the cost approach is offered as follows:

> A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.[9]

Sales Comparison Approach

The sales comparison approach is based on the premise that the value of a property is directly related to the prices being generated for comparable, competitive properties in the marketplace. Similar to the cost approach, the economic principles of substitution, as well as supply and demand are basic to the sales comparison approach. This approach has broad applicability and is particularly persuasive when there has been an adequate volume of recent, reliable transactions of similar properties that indicate value patterns or trends in the market. When sufficient data are available, this approach is the most direct and systematic approach to value estimation. Typically, the sales comparison approach is most pertinent when valuing land, single-family homes and small, owner-occupied commercial and office properties.

[8] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 205.
[9] The Dictionary of Real Estate Appraisal, 47.

The definition of the sales comparison approach is offered as follows:

> A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available.[10]

Income Capitalization Approach

The income capitalization approach is based on the premise that income-producing real estate is typically purchased as an investment. From an investor's point of view, the potential earning power of a property is the critical element affecting value. The concepts of anticipation and change, as they relate to supply and demand issues and substitution, are fundamental to this valuation approach. These concepts are important because the value of income-producing real estate is created by the expectation of benefits (income) to be derived in the future, which is subject to changes in market conditions. Value may be defined as the present worth of the rights to these future benefits. The validity of the income capitalization approach hinges upon the accuracy of which the income expectancy of a property can be measured.

Within the income capitalization approach there are two basic techniques that can be utilized to estimate market value. These techniques of valuation are direct capitalization and yield capitalization.

> Direct capitalization is a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor.[11]
>
> Yield capitalization is the capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflects the investment's income pattern, value change, and yield rate.[12]

The definition of the income capitalization approach is offered as follows:

> A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.[13]

[10] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 175.
[11] The Dictionary of Real Estate Appraisal, 58.
[12] The Dictionary of Real Estate Appraisal, 211.
[13] The Dictionary of Real Estate Appraisal, 99.

SALES COMPARISON APPROACH

In the sales comparison approach, the market value of the fee simple interest in the subject property (subject to a hypothetical condition) will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013), "The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time." The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

The proper application of this approach requires obtaining sale data for comparison with the subject. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

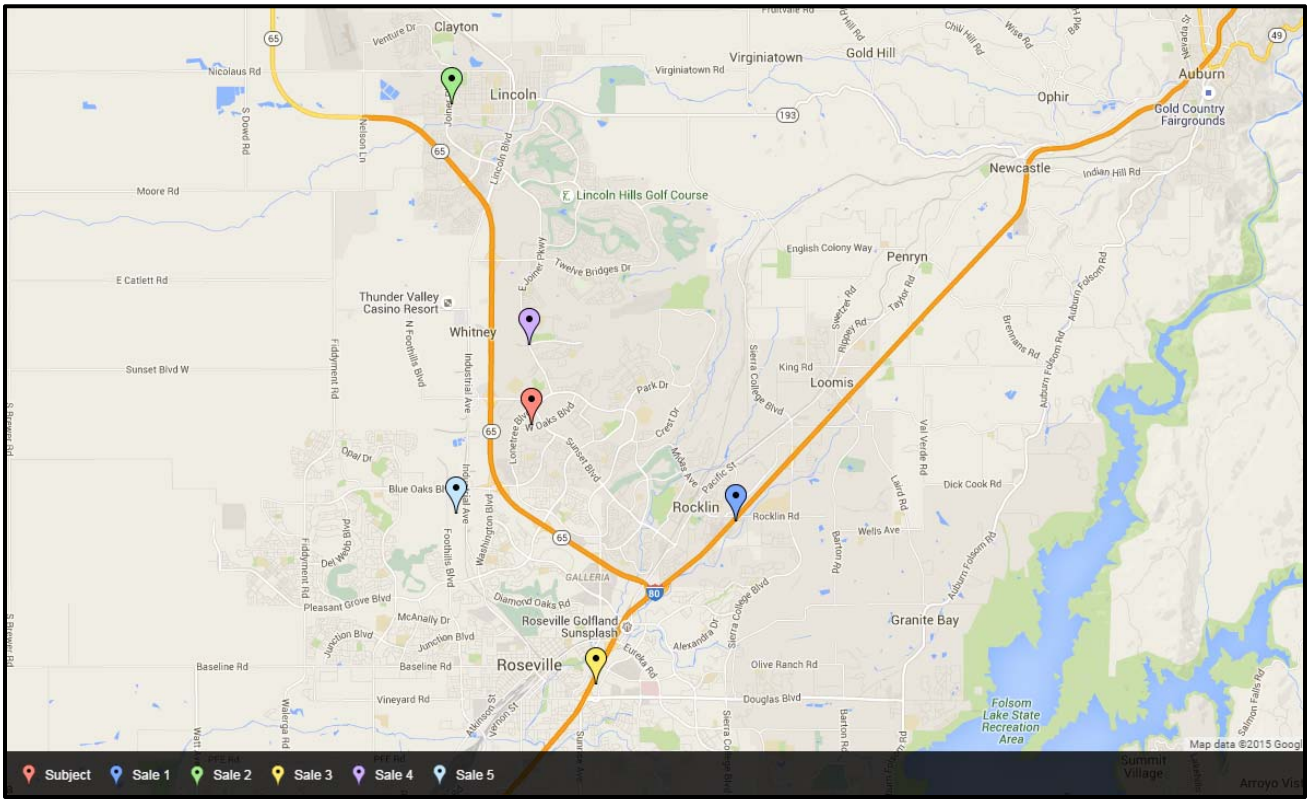
In the analysis of the subject property, we searched various sources for gathering of relevant data. In the sales comparison approach, we searched for data in our internal database, CoStar Property, Loopnet (for closed sales and active listings), and the Multiple Listing Service (MLS). We confirmed details of the transactions with parties directly involved (e.g. brokers, buyers/sellers) and/or public records.

On the following pages, we will present and analyze several comparable properties. We will begin by presenting a summary tabulation and location map, followed by detailed sales sheets, a discussion of necessary adjustments, and our conclusion of market value via this approach. These sales are the most recent transactions considered reasonably similar to the subject property.

As discussed, our estimate of market value of the subject property (subject to a hypothetical condition) is based on the premise the subject will be rezoned for commercial development (C-2). Therefore, this analysis assumes the subject consists of 1.1± acres ready for office or daycare development.

LAND SALES SUMMARY

Sale No.	Location	Sale Date	Sale Price	Land Area (Acre/SF)	Sale Price/SF	Zoning / Land Use
1	China Garden Road at Hidden Glen Drive Rocklin APN: 045-110-034, -054, & -055	Jan-15	$1,450,000	9.70 422,532	**$3.43**	PD-C
2	NEC of Joiner Parkway and 3rd Street Lincoln APN: 021-321-046	Dec-14	$525,000	2.40 104,544	**$5.02**	NC/BP
3	W/O N. Sunrise Boulevard, E/O Interstate 80 Roseville APN: 013-213-031	Apr-14	$2,859,500	5.90 257,004	**$11.13**	CC
4	W/S of Wild Cat, S/Whitney Ranch Rocklin APN: 017-171-013	Nov-13	$1,600,000	7.40 322,344	**$4.96**	PD-C
5	8035 Foothills Boulevard Roseville APN: 017-230-069	Listing	$1,130,382	3.46 150,718	**$7.50**	NC

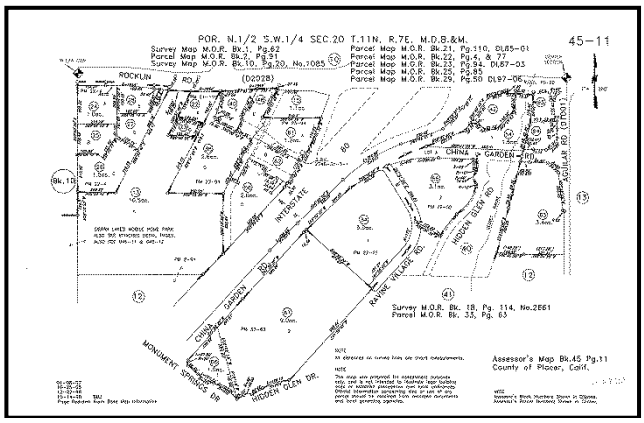


LAND SALE 1

Property Identification

China Garden Road at Hidden Glen Drive
Rocklin, CA 95677
Placer County

APN: 045-110-034, -054, -055



Sale Data

Grantor	Max and Eleanor Hoseit
Grantee	Auburn Manor Holding Corp.
Sale Date	01/15/2015
Deed Book Page	002807
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$1,450,000

Land Data

Land Area (SF)	422,532
Land Area (Acres)	9.70
Zoning	PD-C, Planned Development-Commercial
Shape	Irregular
Corner Orientation	Yes
Street Frontage	China Garden Road, Ravine Village Road
Topography	Generally level
Off-Site Improvements	Partial
On-Site Improvements	None

Indicators

Sale Price per SF	$3.43
PV Bonds per SF	$0.00

Remarks

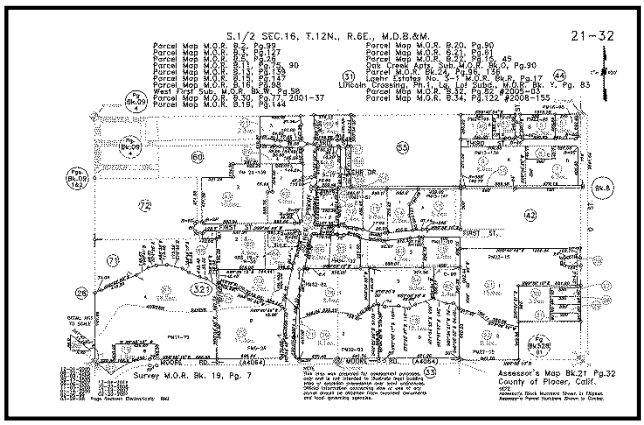
This property was purchased by a real estate investment/development company that owns other parcels in the area. The buyer indicated that his company is not yet sure on the intended use of this site, as it may be developed as a commercial project or an assisted living facility. Additionally, the parcels exhibit irregular shapes and are not located adjacent to each other.

LAND SALE 2

Property Identification

NEC of Joiner Parkway and 3rd Street
Lincoln, CA 95648
Placer County

APN: 021-321-046



Sale Data

Grantor	Laehr Family Trust
Grantee	Sterling Blackwood Holdings
Sale Date	12/04/2014
Deed Book Page	88700
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$525,000

Land Data

Land Area (SF)	104,544
Land Area (Acres)	2.40
Zoning	NC/BP, Neighborhood Commercial/Business Professional
Shape	Rectangular
Corner Orientation	Yes
Street Frontage	Joiner Parkway and 3rd Street
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	$5.02
PV Bonds per SF	$0.00

Remarks

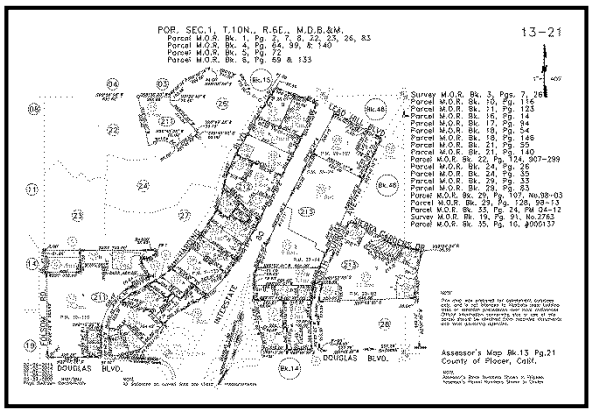
This comparable represents the sale of a vacant parcel located at the north east corner of Joiner Parkway and 3rd Street. The surrounding properties primarily consist of single family residential with some supporting commercial development.

LAND SALE 3

Property Identification

W/O N. Sunrise Boulevard, E/O
Interstate 80
Roseville, CA 95661
Placer County

APN: 013-213-031



Sale Data

Grantor	I Think I Can, LP
Grantee	Pingree 2000 Real Estate Corporation
Sale Date	04/25/2014
Deed Book Page	026316
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$2,859,500

Land Data

Land Area (SF)	257,004
Land Area (Acres)	5.90
Zoning	CC, Community Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	N. Sunrise Boulevard and Interstate 80
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	$11.13
PV Bonds per SF	$0.00

Remarks

This comparable represents a vacant parcel located along the west line of N Sunrise Avenue, north of Douglas Boulevard. It was purchased for the construction of an Enterprise Rent-A-Car location, which was finished in early 2015.

LAND SALE 4

Property Identification

West side of Wildcat Boulevard, south of Whitney Ranch Parkway
Rocklin, CA 95765
Placer County

APN: 017-171-013

Sale Data

Grantor	Shehadeh/Taylor LLC
Grantee	Wildcat Whitney Ranch 100 LLC
Sale Date	11/18/2013
Deed Book Page	107831
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$1,600,000

Land Data

Land Area (SF)	322,344
Land Area (Acres)	7.40
Zoning	PD-C, Planned Development, Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	Wildcat Boulevard
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	$4.96
PV Bonds per SF	$0.40

Remarks

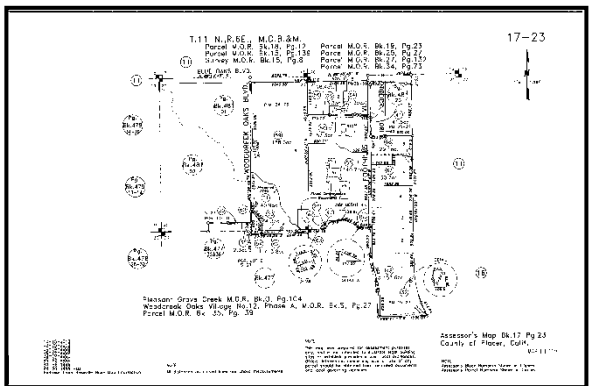
Although this site is zoned commercial, the buyer plans to map the site for single-family residential development.

LAND SALE 5

Property Identification

8035 Foothills Boulevard
Roseville, CA 95747
Placer County

APN: 017-230-069



Sale Data

Grantor	Clearview 8035 Foothills Boulevard LLC
Grantee	Listing
Sale Date	Listing
Deed Book Page	Listing
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$1,130,382

Land Data

Land Area (SF)	150,718
Land Area (Acres)	3.46
Zoning	NC, Neighborhood Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	Foothills Boulevard
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	$7.50
PV Bonds per SF	$0.00

Remarks

This represents an active listing of a nearly 3.5 acre Neighborhood Commercial zoned parcel, located across Foothills Boulevard from the Hewlett-Packard campus. This portion of Foothills Boulevard has relatively low traffic and contains mostly light industrial uses and vacant land.

Adjustment Discussion

The comparable transactions are adjusted based on the profile of the subject property (subject to a hypothetical condition) with regard to categories that affect market value. If a comparable has an attribute that is considered superior to that of the subjects, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject.

Percentage or dollar adjustments are considered appropriate in order to isolate and quantify the adjustments on the comparable sales data. At a minimum, the appraiser considers adjustments for the following items:

- Present value of bonds
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Expenditures after sale
- Market conditions
- Physical features

A paired sales analysis is performed in a meaningful way when the quantity and quality of data are available. However, many of the adjustments require the appraiser's experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. A detailed analysis involving each of these factors is presented as follows:

Present Value of Bonds

The subject property does not have a special assessment obligation relating to Mello-Roos bonds. However, one of the comparables sales is encumbered by bonds. Bond debt has a direct impact on the amount for which the end product will sell. In an effort to account for the difference in bond indebtedness, we have established a present value amount for the bond encumbrance based on the annual assessment associated with this sale. The present value amount is based on the annual assessment payment, a discount rate of 6.0% and the remaining term from the date of sale. The present value of the bonds are estimated, after which it is adjusted to the subject on a dollar-for-dollar basis.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. The opinions of value in this report are based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions,

covenants and restrictions (CC&Rs). All of the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. All of the comparable sales represented cash to the seller transactions and, therefore, do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

The majority of the comparables represent arm's length market transaction and no adjustments for conditions of sale are required for these sales. Comparable 5 represents a current listing and is adjusted downward to reflect typical negotiations between buyer and seller over the purchase price.

Expenditures after Sale

This category includes all costs required after the transaction. None of the sales required costs immediately after the sale; therefore, no adjustments are warranted for this category.

Market Conditions

Market conditions generally change over time, but the date of value is for a specific point in time. Therefore, in an unstable economy, one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline, extra attention needs to be paid to assess changing market

conditions. Significant changes in price levels can occur in several areas of a municipality, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

In evaluating market conditions, changes between the comparable sales date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required. An upward adjustment is applied to Sale 4 to reflect the improvement in market conditions since the November 2013 sale date.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value are discussed as follows:

Location

The subject is located in Rocklin. The overall location is considered good. Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values. Sale 2 is located in Lincoln, which is considered inferior relative to the subjects' location. As such, this sale is adjusted upward. Conversely, Sale 3 is located in a heavily concentrated area of commercial development with the surrounding uses considered superior to the subject's. Therefore, a downward adjustment is applied.

Visibility/Accessibility

The visibility and accessibility of a property can have a direct impact on value. For example, a property with limited access is considered to be an inferior position compared to a property with open accessibility. Conversely, if a property has freeway visibility, or is situated in proximity to major linkages, this is considered to be a superior site amenity in comparison to a property with limited visibility and positioning.

The subject property is considered to possess average visibility/accessibility. Although Sale 1 is located just off of Interstate 80, the majority of the parcels comprising this sale are located along interior streets with low traffic counts. Therefore, Sale 1 is considered to have inferior visibility/accessibility and an upward adjustment is applied. Sale 3 is located along a major thoroughfare and has visibility from Interstate 80 and Sale 4 is located at the corner of two primary thoroughfares in the area. As a result, Sales 3 and 4 are adjusted downward.

Land Area

The market generally exhibits an inverse relationship between land area and price per square foot such that larger parcels sell for a lower price per square foot than smaller parcels, all else being

equal. For purposes of analysis, comparables with appreciably smaller parcel sizes than the subject are adjusted downward, and the larger comparables are adjusted upward.

Off-Site Improvements

The subject property has all off-site improvements in place, including asphalt-paved streets, curbs, gutters and sidewalks. Sale 1 requires some additional off-site improvements prior to development (sidewalks, cutters, etc.); therefore, this sale receives a slight upward adjustment.

On-Site Improvements

All of the comparables transferred as vacant land and do not require adjustments for on-site improvements.

Site Utility

The subject property has average site utility given its shape, generally level topography, and lack of vegetation, trees, rocks or other impediments to development. The majority of the sales have similar site utility as the subject. Sale 1 consists of three parcels with irregular shapes. Additionally, the parcels are not located adjacent to one other. Therefore, this sale exhibits inferior site utility in comparison to the subject and receives an upward adjustment.

Zoning/Restrictions

While the subject is currently zoned for park use, a rezone to C-2, Retail Business Zone is the premise for this analysis. Due to development constraints imposed by the city, the range of potential uses for the subject is limited. Allowed development for the subject will primarily consist of either office (professional/medical/veterinary) or a daycare. Additionally, the subject will transfer with parking entitlements for the adjacent park to use the subject's parking lot after hours. None of the comparables have similar restrictions and downward adjustments are applied.

Adjustment Grid

During our investigation, we identified several land sales located throughout the subject's area that were analyzed to estimate the market value of the fee simple interest in the subject property (subject to a hypothetical condition). The adjustment grid on the following page details the unadjusted and adjusted value ranges presented by the comparable sales.

Elements of Comparison:	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Price per SF (Unadjusted)		**$3.43**	**$5.02**	**$11.13**	**$4.96**	**$7.50**
PV of Bonds per SF	$0.00	$0.00	$0.00	$0.00	$0.40	$0.00
Adjustment		$0.00	$0.00	$0.00	$0.40	$0.00
Adjusted Value		**$3.43**	**$5.02**	**$11.13**	**$5.36**	**$7.50**
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment						
Adjusted Value		**$3.43**	**$5.02**	**$11.13**	**$5.36**	**$7.50**
Financing Terms	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment						
Adjusted Value		**$3.43**	**$5.02**	**$11.13**	**$5.36**	**$7.50**
Conditions of Sale	Market	Market	Market	Market	Market	Listing
Adjustment						-10%
Adjusted Value		**$3.43**	**$5.02**	**$11.13**	**$5.36**	**$6.75**
Expenditures After Sale	None	Similar	Similar	Similar	Similar	Similar
Adjustment						
Adjusted Value		**$3.43**	**$5.02**	**$11.13**	**$5.36**	**$6.75**
Market Conditions	Oct-15	Jan-15	Dec-14	Apr-14	Nov-13	Listing
Adjustment					5%	
Effective Price per SF		**$3.43**	**$5.02**	**$11.13**	**$5.63**	**$6.75**
Physical Characteristics:						
Location	Good	Similar	Inferior	Superior	Similar	Similar
Adjustment			15%	-15%		
Visibility / Accessibility	Average	Inferior	Similar	Sig. Superior	Sl. Superior	Similar
Adjustment		10%		-25%	-5%	
Land Area (SF)	47,916	422,532	104,544	257,004	322,344	150,718
Adjustment		25%		10%	15%	5%
Off-Site Improvements	Available	Sl. Inferior	Similar	Similar	Similar	Similar
Adjustment		5%				
On-Site Improvements	None	Similar	Similar	Similar	Similar	Similar
Adjustment						
Site Utility	Average	Sig. Superior	Similar	Similar	Similar	Similar
Adjustment		20%				
Zoning/Restrictions	Limited C-2	Superior	Superior	Superior	Superior	Superior
Adjustment		-10%	-10%	-10%	-10%	-10%
Net Adjustment		**50%**	**5%**	**-40%**	**0%**	**-5%**
Adjusted Price per SF		**$5.15**	**$5.27**	**$6.68**	**$5.63**	**$6.41**
Unadjusted Range	$3.43	to	$11.13			
Adjusted Range	$5.15	to	$6.68			
Concluded Value per SF	**$5.80**					

Market Value Conclusion – Sales Comparison Approach

The adjustment grid on the preceding page illustrates the quantitative adjustments applied to the market data in order to equate with the subject. The data set reflects an unadjusted range of $3.43 to $11.13 per square foot of land area. The adjusted value range narrowed in comparison to the unadjusted range, to $5.15 to $6.68 per square foot, with an average of $5.83 per square foot. Given the subject's zoning restrictions, no one sale is considered to provide the best indication of value. Further, all of the comparables are larger in size than the subject. However, Sales 1 and 3 required the most overall gross adjustments and are given slightly less emphasis in arriving at our conclusion of market value. Based on the preceding analysis, a market value estimate of $5.80 per square foot is concluded. Applying this indicator to the subject property results in the following estimate of as-is market value (subject to a hypothetical condition):

47,916 square feet x $5.80 per square foot = $277,913

Rd. $278,000

The city is considering a letter of intent dated July 1, 2015 by Craig Davidson for a purchase price of $277,700 or $5.80 per square foot. The letter of intent is contingent on rezoning the property to a use which would allow the buyer is to construct a daycare facility on the site. The terms would represent all cash to the seller, and the offer represents an arm's length transaction. Based on the analysis contained herein, the offering price is considered to be at market.

The estimate of value provided herein is subject to a hypothetical condition. It is our understanding that the City of Rocklin has obligated themselves to allow a rezone of the subject property from park use to a zone which would allow for commercial development of the site. According to the City of Rocklin, the subject will be rezoned to the Retail Business Zone (C-2). The estimate of value presumes the subject will be rezoned to a commercial zone compatible with future development. A hypothetical condition, defined as "that which is contrary to what exists, but is supposed for the purpose of the analysis."[14] It is a hypothetical condition under which the value estimate is derived since the subject, as previously profiled, is currently zoned for park use.

[14]The Uniform Standards of Professional Appraisal Practice, 2010 ed. (Appraisal Standards Board), 3.

CONCLUSION OF VALUE

As a result of our analysis, it is our opinion the as-is market value of the fee simple interest in the subject property (subject to a hypothetical condition), in accordance with the extraordinary assumptions, hypothetical conditions, general assumptions and limiting conditions contained herein, it is our opinion the market value, as of October 26, 2015, is…

TWO HUNDRED SEVENTY EIGHT THOUSAND DOLLARS

$278,000

The estimate of value provided herein is subject to a hypothetical condition. It is our understanding that the City of Rocklin has obligated themselves to allow a rezone of the subject property from park use to a zone which would allow for commercial development of the site. According to the City of Rocklin, the subject will be rezoned to the Retail Business Zone (C-2). The estimate of value presumes the subject will be rezoned to a commercial zone compatible with future development. A hypothetical condition, defined as "that which is contrary to what exists, but is supposed for the purpose of the analysis."[15] It is a hypothetical condition under which the value estimate is derived since the subject, as previously profiled, is currently zoned for park use.

[15] The Uniform Standards of Professional Appraisal Practice, 2010 ed. (Appraisal Standards Board), 3.

EXPOSURE AND MARKETING TIME

Exposure time and marketing time may or may not be similar depending on whether market activity in the immediate future continues in the same manner as in the immediate past. Indications of the exposure time associated with the market value estimate are provided by the marketing times of sale comparables, interviews with participants in the market and analysis of general economic conditions. Estimation of a future marketing time is more difficult, requiring forecasting and analysis of trends.

Exposure Time

Exposure time is the period a property interest would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. For a complete definition of exposure time, please reference the Glossary of Terms in the Appendix.

In attempting to estimate a reasonable exposure time for the subject property, we looked at both the historical exposure times of a number of sales, as well as current and past economic conditions. Based on a survey of market participants, a transfer of vacant land properties in the region typically occurs within 12 months of exposure. It is estimated the exposure time for the subject property, if appropriately priced, would have been within 12 months of initial exposure.

Marketing Time

Marketing time is an estimate of the time to sell a property interest in real estate at the estimated market value during the period immediately after the effective date of value. A reasonable marketing time is estimated by comparing the recent exposure time of similar properties, and then taking into consideration current and future economic conditions and how they may impact marketing of the subject property.

The marketing time for the subject property is not anticipated to vary significantly from the exposure time. Thus, the marketing time is estimated at 12 months or less.

APPENDIX

A – GRANT DEED

PLACER, County Recorder
JIM MCCAULEY
DOC- 2007-0089916-00
Friday, SEP 14, 2007 13:59:20
NOC $0.00
Ttl Pd $0.00 Nbr-0001702694
ST1/SM/1-5

RECORDING requested by and
when recorded, please return to:

No Fee Per Gov't Code § 27383

City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677

No Documentary Transfer Tax
Per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 365-020-030

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is acknowledged, the **DIVERSIFIED INVESTORS FUND 79-2**, a California limited partnership ("Grantor") grants to the City of Rocklin, a municipal corporation ("Grantee") the real property in the **CITY OF ROCKLIN**, Placer County, California, described as follows:

All of Lot 30 as said lot is shown on the Map of Sunset West Subdivision (SD 92-04), recorded December 31, 1996 in Book T of Maps, at Page 81, Placer County Official Records.

Dated as of 8/25/07

Diversified Investors Fund 79-2,
a California limited partnership

By: Jon W Bell
Name: Jon W Bell
Title: General Partner

By: Larry Fluet
Name: LARRY FLUET
Title: GENERAL PARTNER

SM

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of ORANGE

On 8/25/ (Date) before me, MARY E. WHITE, NOTARY PUBLIC (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared JON W. BELL (Name(s) of Signer(s))

~~☐ personally known to me~~ – OR – ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

MARY E. WHITE
COMM...1702884
NOTARY PUBLIC-CALIFORNIA
ORANGE COUNTY
My Term Exp. November 4, 2010

WITNESS my hand and official seal.

Mary E. White
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: GRANT DEED

Document Date: 8/25/07 Number of Pages: 1

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

Signer's Name: _____

☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

© 1994 National Notary Association • 8236 Remmet Ave., P.O. Box 7184 • Canoga Park, CA 91309-7184 Prod. No. 5907 Reorder: Call Toll-Free 1-800-876-6827

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Bernardino

On August 30, 2007 (Date) before me, Collette Baker, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Larry Fluet (Name(s) of Signer(s))

☒ personally known to me – OR – ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

COLLETTE BAKER
Commission # 1715905
Notary Public - California
San Bernardino County
My Comm. Expires Feb 8, 2011

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: QD

Document Date: 8/25/07 Number of Pages: 1

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Larry Fluet

☐ Individual
☐ Corporate Officer
Title(s): _____
☒ Partner — ☐ Limited ☒ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

© 1994 National Notary Association • 8236 Remmet Ave., P.O. Box 7184 • Canoga Park, CA 91309-7184
Prod. No. 5907 Reorder: Call Toll-Free 1-800-876-6827

RESOLUTION NO. 2007-278

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ROCKLIN
APPROVING AND ACCEPTING GRANT DEEDS FOR SUNSET WEST LARGE
LOTS 4, 5, 20C, 28, & 30
(Diversified Investors Fund 79-2)

WHEREAS, the City Council of the City of Rocklin finds and determines that the City and Diversified Investors Fund 79-2 ("Diversified") has entered into an Amendment to the Common Area Maintenance Agreement with Diversified approved on August 24, 1999, by Resolution No. 99-275; and

WHEREAS, as consideration for the City's agreement to amend the Common Area Maintenance Agreement with Diversified, Diversified has agreed to grant to City certain undeveloped property owned by Diversified in the Sunset West Planning Area of the City of Rocklin.

The City Council of the City of Rocklin does hereby resolve as follows:

Section 1. The City Council of the City of Rocklin hereby approves and authorizes the City Manager to execute the Abandonment of Right of Acceptance of Irrevocable Offer of Dedication for Sunset West Large Lot 30 in the form attached hereto as Exhibit "A." The City Manager is hereby authorized and directed to execute a Certificate of Acceptance for the Abandonment of Right of Acceptance of Irrevocable Offer of Dedication, and the City Clerk of the City of Rocklin is hereby directed to record or have recorded the Abandonment of Right of Acceptance of Irrevocable Offer of Dedication in the Office of the Placer County Recorder.

Section 2. The City Council of the City of Rocklin hereby accepts the Grant Deed for Sunset West Large Lot 30 in the form attached hereto as Exhibit "B". The City Manager is hereby authorized and directed to execute a Certificate of Acceptance for the Grant Deed for the Sunset West Large Lot 30, and the City Clerk is hereby authorized and directed to record or have recorded the Grant Deed for the Sunset West Large Lot 30 in the Office of the Placer County Recorder.

Section 3. The City Council of the City of Rocklin hereby accepts the Grant Deed for Sunset West Large Lot 20C in the form attached hereto as Exhibit "C". The City Manager is hereby authorized and directed to execute a Certificate of Acceptance for the Grant Deed for the Sunset West Large Lot 20C and the City Clerk is hereby authorized and directed to record or have recorded the Grant Deed for the Sunset West Large Lot 20C in the Office of the Placer County Recorder.

Section 4. The City Council of the City of Rocklin hereby accepts the Grant Deeds for the Sunset West Large Lots 4, 5, and 28 in the forms attached hereto as Exhibit "D", "E" and "F". The City Manager is hereby authorized and directed to execute

Certificates of Acceptance for the Grant Deeds for the Sunset West Large Lots 4, 5, and 28, and the City Clerk is hereby authorized and directed to record or have recorded the Grant Deeds for the Sunset West Large Lots 4, 5, and 28 in the Office of the Placer County Recorder.

PASSED AND ADOPTED this 11th day of September, 2007, by the following roll call vote:

AYES:	Councilmembers:	Magnuson, Yuill, Hill, Lund
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Storey
ABSTAIN:	Councilmembers:	None

Kathy Lund, Mayor

ATTEST:

Barbara Ivanusich, City Clerk

t:/clerk/reso/(Diversified Partners Agreement for Acceptance of Common Area Property)/(CVH)2/24/2000

The foregoing instrument is a
correct copy of the original document
on file in this office.
Attest:
City Clerk, City of Rocklin

B – READDRESSING/REASSIGNING APPRAISAL REPORTS

Readdressing/Reassigning Appraisal Reports

Seevers Jordan Ziegenmeyer adheres to the requirements of the 2014-2015 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP). This edition is effective from January 1, 2014 through December 31, 2015. The following excerpts pertain to readdressing/reassigning appraisal reports:

Advisory Opinion 26, Page A-89:

> Once a report has been prepared for a named client(s) and any other identified intended users and for an identified intended use, the appraiser cannot "readdress" (transfer) the report to another party.

Advisory Opinion 27, Pages A-91 to A-92:

> Situations often arise in which appraisers who have previously appraised a property are asked by a different party to appraise the same property.... Accepting the assignment from the subsequent prospective client is not prohibited by USPAP, assuming appropriate disclosure is made to the client before being engaged and any existing confidential information is handled properly.... If there is a new potential client, valuation services performed for that new client would constitute a new assignment and the assignment results would be specific to that new assignment.

Frequently Asked Question No. 122, Page F-56 to F-57:

> It is never permissible to readdress a report by simply changing the client's name on a completed report, regardless of whether the first client gave a release. The request from Lender B must be treated as a new assignment.

C – GLOSSARY OF TERMS

GLOSSARY OF TERMS

Unless otherwise noted, the following definitions are from The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

Aggregate of Retail Values (ARV): The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simply the total of multiple market value conclusions.

As Is Market Value: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Band of Investment: A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Bulk (Discounted) Value: The most probable price, in a sale of all parcels within a tract or development project, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value, as of a specified date, in cash, or in terms equivalent to cash, for which the property rights should sell after reasonable exposure, in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under stress. (Appraisal Standards For Land-Secured Financing, California Department Advisory Commission, 1994)

Comparative-Unit Method: A method used to derive a cost estimate in terms of dollars per unit of area or volume based on known costs of similar structures that are adjusted for time and physical differences; usually applied to total building area.

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

Depreciation: In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Direct Capitalization: A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.

Discounted Cash Flow (DCF) Analysis: The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Discount Rate: A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*.

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) consummation of a sale within a future exposure time specified by the client; 2) the property is subjected to market conditions prevailing as of the date of valuation; 3) both the buyer and seller are acting prudently and knowledgeably; 4) the seller is under compulsion to sell; 5) the buyer is typically motivated; 6) both parties are acting in what they consider to be their best interests; 7) an adequate marketing effort will be made during the exposure time specified by the client; 8) payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; 9) 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.

Easement: The right to use another's land for a stated purpose.

Environmental Contamination: Adverse environmental conditions resulting from the release of hazardous substances into the air, surface water, groundwater or soil. Generally, the concentrations of these substances would exceed regulatory limits established by the appropriate federal, state, and/or local agencies. (USPAP 2014-2015 Edition)

Exposure Time: Estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP 2014-2015 Edition)

External Obsolescence: An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.

Extraction: A method of estimating land value in which the depreciated cost of the improvements on the improved property is calculated and deducted from the total sale price to arrive at an estimated sale price for the land.

Extraordinary Assumption: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. (USPAP 2014-2015 Edition)

Fair Market Value: The highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available. (California Code of Civil Procedure, Section 1263.320(a))

Fee Simple Estate: 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.

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Functional Obsolescence (Incurable): An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected.

Highest and Best Use: The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four

criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Highest and Best Use of Property as Improved: The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Highest and Best Use of Land or a Site as though Vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Hypothetical Condition: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. (USPAP 2014-2015 Edition)

Income Capitalization Approach: A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Leased Fee Interest: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship.

Leasehold Interest: The tenant's possessory interest created by a lease. (Negative leasehold: A lease situation in which the market rent is less than the contract rent. Positive leasehold: A lease situation in which the market rent is greater than the contract rent.)

Liquidation Value: See *Disposition Value*.

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Neighborhood: A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.

Obsolescence: One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

Prospective Opinion of Value: A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Quantity Survey Method: A cost-estimating method in which the quantity and quality of all materials used and all categories of labor required are estimated and unit cost figures are applied to arrive at a total cost estimate for labor and materials.

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.

Reproduction Cost: The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Site Coverage Ratio: The gross area of the building footprint divided by the site area.

Stabilized Occupancy: An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent.

Subdivision Development Method: A method of estimating land value when subdivision development is the highest and best use of the parcel of land being appraised. When all direct and indirect costs and entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots (or residences), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.

Superadequacy: An excess in the capacity or quality of a structure or structural component; determined by market standards.

Unit-In-Place Method: A cost-estimating method in which total building cost is estimated by adding together the unit costs for the various building components as installed; also called the *segregated cost method.*

Yield Capitalization: A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.

Yield Rate: A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits, including the proceeds from sale at the termination of the investment.

D – QUALIFICATIONS OF APPRAISER(S)

Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation
Northern California/Nevada
3825 Atherton Road, Suite 500
Rocklin, California 95765
P: (916) 435-3883 F: (916) 435-4774

Kevin K. Ziegenmeyer, MAI, Partner

Introduction

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

Professional Affiliations

Appraisal Institute – MAI Designation
Certified General Real Estate Appraiser - State of California (No. AG013567)

Education

Academic:
Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A, B & C
Basic Valuation Procedures
Real Estate Appraisal Principles
Capitalization Theory and Techniques, Part A
Advanced Income Capitalization
Report Writing and Valuation Analysis
Advanced Applications
IRS Valuation Summit I & II
2008, 2009, 2010 & 2011 Economic Forecast
Business Practices and Ethics
Contemporary Appraisal Issues with Small Business Administration Financing
General Demonstration Appraisal Report Writing Seminar
7-Hour National USPAP Update Course
Valuation of Easements and Other Partial Interests
2009 Summer Conference
Uniform Appraisal Standards for Federal Land Acquisitions
2008 Economic Update
Valuation of Conservation Easements
Subdivision Valuation
(continued on next page…..)

Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation
Northern California/Nevada
3825 Atherton Road, Suite 500
Rocklin, California 95765
P: (916) 435-3883 F: (916) 435-4774

(…..continued from previous page)
2005 Annual Fall Conference
General Comprehensive Exam Module I, II, III & IV
Advanced Income Capitalization
Advanced Sales Comparison & Cost Approaches
2004 Central CA Market Update
Computer-Enhanced Cash Flow Modeling
Forecast 2000, 2001, 2002, 2003 & 2004
Land Valuation Assignments
Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

Appraisal Experience

General-purpose:
Offices
Retail
Industrial
Apartments
Subdivisions
Land

Special-purpose:
Athletic Clubs
Churches
Educational Facilities
Restaurants
Assisted-living Facilities
Auto Sales and Service
Lodging Facilities

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Sample of Appraisal Experience

Hunters Point Shipyard – Phase I San Francisco, San Francisco County, California	This appraisal was completed for use by the developer for determination of possible refinancing of the Redevelopment Agency of the City and County of San Francisco Community Facilities District (CFD) No. 7 (Hunters Point Shipyard) Bonds. The appraised property comprises Phase I of the Hunters Point Shipyard redevelopment area, which is commonly referred to as the Hilltop and Hillside subdivisions, and comprises approximately 75.32 gross acres of land, which includes 23.72± developable acres proposed for the construction of 1,142 residential units in a variety of attached single-family, townhouse and stacked residential units. Specifically, the Hilltop development contains 15.92± acres of land to be developed with 768 residential units, and the Hillside development contains 7.8± acres to be developed with 374 single-family residential units. In addition, Phase I will include 36.0± acres dedicated to parks and open space and 15.6± acres of streets and rights-of-way.
City of San Mateo Community Facilities District No. 2008-1 (Bay Meadows) San Mateo, San Mateo County, California	This appraisal was completed for use in a land-secured financing associated with the development of 52± developable acres proposed for the development of 724,225 square feet of office space, approximately 85,374 square feet of retail space and 1,121 residential housing units, with 832 residential housing units being developed on the residential land component and the balance (289 units) to be developed as part of the mixed-use component. The report was prepared for the City of San Mateo Department of Finance.
City of Redwood City Community Facilities District No. 2010-1 (One Marina) Redwood City, San Mateo County, California	This appraisal was completed for use in a land-secured financing associated with the development of 16.62± acres proposed for the construction of 231 townhome and flat-style residential units within 24 detached buildings. The report was prepared for the City of Redwood City Department of Finance.
County of San Joaquin Community Facilities District No. 2009-2 (Vernalis Interchange) Vernalis, San Joaquin County, California	This assignment involved the appraisal of approximately 3,457.41 gross acres of land comprising 40 separate Assessor's parcels devoted to (or intended for) aggregate mining operations by six independent mining operators, including Teichert, West Coast Aggregates, Granite, Knife River, DeSilva Gates and Cemex. The summary appraisal was completed for bond financing purposes, with the proceeds intended to finance the construction of a new interchange on State Route 132 at Bird Road, which is intended to enhance traffic operation safety at this intersection. This report was prepared for the County of San Joaquin.

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Sample of Appraisal Experience (continued)

Bickford Ranch Community Facilities District No. 2003-1 Placer County, California	The hypothetical market valuation of a proposed master planned community that will include 847.2 acres of land designated for 1,783 residential lots and a 9.7-acre commercial component. The appraisal will be used for bond underwriting purposes and was prepared for the County of Placer.
El Dorado Hills Community Facilities District No. 1992-1 (portion) El Dorado County, California	This assignment involved the hypothetical cumulative or aggregate, valuation of a sizeable portion of the existing Serrano master planned community. The appraisal included 1,597 single-family residential lots, 382 custom single-family residential lots, 33.05 acres of commercial land and 344 existing single-family residences. The appraisal will be used for bond underwriting purposes and was prepared for the County of El Dorado.
Community Facilities District No. 16 West Sacramento, California	This project involved the valuation of Bridgeway Lakes, a high-end 609-lot single-family residential community located in the Southport area of West Sacramento. Lot densities within the project varied from low and medium density to rural estate lots. This report was prepared for the City of West Sacramento.
Community Facilities District No. 17 West Sacramento, California	This assignment concerned the valuation of 252 single-family lots and 252 proposed multifamily units comprising the Parella residential community in the Southport area of West Sacramento. This report was prepared for the City of West Sacramento.
Diablo Grande Community Facilities District No. 1 (Series 2002) Stanislaus County, California	The appraisal involved the valuation of a partially improved resort and master planned community offering 1,410 residential lots, multifamily land, commercial land, a hotel site, vineyards and two 18-hole championship golf courses. The appraisal was used for bond underwriting purposes and was prepared for Western Hills Water District.
Plumas Lake Community Facilities District No. 2002-1 Yuba County, California	This appraisal included the valuation of a portion of the proposed, and partially improved, Plumas Lake Specific Plan area, and comprised 3,314 detached single-family residential lots. The appraisal was used for bond underwriting purposes and was prepared for the Olivehurst Public Utility District.

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Sample of Appraisal Experience (continued)

Brentwood Assessment District No. 2003-1 Brentwood, Contra Costa County, California	This assignment involved the valuation of an assessment district containing commercial and residential components comprising 5.66 acres of commercial land, 882 single-family residential lots and 15.8 acres of multifamily land. The appraisal was used for bond underwriting purposes and was prepared for the City of Brentwood.
Patterson Gardens & Keystone Pacific Business Park Patterson, Stanislaus County, California	This appraisal involved the valuation of a 985-lot single-family residential master planned community that included residential, commercial and public use components, and a non-contingent 224-acre industrial park. This report was prepared for Bank of America.
Syrah Condominiums Sacramento, Sacramento County, California	Syrah is a proposed 245-unit residential condominium development with dual phase valuations. This report was prepared for KeyBank.

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

COPY COPY COPY COPY COPY

Kevin K. Ziegenmeyer

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

"Certified General Real Estate Appraiser"

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 013567

Effective Date: June 5, 2015
Date Expires: June 4, 2017

Jim Martin, Bureau Chief, BREA

3020787

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

ROCKLIN
CALIFORNIA

CITY MEMORANDUM

DATE: November 10, 2015

TO: City Council

FROM: Karen Garner, Economic & Community Development

SUBJECT: Modification to Agreement of Purchase and Sale for the City Owned property - Sunset West Lot 30 - West Oaks Boulevard near Kathy Lund Park, APN 365-020-030

Attached is a redline/strikeout update to the Agreement of Purchase and Sale for the City Owned property - Sunset West Lot 30 - West Oaks Boulevard near Kathy Lund Park, APN 365-020-030. Updates include:

- Deletion of language requiring Seller (City) to provide a credit not to exceed $30,000 towards entitlement costs. (Section 23)
- Update to dates (introduction, Section 2)
- Renumbering/relettering (Section 8 f & g & 21-24)
- Added Section 21 (Seller's Indemnification)

RESOLUTION NO. 2015-301

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ROCKLIN APPROVING AND DIRECTING THE CITY MANAGER
TO EXECUTE A PURCHASE AND SALE AGREEMENT
TO SELL THE CITY OWNED PARCEL ON WEST OAKS BLVD
NEAR KATHY LUND PARK (LOT 30)
APN 365-020-030

WHEREAS, City staff has negotiated a purchase and sale agreement to sell underutilized city-owned property, APN 365-020-030;

WHEREAS, the proposed purchase and sale agreement with Craig Davidson, et al conforms with the City's intent to sell excess city-owned properties which provide no public benefit and are not planned for future public benefit;

WHEREAS, the City Council approved Resolution 2015-300 on November 10, 2015 approving a Notice of Exemption pursuant to the California Environmental Quality Act for the proposed property transfer;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. The City Council authorizes and hereby approves and directs the City Manager to execute the Purchase and Sale Agreement between the City of Rocklin and Craig Davison et al, for the City of Rocklin to sell Property APN 365-020-030 attached hereto as Exhibit 1.

Section 2. Upon satisfaction of all terms and conditions of the Purchase and Sale Agreement and any other requirements, the City of Rocklin hereby

Section 3. The City Clerk is directed to record or have recorded the Grant Deeds, and all necessary and related documents, in the office of the Placer County Recorder when fully executed and notarized.

PASSED AND ADOPTED this 10th day of November, 2015, by the following vote:

AYES:	Council members:	Janda, Butler, Ruslin, Yuill, Magnuson
NOES:	Council members:	None
ABSENT:	Councilmembers:	None
ABSTAIN:	Councilmembers:	None

George Magnuson, Mayor

ATTEST:

Barbara Ivanusich, City Clerk

EXHIBIT 1

CRAIG DAVIDSON, et al
And
CITY OF ROCKLIN

AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

Placer County APN 365-020-030 in the incorporated area of The City of Rocklin, State of California

TO: Placer Title Company
1508 Eureka Road, #150
Roseville, CA 95661

Escrow No.: 110-8883
Escrow Officer: Tracy Murphy
Phone 916-782-3711
Email: tmurphy@placertitle.com

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS ("Agreement") is dated solely for reference purposes as of November 10, 2015, and constitutes an agreement between, The City of Rocklin (hereinafter, **"Seller"**), and Craig Davidson, Rodrigo R. Vargas and Josephine Vargas /or Assigns (hereinafter, collectively "Buyer") and shall constitute instructions to Placer Title Company, 1508 Eureka Road, #150, Roseville, CA 95661, phone 916-782-3711, Tracy Murphy, Escrow Officer, (**"Escrow Holder"**), under escrow number 110-8882 (the **"Escrow"**) with regard to the Escrow created hereunder. The terms and conditions of this Agreement and the instructions to Escrow Holder with regard to the escrow (**"Escrow"**) created hereunder are as follows:

1. Description of Property. Seller is the fee owner of the following property interests:

(a) that certain real property consisting of the approximately 47,916 square feet of land commonly referred to as Placer County APN 365-020-030 in the incorporated area of The City of Rocklin, State of California, more particularly described on Exhibit A attached hereto and by this reference incorporated herein, hereinafter the "Land";

(b) all rights, privileges, easements, tenements, rights of way and appurtenances which belong to or appertain to the Land and/or are owned by Seller, including, without limitation, rights to all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as all governmental approvals or entitlements, development rights or permits, air rights, water, water rights and water stock, if any, relating to the Land (collectively, the **"Appurtenances"**); and

(c) all intangible property owned or held by Seller in connection with the Land or with the use thereof including, without limitation, all permits, maps, surveys, plans, and agreements (collectively, the **"Intangible Property"**).

The Land, the Appurtenances and the Intangible Property are hereinafter collectively referred to as the **"Property."**

2. Purchase and Sale. For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions herein set forth. In the event that this Agreement is not

executed by Buyer and Seller by November 30, 2015 neither party shall have any further obligation to continue to negotiate with the other.

3. Purchase Price. The purchase price for the Property ("Purchase Price") shall be Two Hundred Seventy Seven Thousand Seven Hundred and 00/100ths Dollars ($277,700.00) and shall be paid in cash at the Close of Escrow as set forth below.

4. Payment of Purchase Price. The Purchase Price for the Property shall be payable by Buyer as follows:

(a) Initial Deposit. Within ten (10) business days after the full execution and delivery to Buyer of this Agreement, Buyer shall deposit, or cause to be deposited with Escrow Holder, the sum of Ten Thousand and 00/100 dollars ($10,000.00) (the "Initial Deposit"). Should Buyer timely elect to terminate this Escrow pursuant to the provisions of this Agreement, the Initial Deposit shall be returned by Escrow Holder to Buyer without the need for further instructions to do so and this Agreement and the Escrow created pursuant hereto shall be deemed terminated and neither party shall have any further rights or obligations hereunder. The Initial Deposit made by Buyer pursuant to paragraph 4(b), below, may hereinafter be collectively referred to as the "Deposits".

(b) Non-Refundable Deposits. Upon the Buyer's written approval of Title and Feasibility, Buyer's deposit shall become non-refundable to Buyer.

(c) Offset and Credit. The Deposit together with any accrued interest thereon shall be applied towards and shall be an offset and a credit against the payment of the Purchase Price upon the Close of Escrow.

(d) Balance of the Purchase Price. On or before the Close of Escrow for the Property, Buyer shall deposit or cause to be deposited with Escrow Holder, in cash or by a certified or bank cashier's check made payable to Escrow Holder or a confirmed wire transfer of funds, the amount equal to the Purchase Price less the applicable portion of the Deposits, and any interest earned thereon and subject to any prorations pursuant to this Agreement.

5. Escrow.

(a) Opening of Escrow. For purposes of this Agreement, the Escrow shall be deemed opened on the date Escrow Holder shall have received a fully executed counterpart of this Agreement from both Buyer and Seller. Escrow Holder shall notify Buyer and Seller, in writing, of the date Escrow is opened and the Closing Date, as defined in Paragraph 5(b) below. In addition, Buyer and Seller agree to execute, deliver and be bound by any reasonable and customary supplemental escrow instructions of Escrow Holder or other instruments as may reasonably be required by Escrow Holder in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend or supersede any portions of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control.

(b) Close of Escrow. For purposes of this Agreement, the "Close of Escrow" shall be defined as the date that the grant deed conveying the Property to Buyer (in the form typically used by Escrow Holder) (the "Grant Deed"), is recorded in the Official Records of the County. Provided Buyer has not elected to terminate this Agreement and the Escrow during the Contingency Period, as defined in paragraph 8(a)(iv)(k) below, or pursuant to any other paragraph of this Agreement or the Escrow is not extended pursuant to paragraph 5(c) below, the Escrow shall close no later than 360 days from its opening (the "Closing Date) or upon Buyer receiving from City of Rocklin all property entitlements. In the event

that the escrow is not in a condition to close upon the expiration of 360 days from its opening either party may terminate the escrow and neither party shall have any further obligation to the other.

(c) Extension of Escrow Period. Buyer may elect to extend the Close of Escrow for two additional periods of Sixty (60) days each by depositing into the escrow and immediately releasing to Seller an additional Five Thousand and 00/100ths Dollars ($5,000.00) (the "Extension Deposit"). Following Buyer's deposit of the Extension Deposit into Escrow, such Extension Deposit shall be nonrefundable to Buyer and shall be immediately released by Escrow Holder to Seller. Such Extension Deposit shall be nonrefundable by the Seller for any reason, except in the event Seller is in default, as defined by the terms of this Agreement, and shall in addition not be credited against the Purchase Price.

(d) As Is Purchase. Subject to Buyer's due diligence review and Seller's warrantees set forth herein, Buyer shall purchase the Property "As Is", "Where Is" and "With All Faults"

6. Condition of Title. It shall be a condition to the Close of Escrow and a covenant of Seller that title to the Property shall be conveyed to Buyer by Seller by the Grant Deed subject only to the following approved condition of title ("Approved Condition of Title"):

(a) a lien to secure payment of real estate taxes, not delinquent;

(b) the lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code ("Code"), but only to the extent that such supplemental taxes are attributable to the transaction contemplated by this Agreement. Seller shall be responsible for, and hereby indemnifies Buyer and the Property against, any supplemental taxes assessed pursuant to the Code, to the extent that such taxes relate to events (including, without limitation, any changes in ownership and/or new construction) occurring prior to the Close of Escrow;

(c) matters affecting the Approved Condition of Title created by or with the express written consent of Buyer; and

(d) exceptions which are disclosed by the Report described in Paragraph 8(a)(i) hereof and which are approved by Buyer in accordance with Paragraph 8(a)(i) hereof.

Seller covenants and agrees that during the term of this Escrow, it will not cause or permit title to the Property to differ from the Approved Condition of Title described in this Paragraph 6. Any liens, encumbrances, easements, restrictions, conditions, covenants, rights, rights of way or other matters affecting the Approved Condition of Title which may appear of record or be revealed after the date of the ALTA Report described in Paragraph 8(a)(i) below (or any ALTA survey that Buyer may obtain) shall also be subject to Buyer's approval and must be eliminated or ameliorated to Buyer's satisfaction by Seller prior to the Close of Escrow as a condition to the Close of Escrow for Buyer's benefit.

7. Title Policy. Title shall be evidenced by the willingness of the Title Company to issue its CLTA Owner's Form Policy of Title Insurance, or, if requested by Buyer, its ALTA Extended Coverage Owner's Form Policy of Title Insurance ("Title Policy") in the amount of the Purchase Price showing title to the Property vested in Buyer or its nominee as provided in Paragraph 20 subject only to the Approved Condition of Title.

8. Conditions to Close of Escrow.

(a) Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions for Buyer's benefit on or prior to the dates designated below for the satisfaction of such conditions. If Buyer determines, in its sole and absolute discretion, on or before the expiration of the Contingency Period or the Contingency Period for Buyer's Review, as defined below, to terminate this Agreement for any reason or no reason, that any of the conditions set forth in this paragraph 8(a)i through 8(a)(iii) for Buyer's approval are not satisfied, or Buyer is unable to satisfy or waive the contingency set forth in subparagraph 8(a), then Buyer shall have the right, by a writing delivered to Seller and Escrow Holder, to terminate this Agreement and the Escrow, in which event Buyer shall be entitled to the return of the Deposits, plus any interest accrued thereon, and this Agreement, the Escrow and the rights and obligations of the parties hereunder shall terminate.

(i) Title. Buyer shall have approved the legal description of the Land attached hereto as Exhibit A and any matters of title as disclosed by the following documents (collectively, the "Title Documents") to be delivered to Buyer at Buyer's sole cost and expense: (A) a standard preliminary title report (the "Report") dated on or after the date of this Agreement issued by Escrow Holder's title insurance underwriter (the "Title Company") with respect to the Property; (B) if requested by Buyer, an "extended coverage" supplemental title report ("ALTA Report") dated on or after the date of this Agreement issued by the Title Company with respect to the Property; (C) legible copies of all documents, whether recorded or unrecorded, referred to in the Report, the ALTA Report (if any) and/or the Survey (if any); and (D) a color-coded map plotting all easements disclosed by the Report, and the ALTA Report (if any). Buyer shall cause the Title Company to deliver the Title Documents to Buyer within Seven (7) days after the opening of Escrow. Buyer shall have until the end of the Contingency Period as defined in paragraph 8(a)iv(k), below (provided that Buyer receives the Title Documents at least Thirty (30) days prior to the expiration of the Contingency Period) (the **"Title Approval Date"**) to give Seller and Escrow Holder written notice (**"Buyer's Title Notice"**) of Buyer's approval, disapproval or conditional approval of any matters shown in the Title Documents. In the event that the Title Documents are not delivered to Buyer at least Thirty (30) days prior to the expiration of the Contingency Period, the Title Approval Date and the Contingency Period shall be extended by one day for each day less than Thirty (30) days that Buyer has for review of the Title Documents. The failure of Buyer to give Buyer's Title Notice on or before the Title Approval Date shall be deemed to constitute Buyer's disapproval of the legal description and all Title Documents. If Buyer disapproves or conditionally approves the legal description and/or any matters of title shown in the Title Documents, Seller may, within five (5) days after its receipt of Buyer's Title Notice, elect to eliminate or ameliorate to Buyer's satisfaction the disapproved or conditionally approved title matters. Seller shall give Buyer written notice (**"Seller's Title Notice"**) of those disapproved or conditionally approved title matters, if any, which Seller agrees to either eliminate from the Title Policy as exceptions to title to the Property or to ameliorate to Buyer's satisfaction by the Closing Date as a condition to the Close of Escrow for Buyer's benefit. If Seller does not elect to eliminate or ameliorate to Buyer's satisfaction any disapproved or conditionally approved title matters, or if Buyer disapproves Seller's Title Notice, or if, despite its best efforts, Seller is unable to eliminate or ameliorate to Buyer's satisfaction all such disapproved matters prior to the Closing Date, then Buyer shall have the right, by a writing delivered to Seller and Escrow Holder, to: (A) waive its prior disapproval, in which event said disapproved matters shall be deemed approved; or (B) terminate this Agreement and the Escrow created pursuant hereto, in which event Buyer shall be entitled to the return of the Deposits, plus any interest accrued thereon, and this Agreement, the Escrow and the rights and obligations of the parties hereunder shall terminate. Notwithstanding anything to the contrary contained in this Paragraph 8(a)(i), Buyer hereby objects to all liens evidencing monetary encumbrances (other than liens for

non-delinquent property taxes) and Seller shall cause all such liens to be eliminated at Seller's sole cost and expense (including all prepayment penalties and charges) prior to the Closing Date.

(ii) Legal Parcel. By close of escrow, Buyer shall confirm that the Property is a legal parcel, in compliance with the Subdivision Map Act of the State of California. In addition to the foregoing, the boundaries of the Property, as shown on the tentative Parcel Map and on Exhibit B, attached hereto shall be subject to the reasonable prior approval of Buyer.

(iii) Review and Approval of Documents and Materials. , Seller has (via broker and former civil engineer) deliver to Buyer, at Seller's sole cost and expense, for Buyer's review and approval, the documents and materials respecting the Property set forth below, if Seller has any of such documents and materials (the "Documents and Materials"). For a period of Seventy Five (75) days following opening of escrow. (the "Contingency Period for Buyer's Review"), Buyer shall have the right to review and approve or disapprove in its sole and subjective discretion any or all of the Documents and Materials. The failure of Buyer to affirmatively approve the Documents and Materials on or before the expiration of the Contingency Period shall be deemed to constitute Buyer's disapproval thereof. The Documents and Materials shall include, but not be limited to, the following:

(a) Licenses. Any and all licenses, permits and agreements affecting or relating to the ownership, subdivision, possession or development of the Land in the possession or control of Seller, its agents or representatives;

(b) Governmental Correspondence. Copies of all applications and correspondence or other written communications to or from any governmental entity, department or agency regarding any permit, approval, consent or authorization with respect to the development of the Property which are in the possession or control of Seller, its agents or representatives, if any;

(c) Surveys. Copies of the most recent surveys, if any, pertaining to the Property or any portion thereof which are in the possession or control of Seller, its agents or representatives;

(d) Maps. Any and all tentative, parcel and/or final maps, development plans, site plans, building permits, certificates or occupancy, specifications or any other governmentally approved or processes documents relating to the subdivision or development of the Property which are in the possession or control of Seller, its agents or representatives;

(e) Reports. Any and all reports, projections, studies or other documents or written information pertaining to the Property which are in the possession or control of Seller, its agents or representatives;

(f) Soils and Engineering Studies. Any and all soils reports, phase 1 or phase 2 reports of toxic contamination, engineering data and other data or studies pertaining to the Property or any portion thereof which are in the possession or control of Seller, its agents or representatives;

(g) Agreements. Any and all reciprocal easement agreements, if any, and any other contracts or agreements affecting or relating to the ownership or development of the Property.

(iv) Inspections and Studies. For a period of Seventy Five (75) days following opening of escrow, (the "Contingency Period"), Buyer shall have the right to review and approve or disapprove in its sole and subjective discretion the results of any and all market studies, surveys, inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections,

engineering tests, economic feasibility studies and soils, seismic and geologic reports) with respect to the Property as Buyer may elect to obtain. The failure of Buyer to affirmatively approve said results on or prior to the expiration of the Contingency Period shall be deemed to constitute Buyer's disapproval of the results. The cost of any such inspections tests and studies, including the cost of obtaining an ALTA survey of the Property (if any), shall be borne by Buyer. During the term of this Escrow, Buyer, its agents, contractors and subcontractors shall have the right to enter upon the Property, at reasonable times during ordinary business hours to make any and all inspections and tests as may be necessary or desirable in Buyer's sole judgment and discretion. Buyer shall use care and consideration in connection with any of its inspections. Buyer shall indemnify and hold Seller and the Property harmless from any and all damage directly arising out of or directly resulting from the negligence of Buyer, its agents, contractors and/or subcontractors in connection with such entry and/or activities upon the Property.

(v.) No Material Changes. At the Closing Date, there shall have been no material adverse changes in the physical or financial condition of the Property.

(b) Conditions to Seller's Obligations. For the benefit of Seller, the Close of Escrow shall be conditioned upon the occurrence and/or satisfaction of each of the following conditions (or Seller's waiver thereof, it being agreed that Seller may waive any or all of such conditions):

i) Buyer's Obligations. Buyer shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Buyer; and

ii) Buyer's Representations. All representations and warranties made by Buyer to Seller in this Agreement shall be true and correct as of the Close of Escrow.

9. Deposits by Seller. At least one (1) business day prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

(a) Grant Deed. The Grant Deed, duly executed by Seller, acknowledged and in a recordable form typically used by Escrow Holder in the County.

(b) Proof of Authority. Such proof of Seller's authority and authorization to enter into this Agreement and the transactions contemplated hereby, and such proof of the power and authority of the individual(s) executing and/or delivering any instruments, documents or certificates on behalf of Seller to act for and bind Seller as may be reasonably required by the Title Company and/or Buyer.

10. Deposits by Buyer. Buyer shall deposit or cause to be deposited with Escrow Holder the funds which are to be applied towards the payment of the Purchase Price in the amounts and at the times designated in Paragraph 4 above (as reduced by the Deposits, interest earned, prorations and credits hereinafter provided).

11. Costs and Expenses. The cost and expense of the Title Policy attributable to CLTA coverage shall be paid by Buyer. Any and the additional amount attributable to ALTA coverage, if any, shall also be paid by Buyer. The escrow fee of Escrow Holder shall be shared equally by Seller and Buyer. Seller shall pay all documentary transfer taxes payable in connection with the recordation of the Grant Deed. The amount of such transfer taxes shall not be posted on the Grant Deed but shall be supplied by separate affidavit. Buyer and Seller shall pay, respectively, the Escrow Holder's customary charges to buyers and sellers for document drafting, recording and miscellaneous charges. If, through no fault of Buyer or

Seller, Escrow fails to close, Buyer and Seller shall share equally all of Escrow Holder's fees and charges that were approved by Buyer and Seller in advance of accruing such fees and charges.

12. Prorations. The following prorations shall be made between Seller and Buyer on the Closing Date computed as of the Closing Date:

(a) Taxes, Assessments and Other Amounts. Real property taxes, special taxes, assessments, utility fees and/or deposits, and personal property taxes shall be prorated as of the Close of Escrow. Prorations of taxes and assessment with respect to the Property shall be based upon the latest available tax information such that Seller shall be responsible for all such taxes and assessments levied against the Property to and including the day prior to the Close of Escrow and Buyer shall be responsible for all taxes, special taxes and assessments levied against the Property from and after the day prior to the Close of Escrow.

(b) Adjustments. If any errors or omissions are made regarding adjustments and prorations as aforesaid, the parties shall make the appropriate corrections promptly upon the discovery thereof. If any estimations are made at the Close of Escrow regarding adjustments or prorations, the parties shall make the appropriate correction promptly when accurate information becomes available. Any corrected adjustment or proration shall be paid in cash to the party entitled thereto.

13. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, the Escrow Holder shall promptly undertake all of the following in the manner indicated:

(a) Prorations. Prorate all matters referenced in Paragraphs 11 and 12 based upon the statement delivered into Escrow signed by the parties;

(b) Recording. Cause the Grant Deed and any other documents which the parties hereto may mutually direct, to be recorded in the Official Records of the County. Escrow Holder is instructed not to affix the amount of documentary transfer tax on the face of the Deed, but to supply same by separate affidavit;

(c) Funds. Disburse from funds deposited by Buyer with Escrow Holder towards payment of all items chargeable to the account of Buyer pursuant hereto in payment of such costs and disburse the balance of such funds, if any, to Buyer; and

(d) Title Policy. Direct the Title Company to issue the Title Policy to Buyer.

14. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following representations and warranties, each of which is material and is being relied upon by Seller (the continued truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder):

(a) Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Buyer is requisite to the valid and binding execution, delivery and performance of this Agreement, except as otherwise expressly set forth herein; and

(b) The representations and warranties of Buyer set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

15. LIQUIDATED DAMAGES.

FOLLOWING BUYER'S APPROVAL OF THE MATTERS SET FORTH IN PARAGRAPH 8 ABOVE, IF BUYER COMMITS A MATERIAL DEFAULT UNDER THIS AGREEMENT AFTER THE EXPIRATION OF THE CONTINGENCY PERIOD AND THE CLOSE OF ESCROW FAILS TO OCCUR BY THE SOLE REASON OF SUCH DEFAULT, THEN IN ANY SUCH EVENT, THE ESCROW HOLDER MAY BE INSTRUCTED BY SELLER TO CANCEL THE ESCROW, BUYER SHALL RETURN ALL DOCUMENTS AND MATERIALS TO SELLER AND BUYER AND SELLER SHALL THEREUPON BE RELEASED FROM ITS OBLIGATIONS HEREUNDER. BUYER AND SELLER AGREE THAT BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN AND UNKNOWN, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ESTABLISH SELLER'S DAMAGE BY REASON OF BUYER'S DEFAULT. ACCORDINGLY, BUYER AND SELLER AGREE THAT IT WOULD BE REASONABLE AT SUCH TIME TO AWARD SELLER "LIQUIDATED DAMAGES" EQUAL TO THE TOTAL OF THE ENTIRE AMOUNT OF THE "DEPOSITS" PLACED INTO ESCROW BY BUYER PURSUANT TO PARAGRAPH 4, HEREOF, TOGETHER WITH ANY INTEREST ACCRUED THEREON.

SELLER AND BUYER ACKNOWLEDGE AND AGREE THAT THE APPLICABLE FOREGOING AMOUNTS OF LIQUIDATED DAMAGES ARE REASONABLE AS LIQUIDATED DAMAGES AND SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY IN LIEU OF ANY OTHER RELIEF, RIGHT OR REMEDY, AT LAW OR IN EQUITY, TO WHICH SELLER MIGHT OTHERWISE BE ENTITLED BY REASON OF BUYER'S DEFAULT. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, SELLER WAIVES ANY AND ALL RIGHTS WHICH SELLER OTHERWISE WOULD HAVE HAD UNDER CALIFORNIA CIVIL CODE SECTION 3389 TO SPECIFICALLY ENFORCE THIS AGREEMENT.

SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS PARAGRAPH 15 AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Buyer's Initials

Seller's Initials

Buyer's Initials

Buyer's Initials

16. Damage or Condemnation Prior to Closing. Seller shall promptly notify Buyer of any casualty to the Property or any condemnation proceeding commenced prior to the Close of Escrow. If any such damage or proceeding relates to or may result in the loss of any material portion of the Property, Buyer may, at its option, elect either to: (i) terminate this Agreement, in which event all Deposits in Escrow or released to Seller by Buyer shall be returned to Buyer and neither party shall have any further rights or obligations hereunder, or (ii) continue the Agreement in effect, in which event upon the Close of Escrow, Buyer shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding.

17. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or sent by telecopy, and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, four (4) business days after the date of posting by the United States post office, or (iii) if given by telecopy, when sent. Any notice, request, demand, direction or other communication sent by telecopy must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with the foregoing.

To Buyer:	Craig Davidson 1672 Main Street, #147 Ramona, CA 92065 (619) 508-9676 (Phone)
To Buyer:	Rodrigo R. Vargas and Josephine Vargas P.O. Box 246 Ukiah, CA 95482
To Seller:	Rick Horst / Karen Garner City of Rocklin 3970 Rocklin Road Rocklin, CA 95677 (916) 625-5570 (Phone)
With a copy to:	CBRE 500 Capitol Mall, Suite 2400 Sacramento, CA 95814 Attn: William Ayres (916) 446-8217 (Phone)
To Escrow Holder:	Placer Title Company 1508 Eureka Road #150 Sacramento, CA 95815 Tracy Murphy, Escrow Officer Phone (916) 782-3711 Email: tmurphy@placertitle.com Escrow number: 110-8883

Notice of change of address shall be given by written notice in the manner detailed in this Paragraph. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

18. Brokers. Bill Ayres of CBRE represents Seller and Buyer and Seller consent thereto. Seller shall pay a Five (5%) commission at the close of and through the escrow. Each party shall indemnify the other from claims by any other brokers. If any additional claims for brokers' or finders' fees for the consummation of this Agreement arise, then Buyer hereby agrees to indemnify, save harmless and defend Seller from and against such claims if they shall be based solely upon any statement or representation or agreement by Buyer, and Seller hereby agrees to indemnify, save harmless and defend Buyer if such claims shall be based solely upon any statement, representation or agreement made by Seller.

19. Legal Fees. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment, or out of court settlement shall be entitled to have and recover of and from the other party all costs and expenses of suit, including actual attorneys' fees and costs.

20. Assignment. Seller may not assign, transfer or convey its rights or obligations under this Agreement without the prior written consent of Buyer, and then only if Seller's assignee assumes in writing all of Seller's obligations hereunder; provided, however, Seller shall in no event be released from its obligations hereunder by reason of such assignment. Buyer, shall have the right to assign its rights and obligations hereunder or to nominate another person or entity in whom title to the Property shall vest; provided, however, Buyer shall be relieved of its obligations and all liability hereunder if Buyer shall nominate to take title to the Property, or assign its rights and obligations hereunder to, any entity in which Buyer (or a principal of Buyer) has a majority ownership interest.

21. Seller's Indemnification. Seller hereby agrees to indemnify, defend and hold harmless Buyer, from and against any and all obligations, liabilities, claims, liens, encumbrances, losses, damages, costs and expenses, including and without limitation, reasonable attorney's fees, whether direct, contingent or consequential, incurred by Buyer relating to the Property and arising or accruing from acts, occurrences or matters that take place on or before the Close of Escrow or resulting from any breach by Seller of its representations, warranties or convenants contained in this Agreement.

22. Miscellaneous.

(a) Survival of Covenants. The covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow for one year.

(b) Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use their best efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

(c) Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

(d) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

(e) Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(f) No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties thereto, to any person or entity other than the parties hereto.

(g) Exhibits and Schedules. The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference.

(h) Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(i) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(j) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(k) Fees and Other Expenses. Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

(l) Entire Agreement. This Agreement supersedes any prior Letts of intent, agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(m) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

23. Submit for Entitlements. Buyer will take all commercially reasonable actions to file with the City of Rocklin complete applications for the land use entitlements necessary to complete development of the Property as soon as reasonably possible, but no later than 75 days after expiration of the Contingency Period. Failure to submit timely applications for final development shall be a material breach of this Agreement, and subject to a 20 day notice and cure period, shall be cause for termination of this Agreement and payment of liquidated damages.

24. Shared Parking Agreement. Prior to the close of escrow Buyer and Seller shall execute a shared parking agreement which will allow the public to park on the subject property during non-working hours of the proposed facility.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BUYER:

Craig Davidson and Rodrigo R. Vargas & Josephine Vargas

By: _____
Craig Davidson

Date: 11/27/2015

By: _____
Rodrigo R. Vargas

Date: 11/27/2015

By: _____
Josephine Vargas

Date: 11/27/2015

SELLER:

The City of Rocklin

By: _____ Acting City manager
Rick Horst, City Manager

Date: 11-17-15

Acceptance by Escrow Holder:

Placer Title Company hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions and agrees to act as Escrow Holder hereunder and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

Placer Title Company
1508 Eureka Road, #150
Roseville, CA 95661

Dated:_____

By:_____
_____

Its:_____

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

(Per Paragraph 1(a) of the Agreement)

That certain property consisting of +/- 1.0 acre on West Oak Blvd. in Rocklin, CA (adjacent to the east of Cathy Lund Park).

EXHIBIT B

1. Parcel map

Legal description to be replaced by escrow holder upon opening of escrow.

RESOLUTION NO. 2015-301

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ROCKLIN APPROVING AND DIRECTING THE CITY MANAGER
TO EXECUTE A PURCHASE AND SALE AGREEMENT
TO SELL THE CITY OWNED PARCEL ON WEST OAKS BLVD
NEAR KATHY LUND PARK (LOT 30)
APN 365-020-030

WHEREAS, City staff has negotiated a purchase and sale agreement to sell underutilized city-owned property, APN 365-020-030;

WHEREAS, the proposed purchase and sale agreement with Craig Davidson, et al conforms with the City's intent to sell excess city-owned properties which provide no public benefit and are not planned for future public benefit;

WHEREAS, the City Council approved Resolution 2015-300 on November 10, 2015 approving a Notice of Exemption pursuant to the California Environmental Quality Act for the proposed property transfer;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. The City Council authorizes and hereby approves and directs the City Manager to execute the Purchase and Sale Agreement between the City of Rocklin and Craig Davison et al, for the City of Rocklin to sell Property APN 365-020-030 attached hereto as Exhibit 1.

Section 2. Upon satisfaction of all terms and conditions of the Purchase and Sale Agreement and any other requirements, the City of Rocklin hereby

Section 3. The City Clerk is directed to record or have recorded the Grant Deeds, and all necessary and related documents, in the office of the Placer County Recorder when fully executed and notarized.

PASSED AND ADOPTED this 10th day of November, 2015, by the following vote:

AYES:	Council members:	Janda, Butler, Ruslin, Yuill, Magnuson
NOES:	Council members:	None
ABSENT:	Councilmembers:	None
ABSTAIN:	Councilmembers:	None

_____
George Magnuson, Mayor

ATTEST:

_____
Barbara Ivanusich, City Clerk

EXHIBIT 1

CRAIG DAVIDSON, et al
And
CITY OF ROCKLIN

AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

Placer County APN 365-020-030 in the incorporated area of The City of Rocklin, State of California

TO: Placer Title Company
1508 Eureka Road, #150
Roseville, CA 95661

Escrow No.: 110-8883
Escrow Officer: Tracy Murphy
Phone 916-782-3711
Email: tmurphy@placertitle.com

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS ("Agreement") is dated solely for reference purposes as of November 10, 2015, and constitutes an agreement between, The City of Rocklin (hereinafter, **"Seller"**), and Craig Davidson, Rodrigo R. Vargas and Josephine Vargas /or Assigns (hereinafter, collectively "Buyer") and shall constitute instructions to Placer Title Company, 1508 Eureka Road, #150, Roseville, CA 95661, phone 916-782-3711, Tracy Murphy, Escrow Officer, (**"Escrow Holder"**), under escrow number 110-8882 (the **"Escrow"**) with regard to the Escrow created hereunder. The terms and conditions of this Agreement and the instructions to Escrow Holder with regard to the escrow (**"Escrow"**) created hereunder are as follows:

1. Description of Property. Seller is the fee owner of the following property interests:

(a) that certain real property consisting of the approximately 47,916 square feet of land commonly referred to as Placer County APN 365-020-030 in the incorporated area of The City of Rocklin, State of California, more particularly described on Exhibit A attached hereto and by this reference incorporated herein, hereinafter the "Land";

(b) all rights, privileges, easements, tenements, rights of way and appurtenances which belong to or appertain to the Land and/or are owned by Seller, including, without limitation, rights to all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as all governmental approvals or entitlements, development rights or permits, air rights, water, water rights and water stock, if any, relating to the Land (collectively, the **"Appurtenances"**); and

(c) all intangible property owned or held by Seller in connection with the Land or with the use thereof including, without limitation, all permits, maps, surveys, plans, and agreements (collectively, the **"Intangible Property"**).

The Land, the Appurtenances and the Intangible Property are hereinafter collectively referred to as the **"Property."**

2. Purchase and Sale. For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions herein set forth. In the event that this Agreement is not

executed by Buyer and Seller by November 30, 2015 neither party shall have any further obligation to continue to negotiate with the other.

3. Purchase Price. The purchase price for the Property ("Purchase Price") shall be Two Hundred Seventy Seven Thousand Seven Hundred and 00/100ths Dollars ($277,700.00) and shall be paid in cash at the Close of Escrow as set forth below.

4. Payment of Purchase Price. The Purchase Price for the Property shall be payable by Buyer as follows:

(a) Initial Deposit. Within ten (10) business days after the full execution and delivery to Buyer of this Agreement, Buyer shall deposit, or cause to be deposited with Escrow Holder, the sum of Ten Thousand and 00/100 dollars ($10,000.00) (the "Initial Deposit"). Should Buyer timely elect to terminate this Escrow pursuant to the provisions of this Agreement, the Initial Deposit shall be returned by Escrow Holder to Buyer without the need for further instructions to do so and this Agreement and the Escrow created pursuant hereto shall be deemed terminated and neither party shall have any further rights or obligations hereunder. The Initial Deposit made by Buyer pursuant to paragraph 4(b), below, may hereinafter be collectively referred to as the "Deposits".

(b) Non-Refundable Deposits. Upon the Buyer's written approval of Title and Feasibility, Buyer's deposit shall become non-refundable to Buyer.

(c) Offset and Credit. The Deposit together with any accrued interest thereon shall be applied towards and shall be an offset and a credit against the payment of the Purchase Price upon the Close of Escrow.

(d) Balance of the Purchase Price. On or before the Close of Escrow for the Property, Buyer shall deposit or cause to be deposited with Escrow Holder, in cash or by a certified or bank cashier's check made payable to Escrow Holder or a confirmed wire transfer of funds, the amount equal to the Purchase Price less the applicable portion of the Deposits, and any interest earned thereon and subject to any prorations pursuant to this Agreement.

5. Escrow.

(a) Opening of Escrow. For purposes of this Agreement, the Escrow shall be deemed opened on the date Escrow Holder shall have received a fully executed counterpart of this Agreement from both Buyer and Seller. Escrow Holder shall notify Buyer and Seller, in writing, of the date Escrow is opened and the Closing Date, as defined in Paragraph 5(b) below. In addition, Buyer and Seller agree to execute, deliver and be bound by any reasonable and customary supplemental escrow instructions of Escrow Holder or other instruments as may reasonably be required by Escrow Holder in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend or supersede any portions of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control.

(b) Close of Escrow. For purposes of this Agreement, the "Close of Escrow" shall be defined as the date that the grant deed conveying the Property to Buyer (in the form typically used by Escrow Holder) (the "Grant Deed"), is recorded in the Official Records of the County. Provided Buyer has not elected to terminate this Agreement and the Escrow during the Contingency Period, as defined in paragraph 8(a)(iv)(k) below, or pursuant to any other paragraph of this Agreement or the Escrow is not extended pursuant to paragraph 5(c) below, the Escrow shall close no later than 360 days from its opening (the "Closing Date) or upon Buyer receiving from City of Rocklin all property entitlements. In the event

that the escrow is not in a condition to close upon the expiration of 360 days from its opening either party may terminate the escrow and neither party shall have any further obligation to the other.

(c) Extension of Escrow Period. Buyer may elect to extend the Close of Escrow for two additional periods of Sixty (60) days each by depositing into the escrow and immediately releasing to Seller an additional Five Thousand and 00/100ths Dollars ($5,000.00) (the "Extension Deposit"). Following Buyer's deposit of the Extension Deposit into Escrow, such Extension Deposit shall be nonrefundable to Buyer and shall be immediately released by Escrow Holder to Seller. Such Extension Deposit shall be nonrefundable by the Seller for any reason, except in the event Seller is in default, as defined by the terms of this Agreement, and shall in addition not be credited against the Purchase Price.

(d) As Is Purchase. Subject to Buyer's due diligence review and Seller's warrantees set forth herein, Buyer shall purchase the Property "As Is", "Where Is" and "With All Faults"

6. Condition of Title. It shall be a condition to the Close of Escrow and a covenant of Seller that title to the Property shall be conveyed to Buyer by Seller by the Grant Deed subject only to the following approved condition of title ("Approved Condition of Title"):

(a) a lien to secure payment of real estate taxes, not delinquent;

(b) the lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code ("Code"), but only to the extent that such supplemental taxes are attributable to the transaction contemplated by this Agreement. Seller shall be responsible for, and hereby indemnifies Buyer and the Property against, any supplemental taxes assessed pursuant to the Code, to the extent that such taxes relate to events (including, without limitation, any changes in ownership and/or new construction) occurring prior to the Close of Escrow;

(c) matters affecting the Approved Condition of Title created by or with the express written consent of Buyer; and

(d) exceptions which are disclosed by the Report described in Paragraph 8(a)(i) hereof and which are approved by Buyer in accordance with Paragraph 8(a)(i) hereof.

Seller covenants and agrees that during the term of this Escrow, it will not cause or permit title to the Property to differ from the Approved Condition of Title described in this Paragraph 6. Any liens, encumbrances, easements, restrictions, conditions, covenants, rights, rights of way or other matters affecting the Approved Condition of Title which may appear of record or be revealed after the date of the ALTA Report described in Paragraph 8(a)(i) below (or any ALTA survey that Buyer may obtain) shall also be subject to Buyer's approval and must be eliminated or ameliorated to Buyer's satisfaction by Seller prior to the Close of Escrow as a condition to the Close of Escrow for Buyer's benefit.

7. Title Policy. Title shall be evidenced by the willingness of the Title Company to issue its CLTA Owner's Form Policy of Title Insurance, or, if requested by Buyer, its ALTA Extended Coverage Owner's Form Policy of Title Insurance ("Title Policy") in the amount of the Purchase Price showing title to the Property vested in Buyer or its nominee as provided in Paragraph 20 subject only to the Approved Condition of Title.

8. Conditions to Close of Escrow.

(a) Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions for Buyer's benefit on or prior to the dates designated below for the satisfaction of such conditions. If Buyer determines, in its sole and absolute discretion, on or before the expiration of the Contingency Period or the Contingency Period for Buyer's Review, as defined below, to terminate this Agreement for any reason or no reason, that any of the conditions set forth in this paragraph 8(a)i through 8(a)(iii) for Buyer's approval are not satisfied, or Buyer is unable to satisfy or waive the contingency set forth in subparagraph 8(a), then Buyer shall have the right, by a writing delivered to Seller and Escrow Holder, to terminate this Agreement and the Escrow, in which event Buyer shall be entitled to the return of the Deposits, plus any interest accrued thereon, and this Agreement, the Escrow and the rights and obligations of the parties hereunder shall terminate.

(i) Title. Buyer shall have approved the legal description of the Land attached hereto as Exhibit A and any matters of title as disclosed by the following documents (collectively, the "Title Documents") to be delivered to Buyer at Buyer's sole cost and expense: (A) a standard preliminary title report (the "Report") dated on or after the date of this Agreement issued by Escrow Holder's title insurance underwriter (the "Title Company") with respect to the Property; (B) if requested by Buyer, an "extended coverage" supplemental title report ("ALTA Report") dated on or after the date of this Agreement issued by the Title Company with respect to the Property; (C) legible copies of all documents, whether recorded or unrecorded, referred to in the Report, the ALTA Report (if any) and/or the Survey (if any); and (D) a color-coded map plotting all easements disclosed by the Report, and the ALTA Report (if any). Buyer shall cause the Title Company to deliver the Title Documents to Buyer within Seven (7) days after the opening of Escrow. Buyer shall have until the end of the Contingency Period as defined in paragraph 8(a)iv(k), below (provided that Buyer receives the Title Documents at least Thirty (30) days prior to the expiration of the Contingency Period) (the **"Title Approval Date"**) to give Seller and Escrow Holder written notice (**"Buyer's Title Notice"**) of Buyer's approval, disapproval or conditional approval of any matters shown in the Title Documents. In the event that the Title Documents are not delivered to Buyer at least Thirty (30) days prior to the expiration of the Contingency Period, the Title Approval Date and the Contingency Period shall be extended by one day for each day less than Thirty (30) days that Buyer has for review of the Title Documents. The failure of Buyer to give Buyer's Title Notice on or before the Title Approval Date shall be deemed to constitute Buyer's disapproval of the legal description and all Title Documents. If Buyer disapproves or conditionally approves the legal description and/or any matters of title shown in the Title Documents, Seller may, within five (5) days after its receipt of Buyer's Title Notice, elect to eliminate or ameliorate to Buyer's satisfaction the disapproved or conditionally approved title matters. Seller shall give Buyer written notice (**"Seller's Title Notice"**) of those disapproved or conditionally approved title matters, if any, which Seller agrees to either eliminate from the Title Policy as exceptions to title to the Property or to ameliorate to Buyer's satisfaction by the Closing Date as a condition to the Close of Escrow for Buyer's benefit. If Seller does not elect to eliminate or ameliorate to Buyer's satisfaction any disapproved or conditionally approved title matters, or if Buyer disapproves Seller's Title Notice, or if, despite its best efforts, Seller is unable to eliminate or ameliorate to Buyer's satisfaction all such disapproved matters prior to the Closing Date, then Buyer shall have the right, by a writing delivered to Seller and Escrow Holder, to: (A) waive its prior disapproval, in which event said disapproved matters shall be deemed approved; or (B) terminate this Agreement and the Escrow created pursuant hereto, in which event Buyer shall be entitled to the return of the Deposits, plus any interest accrued thereon, and this Agreement, the Escrow and the rights and obligations of the parties hereunder shall terminate. Notwithstanding anything to the contrary contained in this Paragraph 8(a)(i), Buyer hereby objects to all liens evidencing monetary encumbrances (other than liens for

non-delinquent property taxes) and Seller shall cause all such liens to be eliminated at Seller's sole cost and expense (including all prepayment penalties and charges) prior to the Closing Date.

(ii) Legal Parcel. By close of escrow, Buyer shall confirm that the Property is a legal parcel, in compliance with the Subdivision Map Act of the State of California. In addition to the foregoing, the boundaries of the Property, as shown on the tentative Parcel Map and on Exhibit B, attached hereto shall be subject to the reasonable prior approval of Buyer.

(iii) Review and Approval of Documents and Materials. , Seller has (via broker and former civil engineer) deliver to Buyer, at Seller's sole cost and expense, for Buyer's review and approval, the documents and materials respecting the Property set forth below, if Seller has any of such documents and materials (the "Documents and Materials"). For a period of Seventy Five (75) days following opening of escrow. (the "Contingency Period for Buyer's Review"), Buyer shall have the right to review and approve or disapprove in its sole and subjective discretion any or all of the Documents and Materials. The failure of Buyer to affirmatively approve the Documents and Materials on or before the expiration of the Contingency Period shall be deemed to constitute Buyer's disapproval thereof. The Documents and Materials shall include, but not be limited to, the following:

(a) Licenses. Any and all licenses, permits and agreements affecting or relating to the ownership, subdivision, possession or development of the Land in the possession or control of Seller, its agents or representatives;

(b) Governmental Correspondence. Copies of all applications and correspondence or other written communications to or from any governmental entity, department or agency regarding any permit, approval, consent or authorization with respect to the development of the Property which are in the possession or control of Seller, its agents or representatives, if any;

(c) Surveys. Copies of the most recent surveys, if any, pertaining to the Property or any portion thereof which are in the possession or control of Seller, its agents or representatives;

(d) Maps. Any and all tentative, parcel and/or final maps, development plans, site plans, building permits, certificates or occupancy, specifications or any other governmentally approved or processes documents relating to the subdivision or development of the Property which are in the possession or control of Seller, its agents or representatives;

(e) Reports. Any and all reports, projections, studies or other documents or written information pertaining to the Property which are in the possession or control of Seller, its agents or representatives;

(f) Soils and Engineering Studies. Any and all soils reports, phase 1 or phase 2 reports of toxic contamination, engineering data and other data or studies pertaining to the Property or any portion thereof which are in the possession or control of Seller, its agents or representatives;

(g) Agreements. Any and all reciprocal easement agreements, if any, and any other contracts or agreements affecting or relating to the ownership or development of the Property.

(iv) Inspections and Studies. For a period of Seventy Five (75) days following opening of escrow, (the "Contingency Period"), Buyer shall have the right to review and approve or disapprove in its sole and subjective discretion the results of any and all market studies, surveys, inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections,

engineering tests, economic feasibility studies and soils, seismic and geologic reports) with respect to the Property as Buyer may elect to obtain. The failure of Buyer to affirmatively approve said results on or prior to the expiration of the Contingency Period shall be deemed to constitute Buyer's disapproval of the results. The cost of any such inspections tests and studies, including the cost of obtaining an ALTA survey of the Property (if any), shall be borne by Buyer. During the term of this Escrow, Buyer, its agents, contractors and subcontractors shall have the right to enter upon the Property, at reasonable times during ordinary business hours to make any and all inspections and tests as may be necessary or desirable in Buyer's sole judgment and discretion. Buyer shall use care and consideration in connection with any of its inspections. Buyer shall indemnify and hold Seller and the Property harmless from any and all damage directly arising out of or directly resulting from the negligence of Buyer, its agents, contractors and/or subcontractors in connection with such entry and/or activities upon the Property.

(v.) No Material Changes. At the Closing Date, there shall have been no material adverse changes in the physical or financial condition of the Property.

(b) Conditions to Seller's Obligations. For the benefit of Seller, the Close of Escrow shall be conditioned upon the occurrence and/or satisfaction of each of the following conditions (or Seller's waiver thereof, it being agreed that Seller may waive any or all of such conditions):

i) Buyer's Obligations. Buyer shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Buyer; and

ii) Buyer's Representations. All representations and warranties made by Buyer to Seller in this Agreement shall be true and correct as of the Close of Escrow.

9. Deposits by Seller. At least one (1) business day prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

(a) Grant Deed. The Grant Deed, duly executed by Seller, acknowledged and in a recordable form typically used by Escrow Holder in the County.

(b) Proof of Authority. Such proof of Seller's authority and authorization to enter into this Agreement and the transactions contemplated hereby, and such proof of the power and authority of the individual(s) executing and/or delivering any instruments, documents or certificates on behalf of Seller to act for and bind Seller as may be reasonably required by the Title Company and/or Buyer.

10. Deposits by Buyer. Buyer shall deposit or cause to be deposited with Escrow Holder the funds which are to be applied towards the payment of the Purchase Price in the amounts and at the times designated in Paragraph 4 above (as reduced by the Deposits, interest earned, prorations and credits hereinafter provided).

11. Costs and Expenses. The cost and expense of the Title Policy attributable to CLTA coverage shall be paid by Buyer. Any and the additional amount attributable to ALTA coverage, if any, shall also be paid by Buyer. The escrow fee of Escrow Holder shall be shared equally by Seller and Buyer. Seller shall pay all documentary transfer taxes payable in connection with the recordation of the Grant Deed. The amount of such transfer taxes shall not be posted on the Grant Deed but shall be supplied by separate affidavit. Buyer and Seller shall pay, respectively, the Escrow Holder's customary charges to buyers and sellers for document drafting, recording and miscellaneous charges. If, through no fault of Buyer or

Seller, Escrow fails to close, Buyer and Seller shall share equally all of Escrow Holder's fees and charges that were approved by Buyer and Seller in advance of accruing such fees and charges.

12. Prorations. The following prorations shall be made between Seller and Buyer on the Closing Date computed as of the Closing Date:

(a) Taxes, Assessments and Other Amounts. Real property taxes, special taxes, assessments, utility fees and/or deposits, and personal property taxes shall be prorated as of the Close of Escrow. Prorations of taxes and assessment with respect to the Property shall be based upon the latest available tax information such that Seller shall be responsible for all such taxes and assessments levied against the Property to and including the day prior to the Close of Escrow and Buyer shall be responsible for all taxes, special taxes and assessments levied against the Property from and after the day prior to the Close of Escrow.

(b) Adjustments. If any errors or omissions are made regarding adjustments and prorations as aforesaid, the parties shall make the appropriate corrections promptly upon the discovery thereof. If any estimations are made at the Close of Escrow regarding adjustments or prorations, the parties shall make the appropriate correction promptly when accurate information becomes available. Any corrected adjustment or proration shall be paid in cash to the party entitled thereto.

13. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, the Escrow Holder shall promptly undertake all of the following in the manner indicated:

(a) Prorations. Prorate all matters referenced in Paragraphs 11 and 12 based upon the statement delivered into Escrow signed by the parties;

(b) Recording. Cause the Grant Deed and any other documents which the parties hereto may mutually direct, to be recorded in the Official Records of the County. Escrow Holder is instructed not to affix the amount of documentary transfer tax on the face of the Deed, but to supply same by separate affidavit;

(c) Funds. Disburse from funds deposited by Buyer with Escrow Holder towards payment of all items chargeable to the account of Buyer pursuant hereto in payment of such costs and disburse the balance of such funds, if any, to Buyer; and

(d) Title Policy. Direct the Title Company to issue the Title Policy to Buyer.

14. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following representations and warranties, each of which is material and is being relied upon by Seller (the continued truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder):

(a) Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Buyer is requisite to the valid and binding execution, delivery and performance of this Agreement, except as otherwise expressly set forth herein; and

(b) The representations and warranties of Buyer set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

15. LIQUIDATED DAMAGES.

FOLLOWING BUYER'S APPROVAL OF THE MATTERS SET FORTH IN PARAGRAPH 8 ABOVE, IF BUYER COMMITS A MATERIAL DEFAULT UNDER THIS AGREEMENT AFTER THE EXPIRATION OF THE CONTINGENCY PERIOD AND THE CLOSE OF ESCROW FAILS TO OCCUR BY THE SOLE REASON OF SUCH DEFAULT, THEN IN ANY SUCH EVENT, THE ESCROW HOLDER MAY BE INSTRUCTED BY SELLER TO CANCEL THE ESCROW, BUYER SHALL RETURN ALL DOCUMENTS AND MATERIALS TO SELLER AND BUYER AND SELLER SHALL THEREUPON BE RELEASED FROM ITS OBLIGATIONS HEREUNDER. BUYER AND SELLER AGREE THAT BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN AND UNKNOWN, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ESTABLISH SELLER'S DAMAGE BY REASON OF BUYER'S DEFAULT. ACCORDINGLY, BUYER AND SELLER AGREE THAT IT WOULD BE REASONABLE AT SUCH TIME TO AWARD SELLER "LIQUIDATED DAMAGES" EQUAL TO THE TOTAL OF THE ENTIRE AMOUNT OF THE "DEPOSITS" PLACED INTO ESCROW BY BUYER PURSUANT TO PARAGRAPH 4, HEREOF, TOGETHER WITH ANY INTEREST ACCRUED THEREON.

SELLER AND BUYER ACKNOWLEDGE AND AGREE THAT THE APPLICABLE FOREGOING AMOUNTS OF LIQUIDATED DAMAGES ARE REASONABLE AS LIQUIDATED DAMAGES AND SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY IN LIEU OF ANY OTHER RELIEF, RIGHT OR REMEDY, AT LAW OR IN EQUITY, TO WHICH SELLER MIGHT OTHERWISE BE ENTITLED BY REASON OF BUYER'S DEFAULT. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, SELLER WAIVES ANY AND ALL RIGHTS WHICH SELLER OTHERWISE WOULD HAVE HAD UNDER CALIFORNIA CIVIL CODE SECTION 3389 TO SPECIFICALLY ENFORCE THIS AGREEMENT.

SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS PARAGRAPH 15 AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Seller's Initials	Buyer's Initials
_____	_____

16. Damage or Condemnation Prior to Closing. Seller shall promptly notify Buyer of any casualty to the Property or any condemnation proceeding commenced prior to the Close of Escrow. If any such damage or proceeding relates to or may result in the loss of any material portion of the Property, Buyer may, at its option, elect either to: (i) terminate this Agreement, in which event all Deposits in Escrow or released to Seller by Buyer shall be returned to Buyer and neither party shall have any further rights or obligations hereunder, or (ii) continue the Agreement in effect, in which event upon the Close of Escrow, Buyer shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding.

17. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or sent by telecopy, and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, four (4) business days after the date of posting by the United States post office, or (iii) if given by telecopy, when sent. Any notice, request, demand, direction or other communication sent by telecopy must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with the foregoing.

To Buyer:	Craig Davidson 1672 Main Street, #147 Ramona, CA 92065 (619) 508-9676 (Phone)
To Buyer:	Rodrigo R. Vargas and Josephine Vargas P.O. Box 246 Ukiah, CA 95482
To Seller:	Rick Horst / Karen Garner City of Rocklin 3970 Rocklin Road Rocklin, CA 95677 (916) 625-5570 (Phone)
With a copy to:	CBRE 500 Capitol Mall, Suite 2400 Sacramento, CA 95814 Attn: William Ayres (916) 446-8217 (Phone)
To Escrow Holder:	Placer Title Company 1508 Eureka Road #150 Sacramento, CA 95815 Tracy Murphy, Escrow Officer Phone (916) 782-3711 Email: tmurphy@placertitle.com Escrow number: 110-8883

Notice of change of address shall be given by written notice in the manner detailed in this Paragraph. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

18. Brokers. Bill Ayres of CBRE represents Seller and Buyer and Seller consent thereto. Seller shall pay a Five (5%) commission at the close of and through the escrow. Each party shall indemnify the other from claims by any other brokers. If any additional claims for brokers' or finders' fees for the consummation of this Agreement arise, then Buyer hereby agrees to indemnify, save harmless and defend Seller from and against such claims if they shall be based solely upon any statement or representation or agreement by Buyer, and Seller hereby agrees to indemnify, save harmless and defend Buyer if such claims shall be based solely upon any statement, representation or agreement made by Seller.

19. Legal Fees. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment, or out of court settlement shall be entitled to have and recover of and from the other party all costs and expenses of suit, including actual attorneys' fees and costs.

20. Assignment. Seller may not assign, transfer or convey its rights or obligations under this Agreement without the prior written consent of Buyer, and then only if Seller's assignee assumes in writing all of Seller's obligations hereunder; provided, however, Seller shall in no event be released from its obligations hereunder by reason of such assignment. Buyer, shall have the right to assign its rights and obligations hereunder or to nominate another person or entity in whom title to the Property shall vest; provided, however, Buyer shall be relieved of its obligations and all liability hereunder if Buyer shall nominate to take title to the Property, or assign its rights and obligations hereunder to, any entity in which Buyer (or a principal of Buyer) has a majority ownership interest.

21. Seller's Indemnification. Seller hereby agrees to indemnify, defend and hold harmless Buyer, from and against any and all obligations, liabilities, claims, liens, encumbrances, losses, damages, costs and expenses, including and without limitation, reasonable attorney's fees, whether direct, contingent or consequential, incurred by Buyer relating to the Property and arising or accruing from acts, occurrences or matters that take place on or before the Close of Escrow or resulting from any breach by Seller of its representations, warranties or convenants contained in this Agreement.

22. Miscellaneous.

(a) Survival of Covenants. The covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow for one year.

(b) Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use their best efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

(c) Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

(d) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

(e) Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(f) No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties thereto, to any person or entity other than the parties hereto.

(g) Exhibits and Schedules. The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference.

(h) Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(i) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(j) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(k) Fees and Other Expenses. Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

(l) Entire Agreement. This Agreement supersedes any prior Letts of intent, agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(m) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

23. Submit for Entitlements. Buyer will take all commercially reasonable actions to file with the City of Rocklin complete applications for the land use entitlements necessary to complete development of the Property as soon as reasonably possible, but no later than 75 days after expiration of the Contingency Period. Failure to submit timely applications for final development shall be a material breach of this Agreement, and subject to a 20 day notice and cure period, shall be cause for termination of this Agreement and payment of liquidated damages.

24. Shared Parking Agreement. Prior to the close of escrow Buyer and Seller shall execute a shared parking agreement which will allow the public to park on the subject property during non-working hours of the proposed facility.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BUYER:

Craig Davidson and Rodrigo R. Vargas & Josephine Vargas

By:_____
Craig Davidson

Date:_____

By:_____
Rodrigo R. Vargas

Date:_____

By:_____
Josephine Vargas

Date:_____

SELLER:

The City of Rocklin

By:_____
Rick Horst, City Manager

Date:_____

Acceptance by Escrow Holder:

Placer Title Company hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions and agrees to act as Escrow Holder hereunder and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

Placer Title Company
1508 Eureka Road, #150
Roseville, CA 95661

Dated:_____

By:_____

_____

Its:_____

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

(Per Paragraph 1(a) of the Agreement)

That certain property consisting of +/- 1.0 acre on West Oak Blvd. in Rocklin, CA (adjacent to the east of Cathy Lund Park).

EXHIBIT B

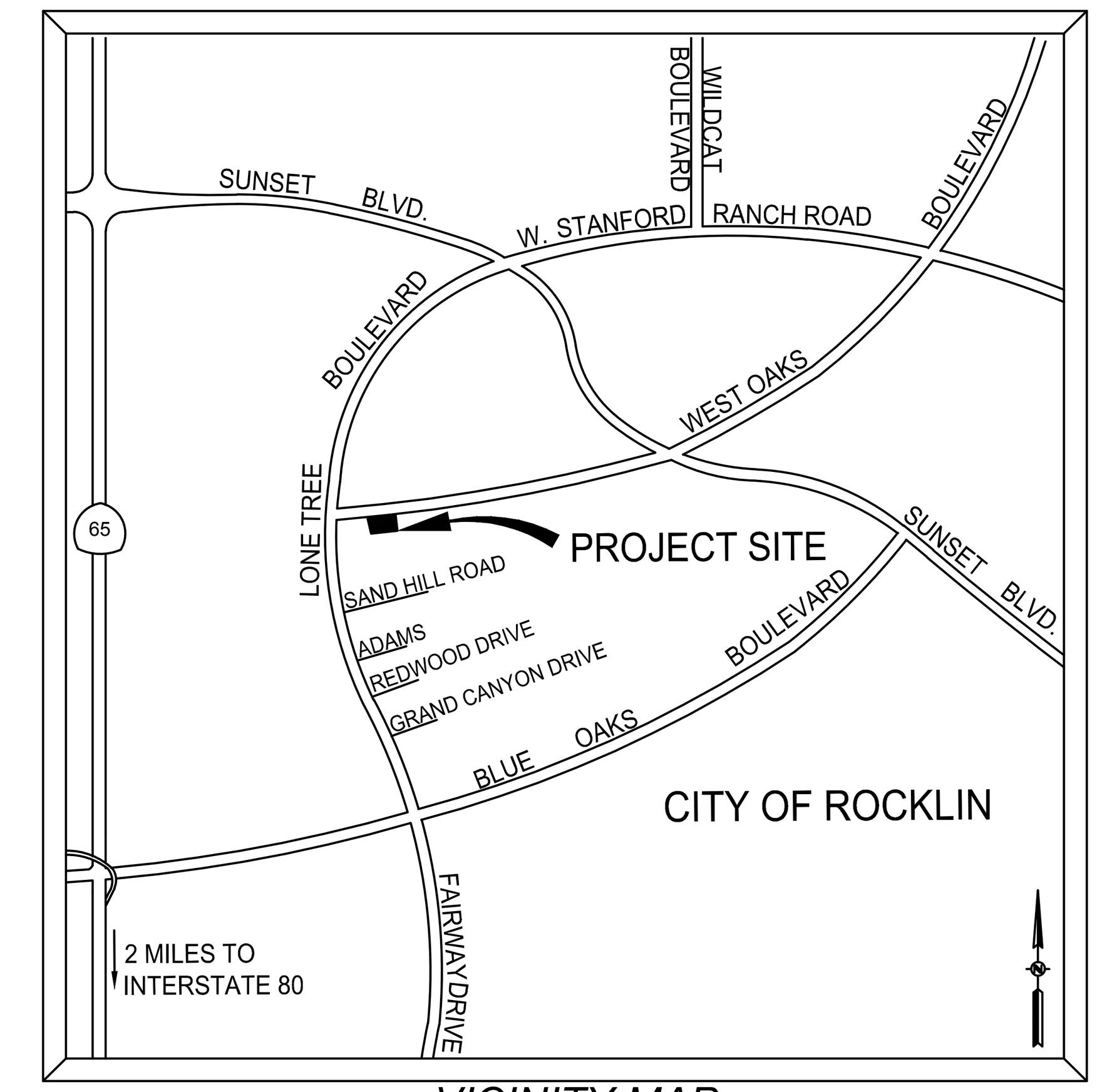
1. Parcel map

Legal description to be replaced by escrow holder upon opening of escrow.

ST. MATTHEW LUTHERAN CHURCH / LONE TREE COMMUNITY PARK

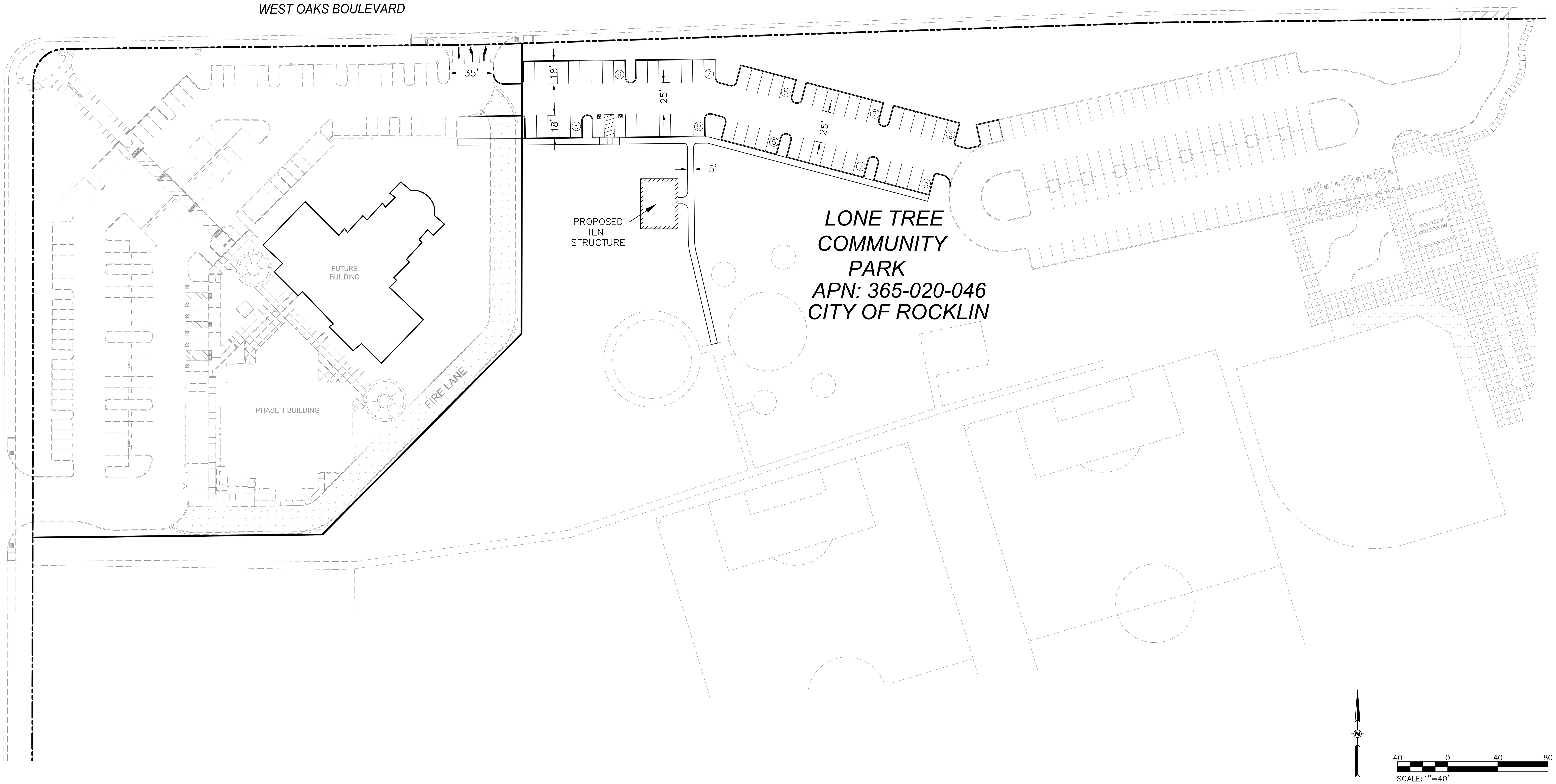
SOUTHEAST CORNER OF LONE TREE BOULEVARD AND WEST OAKS BOULEVARD

ROCKLIN, CALIFORNIA



VICINITY MAP

NOT TO SCALE



NO.	DATE	REVISION	BY

	BY	CHECK
DESIGN	RFE	RFE
DRAWN	DCJ	RFE
QUANT.		

0 1 2 ORIGINAL SCALE IS IN INCHES

REGISTERED PROFESSIONAL ENGINEER — Robert F. Eynck, No. C040666, EXP. 03/31/13, CIVIL — STATE OF CALIFORNIA

RFE ENGINEERING, INC
Civil Engineers • Planners • Surveyors
2260 Douglas Blvd, Suite 160, Roseville, CA 95661
Ph: 916-772-7800 Fax: 916-772-7804
www.RFEengineering.com

ST. MATTHEW LUTHERAN CHURCH /
LONE TREE COMMUNITY PARK
ROCKLIN, CA 95765

PARKING EXHIBIT

Drawing — of —

Sheet

02-14-2013

Z:\...S\2013-02-01 PARKING EXCHANGE EXHIBIT.dwg Feb 14, 2013-05:17 pm

City of Rocklin Economic & Community Development Department

Planning Commission
STAFF REPORT

General Plan Consistency Findings for Excess City Properties
West Oaks west of Sunset former Fire Station Site (APN 365-020-030)

December 20, 2016

APPLICATION REQUEST

The City of Rocklin desires to sell certain excess city-owned property. Government Code 65402 requires the Planning Commission to examine the location, purpose and extent of property acquisition or disposition and to render a finding of consistency with the adopted General Plan before public property may be acquired, transferred, abandoned or vacated.

The City owned property that is ready for sale at this time is the former Fire Station Site (APN 365-020-030) on West Oaks Boulevard adjacent to Kathy Lund Park.

RECOMMENDATION

It is recommended by staff that the Planning Commission approve the following:

RESOLUTION OF THE PLANNING COMMISION OF THE CITY OF ROCKLIN MAKING FINDINGS UNDER GOVERNMENT CODE SECTION 65402 (General Plan Consistency Finding (West Oaks west of Sunset former Fire Station Site/APN 365-020-030)

BACKGROUND

The City has evaluated the approximately one acre City owned parcel located adjacent to Kathy Lund Park and determined it to be excess property that is no longer planned for any public use. The site was formerly proposed to be developed with a fire station, however that facility was subsequently constructed on Wildcat Boulevard at a location deemed to be better located relative to the station's service area. Selling this property will allow it to be improved with an alternative quality development that will result in new businesses, jobs, residences and/or amenities and help fulfill the City's goal of economic sustainability.

Environmental Determination

The Environmental Coordinator has reviewed the proposed project and determined that it is not subject to CEQA because, pursuant to CEQA Guidelines Section 15060 (c)(2), the activity (project) will not result in a direct or reasonably foreseeable indirect physical change in the environment, and pursuant to CEQA Guidelines Section 15061 (b)(3), the activity (project) is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The requested General Plan Consistency Finding does not propose any specific development plan or activity; therefore the project does not have the potential for causing a significant effect on the environment nor will it result in a direct or reasonably foreseeable indirect physical change in the environment. Development of the project site cannot occur until such time that additional CEQA analysis has been completed specific to any proposed development.

General Plan Consistency

This parcel is designated as Recreation-Conservation (R-C) and zoned "Firehouse" with the expectation that is would be developed with structures, parking lots, and access ways to accommodate the projected firehouse use. Now that the property is no longer needed for a firehouse the City has determined that it would be appropriate to allow it to be developed for other purposes consistent with the following General Plan Goals and Policies, noting that any development proposal would require a General Plan Amendment and Rezone:

General Land Use Goal: To promote orderly and well-planned development that enhances the City of Rocklin.

Policy LU-11: Encourage infill residential development that is in keeping with the character and scale of the surrounding neighborhood, while providing a variety of densities and housing types as reflected by the zoning and land use designation of the infill property.

Policy LU-20: Encourage Medium High and High Density Residential uses to locate near major arterial and/or collector streets.

Policy LU-25: Encourage mixed use developments to locate near major arterial and/or collector streets.

Policy LU-43: Attract job generating land uses that will provide a variety of employment opportunities for those who live, or are likely to live, in the community or South Placer subregion.

Policy LU-66: Consider the effects of land use proposals and decisions on the South Placer sub region jobs/housing balance.

Policy LU-69: Encourage high-density, mixed use, infill development and creative use of brownfield and under-utilized properties.

Policy LU-70: Increase densities in core areas to support public transit.

Policy LU-72: Promote infill, mixed-use, higher density development and the creation of affordable housing in mixed use zones.

Policy LU-73: Identify sites suitable for mixed-use development within existing service areas and establish appropriate site-specific standards to accommodate the mixed uses.

Open Space, Conservation and Recreation element Policy: OCR-2: Recognize that balancing the need for economic, physical, and social development of the city may lead to some modification of existing open space and natural resource areas during the development process.

Housing Element Policy 3.1: Identify vacant parcels and provide to interested developers in conjunction with information on available development incentives.

West Oaks former Firehouse Site (APN: 365-020-030)

Next Steps:

- Working with a buyer to develop the site, possibly with a multi-family residential or commercial use.

- A development proposal will be brought to the Planning Commission and City Council for approval of appropriate entitlements at a future date.

Staff Recommendation

Staff recommends approval of the consistency finding for this site as proposed.

\\adminsys.local\city\CommDev\Planning\PUBLIC PLANNING FILES__ PROJECT FILES\Fire Station Site Kathy Lund Park\West Oaks west of Sunset former Fire Station Site SR (PC 12-20-16).docx

RESOLUTION NO. PC-2017-
RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF ROCKLIN MAKING
FINDINGS UNDER GOVERNMENT CODE SECTION 65402
(West Oaks west of Sunset former Fire Station Site - APN 365-020-030)

WHEREAS, the City of Rocklin desires to sell the parcel located at West Oaks west of Sunset a former Fire Station Site - APN 365-020-030; and

WHEREAS, this finding of general plan consistency is based on evaluation of relevant General Plan goals and policies addressing development of underutilized properties for appropriate housing, employment and/or revenue generating land uses; and

WHEREAS, this site is underutilized and has become a maintenance burden on the City, while providing no particular public benefit, and the City desires to sell the parcels to a developer, on condition they utilize the site for the construction of a residential or non-residential project which will be of positive benefit to the City's tax base and jobs/housing balance; and

WHEREAS, Government Code Section 65402 requires the Planning Commission to examine the location, purpose and extent of property acquisition or disposition and to render a finding of consistency with the adopted General Plan before public property may be acquired, transferred, abandoned or vacated.

Therefore, the Planning Commission of the City of Rocklin does resolve as follows:

Section 1. The Planning Commission of the City of Rocklin finds and determines that:

A. The sale of West Oaks west of Sunset former Fire Station Site - APN 365-020-030, depicted in Exhibit A, for future development of a residential or non-residential use will allow it to be improved with an alternative quality development that will result in new businesses, jobs, residences and/or amenities and help fulfill the City's goal of economic sustainability.

B. The sale of the property is consistent with and conforms to the following specific General Plan Goals and Policies:

General Land Use Goal: To promote orderly and well-planned development that enhances the City of Rocklin.

Policy LU-11: Encourage infill residential development that is in keeping with the character and scale of the surrounding neighborhood, while providing a variety of

densities and housing types as reflected by the zoning and land use designation of the infill property.

Policy LU-20: Encourage Medium High and High Density Residential uses to locate near major arterial and/or collector streets (Sunset Blvd.).

Policy LU-25: Encourage mixed use developments to locate near major arterial and/or collector streets.

Policy LU-43: Attract job generating land uses that will provide a variety of employment opportunities for those who live, or are likely to live, in the community or South Placer sub region.

Policy LU-66: Consider the effects of land use proposals and decisions on the South Placer sub region jobs/housing balance.

Policy LU-69: Encourage high-density, mixed use, infill development and creative use of brownfield and under-utilized properties.

Policy LU-70: Increase densities in core areas to support public transit.

Policy LU-72: Promote infill, mixed-use, higher density development and the creation of affordable housing in mixed use zones.

Policy LU-73: Identify sites suitable for mixed-use development within existing service areas and establish appropriate site-specific standards to accommodate the mixed uses.

Open Space, Conservation and Recreation element Policy: OCR-2: Recognize that balancing the need for economic, physical, and social development of the city may lead to some modification of existing open space and natural resource areas during the development process.

Housing Element Policy 3.1: Identify vacant parcels and provide to interested developers in conjunction with information on available development incentives.

PASSED AND ADOPTED this th day of , 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Chairman

ATTEST:

_____
Secretary

Exhibit A

West Oaks former Firehouse Site (APN: 365-020-030)