

EL DORADO HILLS COMMUNITY SERVICES DISTRICT
SUMMARY OF APPRAISAL

(El Dorado Hills Executive Golf Course Property)

At the El Dorado Hills Community Service District's ("EDHCSD") request, David Jarrette, a California Certified General Real Estate Appraiser with Jarrette Company, LLC, has appraised certain real property rights ("Property") within the EDHCSD's boundaries. Public records indicate that Serrano Associates, LLC, a Delaware Limited Liability Company, owns the Property. The EDHCSD sought the appraisal in conjunction with its analysis of the potential acquisition of the Property. The appraiser determined the value as of June 11, 2015.

The Property consists of approximately 98.019 Gross Acres and 76.0 Developable Acres located at the Southeast and Northeast Corners of Serrano Parkway and El Dorado Hills Boulevard, El Dorado Hills, within an unincorporated portion of El Dorado County, California. The El Dorado County Assessor has identified the Property as APN 121-160-05.

The Property is currently vacant, but formerly contained the El Dorado Hills Executive Golf Course. The Property is presently zoned RF (Recreational Facilities) by El Dorado County, and the County's 2004 General Plan designates it as OS (Open Space). The Property is located in the southwestern portion of the Serrano Westside Planning Area of the proposed Central El Dorado Hills Specific Plan.

The purpose of the appraisal was to form an opinion of the fair market value of the entire parcel comprising the Property. According to section 1263.320 of the California Code of Civil Procedure, "market value" is defined as follows:

. . . 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 obligated 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 uses and purposes for which the property is reasonably adaptable and available.

Additionally, the appraisal was based upon the Property's "highest and best use." The highest and best use is defined as "[t]he reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." The appraiser determined that the highest and best use of the Property is to obtain entitlements similar to, or the same as, those contained in the Central El Dorado Hills Specific Plan, Serrano Westside Planning Area, for residential and recreational development; subsequently to construct onsite backbone infrastructure, as well as additional offsite backbone infrastructure; and to develop, and/or sell, all or component parts of the property to homebuilders.

In arriving at the Property's market value, the appraiser used the Sales Comparison Approach. This approach involves a direct analysis of sales of comparable properties to draw conclusions regarding the value of the subject property. The market value per acre of land was used as the unit of comparison. An analysis of the specific properties considered is attached to this summary at Exhibit A. Since the appraiser determined that the Sales Comparison Approach was the only applicable valuation approach, the appraiser did not consider valuation under either the replacement cost or income capitalization approach.

After considering all of the relevant factors, the appraiser concluded that the fee simple fair market value of the Property, as of the date of valuation, is \$24,000,000. In determining this value, the appraiser determined a value of \$265,000 per gross acre for the total 98.019 acres and \$304,000 per acre for the 76.0 developable acres. The appraiser determined that the price for developable acre should be weighted the most in the analysis since it more accurately reflects the development potential of each comparable sale he relied upon. Since the appraisal was based upon a full take of the Property, the appraiser found no severance damages. Given the lack of severance damages, the appraiser did not consider any offsetting benefits.

SUMMARY OF VALUATION

Estimated value of the fee simple acquisition	= \$24,000,000
Estimated severance damages to any remainder	= \$0
Estimated benefit to any remainder	= \$0
Total Compensation	= \$24,000,000

EXHIBIT A

Summary of Comparable Sales

<u>No.</u>	<u>Location (APN)</u>	<u>Grantor/ Grantee</u>	<u>Sale Date</u>	<u>Size (gross acre/ developable acre)</u>	<u>Zoning</u>	<u>Sale Price</u>	<u>Price/Acre (Gross & Developable)</u>
1.	Solaire Villages 5A & 5B (AKA: Westbrook), Southeast corner of Pleasant Grove Blvd. and Westbrook Blvd (proposed), Placer County APN: unknown	Westpark Community/ Woodside Homes	June 2015	30.945 dev. acres	Low & Med. Density Resid.	\$12,377,000	\$400,000/ dev. acre
2.	Fiddymnt Ranch Phase 2, Villages F-9A1 & A2, F-19A1 & A2 & F-19B1 & B2, Southwest corner of North Hayden Parkway and Fiddymnt Road, Placer County APN: 492-010-051 through 056	ATC Realty One, LLC/GBD Fiddymnt Lands, LP	May 6, 2015 (2015-0037171-00)	93.88 gross acres	Low Density Resid.	\$24,793,000	\$264,092/ gross acre

3.	Villages 1 & 2 (Phase 1) – Spring Valley, Southwest quadrant of Wildcat Blvd. & Whitney Ranch Parkway, Rocklin, CA APN: 017-081-050	Evergreen of Rocklin Land JV/ Woodside Homes	Jan. 15, 2015	25.5 gross acres	Med. Density Resid.	\$11,837,272	\$464,207/ dev. acre
4.	Campus Oaks HP – Parcel 4, Southeast corner of Blue Oaks Blvd. & Woodcreek Oaks Blvd., Roseville, CA APN: 017-230-059, 060 & 063	Hewlett-Packard, Co.- Foundation/ BBC Roseville Oaks, LLC	Dec. 10, 2013 (2013-0113124-00)	188.68 gross acres & 164.48 dev. acres	Light Indust. – Special Area Overlay	\$50,000,000	\$265,000/ gross acre & \$330,980/ dev. acre
5.	Arbor Ranch & McGearry Ranch, Northwest Corner of Bilby Road and Big Horn Blvd (proposed) and Southeast quadrant of Poppy Ridge Road and Bruceville Road, Elk Grove, CA APN: 132-0050-061, 062 & 068	SB/RRLI Land Co., LLC/ WSI Poppy Ridge, LLC	July 7, 2014 (20140707-0721 & 20140707-0722)	207.79 gross acres	Low Density Resid.	\$37,000,000	\$178,064/ gross acre

6.	Sterling Meadows, Northwest quadrant of Kammerer Road and Lent Ranch Parkway, Elk Grove, CA APN: 132-0152-001	Gidaro Group LLC/Sterling Meadows Partners, LLC	June 10, 2014	197.95 gross acres/148.5 dev. acres	Low, Med. & High Density Resid.	\$41,000,000	\$207,123/ gross acre & \$276,094/ dev. acre
7.	Rocklin 60, Northeast quadrant or Schrider Way 7 Sierra College Blvd., Rocklin, CA APN: 045-043-005, 008, 027, 039, 041, 043, 064	Rocklin 60, LLC/ Taylor Morrison of California, LLC	Sept. 26, 2013 (2013-0084398- 00)	56.89 gross acres	Low Density Resid.	\$16,055,000	\$282,211/ gross acre
8.	Barrett Ranch East, Northwest Corner & Northeast Corner of Antelope Rd. & Don Julio Blvd., Antelope, CA APN: 203-0120-018, 059, 065 & 067	Gerald Enterprises, LP/ Antelope RBVP, LP & Barrett Winn, LLC	Sept. 3, 2013 (20130903-0578)	121.306 gross acres/91 dev. acres	Special Planning Area – Urban Reserve	\$14,000,000	\$115,411/ gross acre & \$153,846/ dev. acre

9.	Westpark Phase 4 – Residential & Open Space Components, Northwest Quadrant of Westbrook Blvd. (proposed) & Pleasant Grove Blvd., Roseville, CA APN: 496-020-001 & 002, 496-030-004 & portions of 496-020-003 through 009, 010, 011 & 012, & 496-030-001	West Roseville, LLC/Pulte Home Corp. & Lennar Homes of Cal.	Sept. 4, 2013 (2013-87412, 2013-87413, 2013-87414)	485.33 gross acres/ 206.98 dev. acres	Low, Med. & High Density Resid., Parks & Open Space	\$50,059,373	\$103,145/ gross acre & \$241,856 dev. acre
10.	Villages 17B, 18C (portion) & 18D – Westpark Phase 4, Southwest Quadrant of Westbrook Blvd. (proposed) & Blue Oaks, Blvd., Roseville, CA APN: Portions of 496-020-003, 004, 005 & 007 & 496-030-001	Pulte Home Corp/ Meritage Homes of Cal., Inc.	Sept. 4, 2013 (2013-0091241)	41.20 dev. acres	Low Density Resid.	\$20,280,000	\$492,233/ dev. acre

11.	Two Oaks aka West Oaks Subdivision Southwest corner of West Stanford Ranch & West Oaks Blvd. Rocklin, CA APS: 017-081-050 through 053	Stanford Ranch 1, LLC & Golden State Lumber, Inc./DR Horton Bay, Inc.	May 29, 2013 (2013-052390-00 & 2013-0052391-00)	68.0 gross acres/ 57.53 dev. acres	Low Density Resid.	\$21,022,000	\$309,147/ gross acre & \$365,409/ dev. acre
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