



TOWN OF DISCOVERY BAY
A COMMUNITY SERVICES DISTRICT
SDLF Platinum-Level of Governance



President – Bill Pease • Vice-President – Bryon Gutow • Director – Kevin Graves • Director – Bill Mayer • Director – Ashley Porter

TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
AGENDA PACKET

Regular Board Meeting
Wednesday, October 21, 2020

7:00 P.M. Regular Board Meeting

Community Center
1601 Discovery Bay Boulevard



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**NOTICE OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY
Wednesday October 21, 2020
REGULAR MEETING 7:00 P.M.**

NOTICE
Coronavirus COVID-19

In accordance with the Governor's Executive Order N-33-20, and for the period in which the Order remains in effect, the Town of Discovery Bay Community Services District Board Chambers will be closed to the public.

To accommodate the public during this period of time that the Board's Chambers are closed to the public, the Town of Discovery Bay Community Services District Board of Directors has arranged for members of the public to observe and address the meeting telephonically.

**TO ATTEND BY TELECONFERENCE:
Toll-Free Dial-In Number: (877)778-1806
CONFERENCE CODE **891949****

Download Agenda Packet and Materials at <http://www.todb.ca.gov/>

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 7:00 p.m.
2. Pledge of Allegiance.
3. Roll Call.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)

During Public Comments, the public may address the Board on any issue within the District's jurisdiction which is not on the Agenda. The public may comment on any item on the Agenda at the time the item is before the Board for consideration by filling out a comment form. The public will be called to comment in the order the comment forms are received. Any person wishing to speak must come up and speak from the podium and will have 3 minutes to make their comment. There is a device on the podium with a green, yellow, and red light. The yellow light will come on 30 seconds before the end of the 3 minutes. There will be no dialog between the Board and the commenter as the law strictly limits the ability of Board members to discuss matters not on the agenda. We ask that you refrain from personal attacks during comment, and that you address all comments to the Board only. Any clarifying questions from the Board must go through the President. Comments from the public do not necessarily reflect the viewpoint of the Directors.

C. CONSENT CALENDAR

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion.

1. Approve DRAFT minutes of regular meeting for October 7, 2020.
2. Approve Register of District Invoices.

D. PRESENTATIONS

E. MONTHLY WATER AND WASTEWATER REPORT – VEOLIA

1. Veolia Report – Month of September

F. DISCUSSION AND ACTION ITEMS

1. Discussion and Possible Action Regarding Lengthening the Community Pool to 75 Feet, Replacement of Pool Equipment Concrete Slab, Installation of Equipment Enclosure and Modification of Existing Pool Equipment.
2. Discussion and Possible Action Regarding Approval of Resolution No. 2020-22 Declaring Certain Property as Exempt Surplus Land and Authorizing its Sale.

G. MANAGER'S REPORT

1. Community Center Polling Location Update.

H. GENERAL MANAGER'S REPORT

1. Groundwater Sustainability Plan Update.

I. CORRESPONDENCE RECEIVED**J. FUTURE AGENDA ITEMS****K. ADJOURNMENT**

1. Adjourn to the regular meeting on November 4, 2020 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

"This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the American with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Town of Discovery Bay, at (925) 634-1131, during regular business hours, at least forty-eight hours prior to the time of the meeting."

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TOWN OF DISCOVERY BAY

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PLATINUM LEVEL

President – Bill Pease • Vice-President – Bryon Gutow • Director – Kevin Graves • Director – Bill Mayer • Director Ashley Porter

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY
Wednesday, October 7, 2020
REGULAR MEETING 7:00 P.M.**

**NOTICE
Coronavirus COVID-19**

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REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 7:00 p.m- by President Bill Pease.
2. Pledge of Allegiance- by Director Mayer
3. Oath of Office for Appointed Board Member- Administered by General Manager Mike Davies.
4. Roll Call- All present.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)

Public Comment Regarding:

- Comment regarding General Manager and political signs.

C. CONSENT CALENDAR

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion.

1. Approve DRAFT minutes of September 16, 2020 Regular Board of Director's meeting.
2. Approve DRAFT minutes of September 23, 2020 Special Board of Director's meeting.
3. Approve DRAFT minutes of October 1, 2020 Special Board of Director's meeting.
4. Approve Register of District Invoices.

Director Kevin Graves made a motion to accept the Consent Calendar as presented.

Vice President Bryon Gutow second.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

D. AREA AGENCIES REPORTS / PRESENTATION

1. Mike Sheafer, Special District Risk Management Authority, Presentation of 2020 Earl F. Sayre Excellence in Safety Award for the Property/Liability Program – Large Member Category
Mike Sheafer, Special District Risk Management Board President, congratulated Director Ashley Porter on her new position with the Board. He also congratulated Town of Discovery Bay for their success in

safety which has earned them the 2020 Earl F. Sayre Excellence in Safety Award for the Property/Liability Program in the Large Member Category. He pointed out that Town of Discovery Bay Community Service District has had no Property or Liability claims in the last year and the Town is a very valued member within SDRMA. Commended the Town for its accomplishments on behalf of SDRMA CEO Laura Gill, SDRMA Chief Member Services Officer Ellen Doughty and SDRMA Chief Risk Officer Debbie Yakota. Mike Sheafer also provided high praise for the Town's designation as a District of Distinction with California Special Districts Association.

2. Assembly Member Jim Frazier, District 11- not in attendance.
3. Supervisor Diane Burgis, District III Report.
Deputy Chief of Staff for Diane Burgis, Lea Castleberry provided update on tier adjustment for Contra Costa County COVID19 status. Modified reopening for certain businesses has been allowed. Contra Costa County has increased access to free COVID-19 testing sites. Free flu vaccines are offered for anyone receiving a test for COVID-19.
4. Sheriff's Office Report.
Lieutenant Mark Johnson provided an update for the month of September. Another license plate reader will be installed in the Regatta Drive area. Lowest crime rate since January. Identity theft crime is going up, advising public to be diligent. Shoplifting at the Safeway and CVS in the Sandy Cove Shopping Center is still happening. Warned the community about locking vehicles. There are criminals walking around and looking for unlocked cars.
5. CHP Report- not in attendance.
6. East Contra Costa Fire Protection District Report.
East Contra Costa Fire Department Battalion Chief Ross Macumber provided an update for the month of September. Reminded the community that fines are still being issued for any overgrown weeds. There is a new Fire Engine in service.

E. LIAISON REPORTS

F. PRESENTATIONS

G. BUSINESS AND ACTION ITEMS

1. Discussion and Possible Action to Establish an Updated and Restated Employee Personnel Manual and Approve Resolution No. 2020-21.
General Manager Mike Davies discussed recommended amendments to the Personnel Manual. Recommended change to revise 457B plan for employees. Current Personnel Manual states employee is the sole contributor, amendment will reflect a match from the Town. The Town will also need to approve the amount of the match annually.
Second recommended amendment to the Town's Personnel Manual is regarding employee vacation accrual. At this moment employees accrue one week of vacation per year, but they are not allowed to take it until after they have been an employee for a full year. Discussion will be to accrue two weeks per year and employee will be allowed to take one week of vacation in their first year of employment. Town is requesting that Board approve Resolution 2020-21 which will allow for these changes to the Employee Personnel Manual.
Director Bill Mayer made motion to approve Resolution 2020-21 and allow for the Employee Personnel Manual changes as presented.
Second by Director Kevin Graves.
Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

H. MANAGER'S REPORT

1. Landscape Update.
Parks and Landscape Manager Bill Engelman provided an update on Terracare's landscaping work at the Community Center and Discovery Bay Boulevard. Town landscaping crew has continued its work on several locations throughout the Town.
President Bill Pease asked about locations that have not been addressed by Terracare.
Parks and Landscape Manager Bill Engelman advised these are areas Terracare will get to in the next two weeks.
President Bill Pease inquired about color dye being applied to the weed killing spray for landscape.
Parks and Landscape Manager Bill Engelman advised the Town has also purchased this blue spray in order to start using it.
President Bill Pease advised it helps the community identify the landscape work that is being done.
Director Bill Mayer questioned irrigation issues.
Parks and Landscape Manager Bill Engelman advised some irrigation controllers are being fixed.
Director Bill Mayer asked about the stress on the grass at some of the parks in Town.

Parks and Landscape Manager Bill Engelman indicated landscape at the parks is being repaired. Director Kevin Graves advised on overwatering. Water flows into property of residents when Cornell Park is overwatered.

Vice President Bryon Gutow asked timeframe for Clipper Drive landscaping and the exact location of the project.

Parks and Landscape Manager Bill Engelman advised that Clipper Drive will be done in sections until it is all completed.

Vice President Bryon Gutow asked Parks and Landscape Manager Bill Engelman to present a list of things he would like to get accomplished in the next year to the Parks and Recreation Committee. Vice President Bryon Gutow spoke about the deterioration of fencing in Zone 9 and the hope to have Parks and Landscape Manager Bill Engelman bring forth an idea of what possibilities he sees for this Zone.

Director Kevin Graves asked Water and Wastewater Manager Aaron Goldsworthy about a broken pipe on Clipper Estates.

Water and Wastewater Manager Aaron Goldsworthy advised a hydrant valve had blown out and corroded the area on the boulevard as you enter Clipper Estates. It is an issue that presents itself throughout the town due to the material used to make these valves.

Director Kevin Graves asked if an update will be given at some point during a Water and Wastewater Committee Meeting.

Director Bill Mayer asked for speakers to amplify their voices, at times it becomes difficult to hear.

I. GENERAL MANAGER'S REPORT

General Manager Mike Davies advised the Board that upon direction from the Board, Town staff met with Adams Pool Solution's staff to proceed with the refurbishment of the pool under the existing contract. Due to the delay in work, there is an increased cost of \$22,575. The Town has continued to look for creative solutions to improve programs and services to the community. During the walkthrough with Adam's Pool Solution, their team was asked about the potential for adding an extra lap lane and squaring off two corners during the refurbishment process. This option will also elongate the shallow end of the pool to allow it to meet the 25 yard regulations. With the community focus being on a six lane pool appropriate for competition swim meets, this option had not been considered before. The presented option will not allow for a competitive swim meet pool; however, it will offer a four lane pool that can be used for expanded aquatic programming.

General Manager Mike Davies advised that adding an extra lap and squaring off two corners would cost \$52,000 which includes the amount of the increase due to the delay. The option to add an extra lap lane, square off two corners and elongate the pool to meet regulations would be a total of \$104,500.

General Manager Mike Davies presented the Board with a diagram of the two options he mentioned which will be posted on the Town website as Additional Material.

If the Board agrees to one of the options mentioned tonight, General Manager Mike Davies will prepare a Change Order Scope of Work for the next Board Meeting. If the Board consensus is to proceed with the refurbishment without modifications to the contract with Adams Pool Solutions, General Manager Mike Davies does not require any further Board action.

President Bill Pease asked if the Board could discuss this item.

Legal Counsel Andy Pinasco advised that discussion will fall into the Brown Act. Legal Counsel also presented the option to present this at future Board meeting if Board is not prepared to make a motion today.

President Bill Pease requested to have this item brought back after the community has had a chance to review it. He asked to have this item placed on the next agenda for discussion.

Director Kevin Graves asked if this would pose an issue with the timeframe.

General Manager Mike Davies declares this doesn't pose an issue for completion of the pool with Adam's Pool Solutions' timeframe.

Director Kevin Graves asked for specifics in extending the shallow end and squaring off the corners.

Legal Counsel Andy Pinasco requested a motion.

General Manager Mike Davies stated he would request that the Board select one proposal of the two posed options to prevent two Scopes of Work.

Director Ashley Porter made a motion to bring more details regarding the option for the \$104,500 remodel to the next Regular Board Meeting.

Motion second by Director Kevin Graves.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

J. DIRECTORS' REPORTS1. Standing Committee Reports.

- a. Finance Committee Meeting (Committee Members Bill Mayer and Ashley Porter)

October 7, 2020.

Director Bill Mayer updated Board with Town's request to cancel Committee Meeting on December 2, 2020 due to holidays and staff's time off. Advised the Town will hold a Special Finance Committee Meeting on November 18, 2020 at 6:00 p.m. to avoid such a large gap between meetings. Prop 68 funds were also discussed and this item will go to the Parks and Recreation Committee for discussion.

- b. Internal Communications Committee Meeting (Committee Members Kevin Graves and Ashley Porter) October 7, 2020.

Director Kevin Graves advised that the Town discussed the option to establish an updated and restated Employee Personnel Manual. Town staff also requested to cancel the Internal Communications Meetings on December 2, 2020 and January 6, 2021 due to holidays.

- c. Water and Wastewater Committee Meeting (Committee Members Bill Pease and Bill Mayer) October 7, 2020.

Director Bill Mayer gave update of Well 8 status and Urban Water Management Plan.

2. Other Reportable Items.**K. CORRESPONDENCE RECEIVED (Information Only)****L. FUTURE AGENDA ITEMS****M. ADJOURNMENT**

- 1. Adjourned at 7:51p.m. to the next regular meeting of October 21, 2020 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

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Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

October 21, 2020

Prepared By: Julie Carter, Finance Manager & Lesley Marable, Accountant
Submitted By: Michael R. Davies, General Manager

Agenda Title

Approve Register of District Invoices.

Recommended Action

Staff recommends that the Board approve the listed invoices for payment.

Executive Summary

District invoices are paid on a regular basis, and must obtain Board authorization prior to payment. Staff recommends Board authorization in order that the District can continue to pay warrants in a timely manner.

Fiscal Impact:

Amount Requested \$ 316,976.02

Sufficient Budgeted Funds Available?: Yes (If no, see attached fiscal analysis)

Prog/Fund # See listing of invoices. **Category:** Operating Expenses and Capital Improvements

Previous Relevant Board Actions for This Item

Attachments

Request For Authorization to Pay Invoices for the Town of Discovery Bay CSD 2020/2021

AGENDA ITEM: C-2

Request for Authorization to Pay Invoices
For The Meeting On October 21, 2020
Town of Discovery Bay CSD
Fiscal Year 7/20 - 6/21

Luhdorff & Scalmanini	\$120,812.61
Herwit Engineering	\$74,247.50
J.W. Backhoe & Construction, Inc.	\$31,427.27
CaliforniaChoice Benefit Admin	\$20,268.10
East Contra Costa Fire District	\$14,300.00
U.S. Bank Corporate Payment System	\$12,760.24
City Of Brentwood	\$10,080.32
Veolia Water North America	\$7,795.83
Badger Meter	\$5,610.56
Trugreen	\$3,950.00
Matrix Trust	\$2,573.83
Mt. Diablo Resource Recovery	\$2,259.49
Univar Solutions USA Inc.	\$1,993.90
SDRMA	\$1,566.45
BSK Associates	\$1,137.76
Verizon Wireless	\$890.84
Bill Pease	\$575.00
Bryon Gutow	\$575.00
Big O Tires	\$562.00
California Park & Recreation Society	\$550.00
Kevin Graves	\$460.00
William Mayer	\$460.00
Brentwood Ace Hardware	\$345.72
Bill Brandt Ford	\$331.11
Office Depot	\$282.63
Watersavers Irrigation Inc.	\$231.76
Denalect Alarm Company	\$208.50
ReliaStar Life Insurance Company	\$200.00
Geotab USA, Inc.	\$177.75
UniFirst Corporation	\$120.00
Discovery Pest Control	\$99.00
Alhambra	\$77.25
Zee Medical Service Company	\$38.25
UPS	\$7.35

\$316,976.02

**Town of Discovery Bay, CA
Water & Wastewater**

MONTHLY OPERATIONS REPORT

September 2020

4052 Days of Safe Operations

196,144 worked hours without a recordable incident

TRAINING:

- **Safety**
 - Electrical Safety: Training for Unqualified Employees—JJ Keller
 - OPL—Fire Safety
 - OPL—Defensive Driving
 - OPL—Household Hazardous Waste
 - OPL—Autumn Safety Tips
- **Operation**
 - **The Observer SOP**
 - **Training on new handheld meter for Manganese MN and Iron FE in the water side**

REPORTS SUBMITTED TO REGULATORY AGENCIES:

- **Monthly Discharge Monitoring Report (DMR)**
- **Monthly electronic State Monitoring Report (eSMR)**
- **Monthly Coliform Report, State Water Board (DDW)**
- **Quarterly water samples TTHM HAA5 water boards**

WATER SERVICES

Groundwater Well:

- **1B - Active**
- **2 - Active**
- **4 - Active**
- **5B - Active (Standby only)**
- **6 - Active**
- **7 - Active**

2020 Monthly Water Production Table (MG):

January	February	March	April	May	June
40	53	61	68	113	124
July	August	September	October	November	December
134	127.4	109.1			

Executive Order Production Baseline				
	07/01/19	Through	9/1/2020	
	Newport Finished Water Production MGD	Willow Finished Water Production MGD	Newport Recycle Used MGD	Willow Recycle Used MGD
Month	731	151	86	186
Jul 2019	66.2210	58.4144	0.9910	0.6772
Aug 2019	63.1070	62.3663	0.8160	0.7562
Sep 2019	55.7430	52.7886	0.9100	0.7762
Oct 2019	48.6660	46.3421	0.8490	0.5011
Nov 2019	40.5920	34.1673	0.7420	0.5130
Dec 2019	25.1230	33.9922	0.3890	0.3049
Jan 2020	16.1590	24.0794	0.0890	0.2985
Feb 2020	25.7560	26.6960	0.2760	0.3200
Mar 2020	29.9510	30.8507	0.4600	0.4067
Apr 2020	36.9840	32.7594	0.8630	0.3782
May 2020	53.7570	59.3694	1.0380	0.6107
Jun 2020	62.7900	62.0627	1.1310	0.6683
Jul 2020	69.5110	64.6126	0.2620	0.6843
Aug 2020	66.4430	60.9686	0.1210	0.6699
Sep 2020	61.4880	47.5908	0.3620	0.7198
Oct 2020				
Nov 2020				
Dec 2020				
Jan 2021				
Feb 2021				
Mar 2021				
Apr 2021				
May 2021				
Jun 2021				
Minimum	16.1590	12.6652	0.0890	0.2008
Maximum	69.5110	64.6126	1.1310	0.7762
Total	748.9820	709.7257	9.5030	8.4858
Average	46.8114	44.3579	0.5939	0.5304

Bacteriological Test Results:

- All 16 Bacti samples were absent

Routine Bacteria Samples Collected	No. Total Coliform Positives	No. Fecal/E. coli Positives	Brown Water Calls	Fire Hydrant Flushing
• 20	• 0	• 0	• 0	• 0

WASTEWATER SERVICE

<i>WW Effluent Parameter</i>	<i>Permit Limits</i>	<i>August Lab Data</i>	<i>September Lab Data</i>
Flow, MG Effluent, monthly total	██████████	34.5	32.81
Flow, MG Daily Influent Flow, avg.	N/A	1.36	1.35
Flow, MG Daily Discharge Flow, avg.	2.35	1.11	1.09
Effluent BOD ₅ , mg/L, monthly avg.	10	1.1	1.2
Effluent TSS, mg/L, monthly avg.	10	0.6	0.6
Total Coli form 7 day Median Max	23	ND	ND
Total Coli form Daily Maximum	240	ND	ND
Eff NTU, Daily avg,	2	0	1
Eff Ammonia (N), mg/L, Daily Max	8.4	0.093	0.093
% Removal BOD ₅ , monthly avg.	85% min.	99.5%	99.6 %
% Removal, TSS, monthly avg.	85% min.	99.6%	99.8 %
Electrical Conductivity, umhos/cm annual avg.	2400	2500	2350

National Pollution Discharge Elimination System (NPDES):

NPDES Related Excursions	Permit Parameter	NPDES Parameter Limit	Actual Parameter Result
• 0	• N/A	• N/A	• N/A

COLLECTION

Lift Station Status:

# of Active Lift Stations	# of Inactive Lift Stations	SSO	Wastewater Received (MG)
• 15	• 0	• 0	• 46

Sewer System:

- ❖ **October 2020** Hydrant flash, Valve exercise, and location confirmation assets location for the Asset management program Infonet more information to follow next presentation.
- ❖ **November 2020** Collections (6) Hot spots will be clean, Manhole & covers will be inspected and assess in preparation for rain season to avoid SSOs.

MAINTENANCE

Preventive and Corrective:

September

CLOSED WORK ORDERS

		Totals	Preventative	Corrective	P/C Ratio
KPI # 1: % (P) Work Order Count Out of Total Closed Last 30 Days 08/31/2020 thru 09/30/2020	Count	278	268	10	96.4%
	Skipped	0			
		Totals	Preventative	Corrective	Hr.s P/C Ratio
KPI # 2: % (P) Work Order Hours Out of Total Closed Last 30 Days 08/31/2020 thru 09/30/2020	Hours	223.4	203	20	91.0%

OPEN WORK ORDERS (BackLog)

		Totals	Preventative	Corrective	Skipped
KPI # 3: Backlog Aging 7 days or less 08/28/2020 thru 09/03/2020	Count	7	7	0	0
	Est Hours	8.0	8.0		
KPI # 4: Backlog Aging 8 to 30 days 08/04/2020 thru 8/27/2020	Count	7	7	0	0
	Est Hours	7.0	7.0		
KPI # 5: Backlog Aging 31 to 60 days 07/05/2020 thru 8/3/2020	Count	27	25	2	See Notes
	Est Hours	28.0	25.0	3.0	
KPI # 6: Backlog Aging greater than 60 days 06/19/2020 thru 07/04/2020	Count	1	0	1	See Notes
	Est Hours	1.0		1.0	
KPI # 7: Backlog Aging Totals 06/19/2020 thru 09/03/2020	Count	Total >60	39	3	See Notes
	Est Hours	44.0	39.5	4.0	

Call & Emergency Response

Call Outs	Emergencies
5 Physical calls 11 remote due to SCADA concern	0
Regular Hours	Overtime
1080 hours	37.5 hours

TERMS

WWTP

WASTEWATER TREATMENT PLANT

WTP	WATER TREATMENT PLANT
WL	WILLOW LAKE
NP	NEWPORT
VFD	VARIABLE FREQUENCY DRIVE
WO	WORK ORDER
PLC	PROGRAMMABLE LOGIC CONTROLLER
L/S	LIFT STATION
SSO	SANITARY SEWER OVERFLOW
BOD	BIOLOGICAL OXYGEN DEMAND
TSS	TOTAL SUSPENDED SOLIDS
MGD	MILLION GALLONS PER DAY
mg/l	MILLIGRAMS PER LITRE
CCTV	CLOSED CIRCUIT TELEVISION
PPM	PARTS PER MILLION
RAS	RETURN ACTIVATED SLUDGE
WAS	WATSE ACTIVATED SLUDGE
UV	ULTRAVIOLET LIGHT



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

October 21, 2020

Prepared By: Mike Yeraka, Projects Manager and Monica Gallo, Recreation Programs Supervisor

Submitted By: Michael R. Davies, General Manager

Agenda Title

Discussion and Possible Action Regarding Lengthening the Community Pool to 75 Feet, Replacement of Pool Equipment Concrete Slab, Installation of Equipment Enclosure and Modification of Existing Pool Equipment.

Recommended Action

It is recommended that the Board take the following Action:

- a. Authorize the General Manager to Execute the attached change order with Adams Pool Solutions in the amount of \$106,843.00 to extend the pool to 75 feet.
- b. Authorize the General Manager to Execute the District's standard Construction Agreement with Abacus Concrete Company to construct a new slab for the pool equipment and shed in the amount of \$22,000.
- a. Authorize the General Manager to Execute any and all Agreements to remove and replace the existing pool equipment, install additional filter, install equipment shed and any other actions required to complete the project up to a total project cost of \$452,000.00.

Executive Summary

- a. At the October 7, 2020, Board Meeting, the Board directed Staff to place an item on the October 21, 2020, meeting agenda to discuss and possibly take action on lengthening the existing community pool to 75 feet long, cover additional costs to repair and replace items damaged due to elapsed time, and provide four (4) racing lanes. Attached is a Change Order from Adams Pool Solutions in the amount of \$106,843.00 to modify the pool as per the attached sketch. The price is slightly higher than the \$104,413 mentioned at the October 7, 2020, meeting due to the addition of four more rope anchors and compliance with prevailing wage laws.
- b. In order to install the equipment shed to house the pool equipment and chlorine drums, it will be necessary to remove the existing concrete slab and install a new concrete slab with a perimeter footing to support the new equipment Shed as required by code. Staff received the following quotes to perform this work:

Abacus Concrete \$ 22,000 (Did the dog park concrete sidewalks)

Adams Pool Solutions \$47,620
- c. Staff recently met with National Aquatic Services (NAS) to evaluate the existing pool equipment. In order to accommodate the larger volume of water in the longer pool it will be necessary to add a fourth filter. Since NAS installed the original equipment in 2013, we asked them to provide us a quote to remove all the existing equipment so the existing concrete slab can be removed, and then reinstall all the equipment after the equipment shed has been installed. This work would also include replacing some sensors that have become inoperable by not being used for 2 years. NAS will also provide us with an optional quote to install a third heater if the Board would like to have the pool open for 9 months rather than the current 4 months. Staff estimates that the additional annual increase in cost would be approximately \$21,000 per year for the pool to be open an additional 2.5 spring months and an additional 2.5 fall months. However, the availability of lifeguards during

these additional 5 months is uncertain. Staff did not have pricing at the time of writing this staff report and hopes to have final pricing from NAS for the aforementioned work in time for the Board meeting.

- d. The Board had approved the installation of a Tuff Shed as the equipment enclosure at the November 7, 2018, Board meeting. Since that time Tuff Shed has changed their policies and are no longer doing government projects that require prevailing wages. We are still working with them though to see if they will sell us the Tuff Shed as a kit and then the Town would have a contractor install the shed. As of the writing of this staff report we have not received the quote for the Tuff Shed kit or installation.

Below is a summary of funding and costs for the project:

Discovery Bay Community Pool Project	
Project Funds	
\$ 92,000.00	Expended in Fiscal Year 2019
\$360,000.00	Budgeted in Fiscal Year 2021
\$452,000.00	Total Project Funds
Project Costs	
\$179,610.00	Original Adams Pool Solutions Contract
\$ 26,942.00	15% Contingencies Approved By Board 4/18/2018
\$106,843.00	Extend Pool to 75 feet change order
\$ 22,000.00	Remove and replace concrete equipment slab
\$ 80,000.00	New equipment shed, remove & replace equipment, and add filter
\$ 36,605.00	Other project contingencies
\$452,000.00	Total Project Cost

Specific Board Action:

It is recommended that the Board take the following Action:

- a. Authorize the General Manager to Execute the attached change order with Adams Pool Solutions in the amount of \$106,843.00 to extend the pool to 75 feet.
- b. Authorize the General Manager to Execute the District's standard Construction Agreement with Abacus Concrete Company to construct a new slab for the pool equipment and shed in the amount of \$22,000.
- c. Authorize the General Manager to Execute any and all Agreements to remove and replace the existing pool equipment, install additional filter, install equipment shed and any other actions required to complete the project up to a total project cost of \$452,000.00.

Previous Relevant Board Actions for This Item

The Board approved a total of \$452,000 through FY 20/21 for completion of the project

Fiscal Impact: It is expected that project funds will be sufficient to meet project costs

Amount Requested: \$92,000 already spend in FY 2019 and \$360,000 budgeted in FY 2021.

Sufficient Budgeted Funds Available? Yes

Prog/Fund # Category: TBD

Attachment

1. Change Order from Adams Pool Solutions.

AGENDA ITEM: F-1



adamspools.com

CHANGE ORDER

JOB NAME TOWN OF DISCOVERY BAY		RES:		BUS:	
JOB ADDRESS 1601 DISCOVERY BAY BOULEVARD		CELL		FAX:	
JOB CITY DISCOVERY BAY	STATE CA	ZIP 94505	EMAIL		CODE

The contract, dated 5/7/18, between Adams Pool Solutions and:

Job Name TOWN OF DISCOVERY BAY - POOL

Address 1601 DISCOVERY BAY BOULEVARD

City DISCOVERY BAY **State** CA **ZIP** 94505

to be modified as follows:

Extend shallow end of pool to achieve 75 ft lane lengths and square up corners as noted on the attached sketch dated 10/12/2020, for four competition lanes,

Additional costs to repair and replace items damaged due to elapsed time of work stoppage to complete the current scope of work,

Provide calculations, plans and revised Health Permit and Building Permit,

Remove and replace all skimmers,

Provide and install six (6) additional lane rope anchors,

Install tile for a fourth racing lane with wall targets

AT AN ADDITIONAL PRICE OF \$ 106,843.00

AT A CREDIT ADJUSTMENT OF \$ 0.00

Date: 10/12/2020

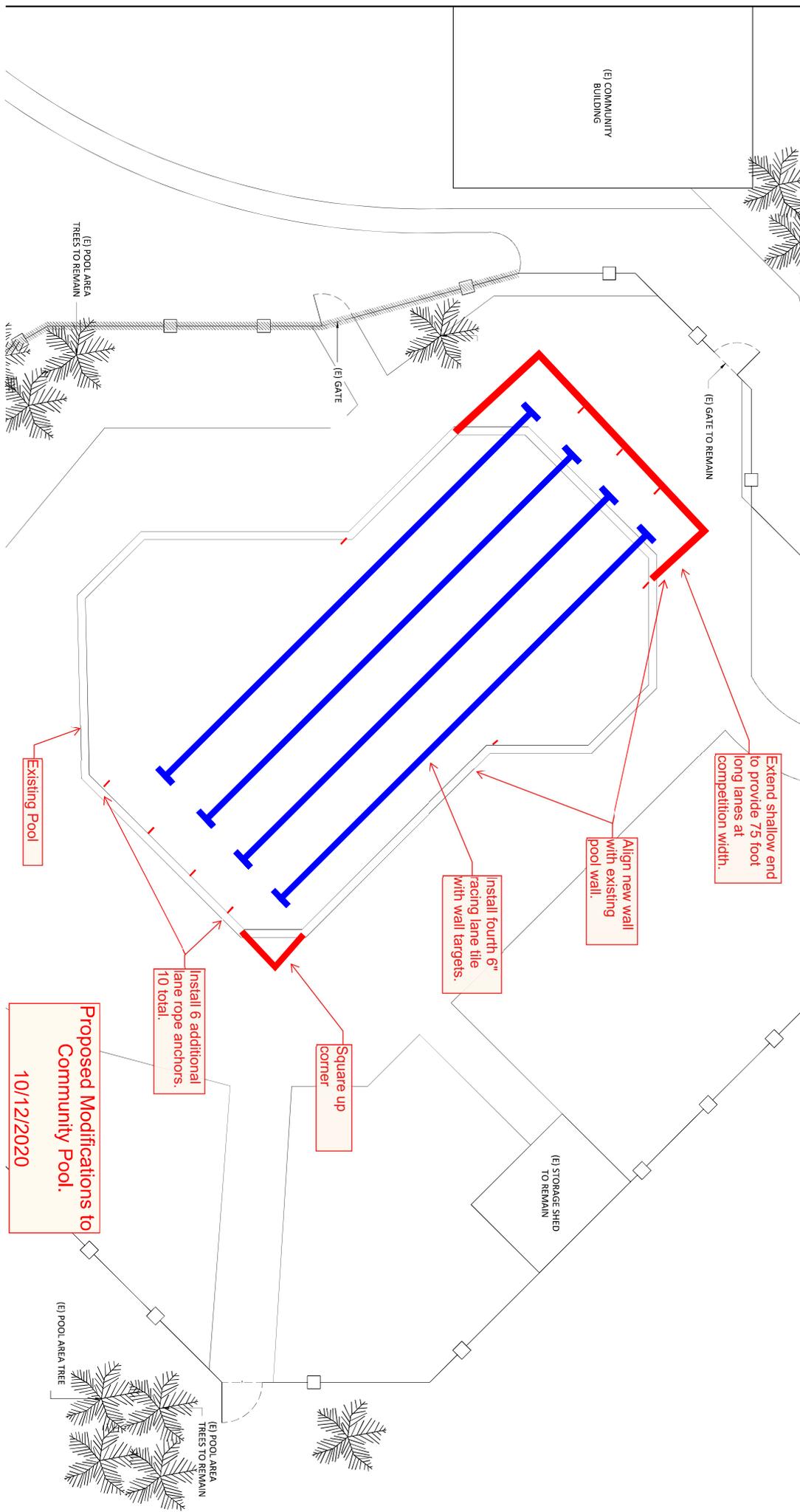
PROGRESS PAYMENT AFFECTED BY CHANGE ORDER:

PER CONTRACT TERMS

ACCEPTED: _____
OWNER (agent)

BY: *Steve Santen*
ADAMS POOL SOLUTIONS

NOTE: PLEASE SIGN AND RETURN WHITE COPY TO OFFICE. IMMEDIATE ATTENTION TO THIS MATTER WILL ENABLE TIMELY COMPLETION OF YOUR JOB.





Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

October 21, 2020

Prepared By: General Counsel
Submitted By: Michael R. Davies, General Manager

Agenda Title

Discussion and Possible Action Regarding Approval of Resolution No. 2020-22 Declaring Certain Property as Exempt Surplus Land and Authorizing its Sale.

Recommended Action

Approve Resolution No. 2020-22 Declaring Certain Property as Exempt Surplus Land and Authorizing its Sale.

Executive Summary

Lodgepole Investments, LLC ("Lodgepole") owns property that is immediately west of Newport Drive. Lodgepole's property is outside of the Town's current service boundary.

It is Lodgepole's intent to develop this property as a master-planned community called Newport Pointe consisting of 67 residential housing units, various public infrastructure facilities, and various recreation and open space uses.

The Town and Lodgepole entered into a March 11, 2019, Pre-Annexation Agreement (the "Agreement") setting forth the terms and conditions agreed upon by the Parties to annex Lodgepole's property (APNs 011-220-013 and 011-220-04) into the Town's service boundary.

One of the terms in the Agreement provides that Lodgepole and the Town will each offer necessary easement to the other party for ingress and egress for access to the project.

As approved, Newport Pointe is required to acquire all necessary rights of way, rights of entry, permits and/or easements for public and private access.

The Newport Pointe property has no legal access from a public roadway.

To acquire legal access from Newport Drive, Lodgepole has requested an easement from the Town.

The requested easement is part of a larger parcel owned by the Town (APN 008-540-028) and consists of 2,923 square feet of easement. The requested easement is across Town property immediately adjacent to west side of Newport Drive, at the terminus of Newport Lane, and will serve as the primary legal access to the approved Newport Pointe master-planned community.

California law governs how public agencies dispose of publicly owned surplus land. However, because the requested easement is less than 5,000 square feet in area and is not contiguous to land owned by the State or any local agency for the purpose of open-space or low- and moderate-income housing, the easement is considered exempt surplus land, it is not subject to the requirements for disposition of publicly owned surplus land.

The Board directed staff to enter into good faith negotiations to determine mutually satisfactory sales price and terms for an easement agreement, which include installation of a four way stop sign at the intersection of Newport Drive and Newport Lane to control traffic at the primary legal access for the Newport Pointe master-planned community (the "Easement Agreement"). The mutually agreed upon satisfactory sales price of \$15,000 is based on a June 8, 2020, appraisal of the Easement, and represents the Easement's fair market value. The attached agreement establishes the mutually satisfactory sales price and terms and conditions establishing the Easement.

Staff recommends that the Board authorize the General Manager to execute the Easement Agreement and all other documents associated with carrying out its terms and conditions.

Previous Relevant Board Actions for this Item

March 6, 2019 Board Action to Approve Pre-Annexation Agreement with Lodgepole Investments, LLC

Fiscal Impact:

Amount Received \$15,000.00.

Attachments:

Resolution 2020-22 Declaring Certain Property as Exempt Surplus Land and Authorizing its Sale
June 8, 2020, Appraisal of Real Property
Easement Agreement

AGENDA ITEM: F-2



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLUTION 2020-22

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY,
A CALIFORNIA COMMUNITY SERVICES DISTRICT
DECLARING CERTAIN PROPERTY
AS EXEMPT SURPLUS LAND AND AUTHORIZING ITS SALE**

WHEREAS, Lodgepole Investments, LLC, (“Lodgepole”) has made an offer for purchase of an easement over a portion of that parcel known as APN 008-540-028 (the “Easement”); and

WHEREAS, the Town of Discovery Bay Community Services District (the “Town”) may dispose of Town owned surplus land or exempt surplus land in accordance with California law and its own Policy; and

WHEREAS, the Town’s Policy 015, Disposition of Surplus Property, is not applicable to real property owned by the Town; and

WHEREAS, Government Code section 54221 defines ‘exempt surplus land’ as land that is less than 5,000 square feet in area and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes; and

WHEREAS, the Easement consists of 2,923 square feet of easement, is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes, and is being sold to the owner of contiguous land; and

WHEREAS, in accordance with California law, the Town hereby declares the Easement as exempt surplus land; and

WHEREAS, Lodgepole commissioned a June 8, 2020, appraisal of the Easement, attached hereto as an Exhibit, which was used to establish a fair market value of the Easement; and

WHEREAS, the terms and conditions establishing the Easement and its sale are set forth in an Easement Agreement, attached hereto an Exhibit.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The Easement is exempt surplus land of the Town.

SECTION 2. The Board accepts the \$15,000 valuation of the Easement in the June 8, 2020, appraisal as the Easement’s fair market value.

SECTION 3. The attached Easement Agreement is hereby approved.

SECTION 4. The General Manager is authorized to execute the Easement Agreement and all other documents associated with carrying out its terms and conditions.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

SECTION 6. The Board Secretary shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 21st DAY OF OCTOBER, 2020.

Bill Pease
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on October 21, 2020, by the following vote of the Board:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael R. Davies
Board Secretary



APPRAISAL OF REAL PROPERTY

Newport Pointe Ingress/Egress Easement
W side of Newport Dr, W terminus of Newport Lane
Discovery Bay, Contra Costa County, CA 94505

IN AN APPRAISAL REPORT

As of June 8, 2020

Prepared For:

Newport Pointe LLC
2450 Stanwell Drive
Concord, CA 94520

Prepared By:

Cushman & Wakefield Western, Inc.
Valuation & Advisory
49 Stevenson Street, 4th Floor
San Francisco, CA 94105
Cushman & Wakefield File ID: 20-38002-900329-001



Newport Pointe Ingress/Egress Easement
W side of Newport Dr, W terminus of Newport Lane
Discovery Bay, Contra Costa County, CA 94505



49 Stevenson Street, 4th Floor
 San Francisco, CA 94105
 Tel +1 (415) 781-8100
 cushmanwakefield.com

June 26, 2020

Ms. Brenna Daugherty
 Manager
Newport Pointe LLC
 2450 Stanwell Drive
 Concord, CA 94520

Re: Appraisal Report

Newport Pointe Ingress/Egress Easement

W side of Newport Dr, W terminus of Newport Lane
 Discovery Bay, Contra Costa County, CA 94505

Cushman & Wakefield File ID: 20-38002-900329-001

Dear Ms. Daugherty:

In fulfillment of our Scope of Work agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above referenced property in the following Appraisal Report.

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

The subject property is part of a larger parcel owned by the Town of Discovery Bay and consists of 2,923 square feet of easement - right-of-way land located in the unincorporated town of Discovery Bay, Contra Costa County, CA 94505. The subject site is located on the west side of Newport Drive, at the terminus of Newport Lane, and will serve as the public point of entry into the approved Newport Pointe residential subdivision. The property consists entirely of a planned permanent ingress/egress easement with no structural improvements that contribute significant value. The owner-developer of the adjacent Newport Pointe residential project is in negotiations to purchase a permanent easement over the subject site. The subject site will not be purchased in fee.

This Appraisal Report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP).

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion:

Value Conclusion			
Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Value of Permanent Easement	Permanent Easement	June 8, 2020	\$15,000

Compiled by Cushman & Wakefield Western, Inc.

The value opinion in this report is qualified by certain assumptions, limiting conditions, certifications, and definitions, and does not employ any extraordinary assumptions and hypothetical conditions.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.



Melissa J. Bach, MAI, CRE
Executive Director
CA Certified General Appraiser
License No. AG017144
Melissa.Bach@cushwake.com
(415) 658-3698 Office Direct

Summary of Salient Facts and Conclusions

Client:	Newport Pointe LLC
Intended Use:	This appraisal is intended to provide an opinion of the Market Value of the permanent easement of the subject property for the use of the client in negotiating the purchase of the easement with the current ownership. This report is not intended for any other use.
Intended User:	This Appraisal Report was prepared for the exclusive use of Newport Pointe LLC. Use of this report by others is not intended by the appraiser.
Identification of Real Estate:	Newport Pointe Ingress/Egress Easement W side of Newport Dr, W terminus of Newport Lane Discovery Bay, Contra Costa County, CA 94505
Highest & Best Use (As if Vacant):	Assemblage with adjacent 20 acres for development with a 67-unit single family residential development as market conditions warrant..
Type of Value	Market Value
Real Property Interest Valued:	Easement
Current Ownership of Subject Site:	Town of Discovery Bay
Sale History:	To the best of our knowledge, the property has not transferred within the past three years.
Current Disposition:	To the best of our knowledge, the property is not under contract of sale nor is it actively being marketed for sale. However, the owner-developer of the adjacent two parcels, totaling 20 gross acres, requires a permanent easement for ingress/egress purposes over the entire subject site in order to provide public access to their development site. As a condition of approvals for the residential subdivision on the adjacent property, the owner-developer must obtain legal access. Reportedly, the owner-developer is in negotiations with the Town of Discovery Bay, who owns the subject site, to purchase a permanent easement over the entire subject site with this appraisal to be relied up for determining the purchase price. The subject site will not be purchased in fee.
Date of Inspection:	June 08, 2020
Effective Date of Valuation:	
As Is:	June 08, 2020
Date of Report:	June 26, 2020

Extraordinary Assumptions: This appraisal does not employ any extraordinary assumptions.

Hypothetical Conditions: This appraisal does not employ any hypothetical conditions.

VALUATION INDICES		MARKET VALUE
VALUE DATE		June 8, 2020
Easement Value		
Indicated Value:		\$15,000
Per Square Foot:		\$5.13
FINAL VALUE CONCLUSION		
Real Property Interest:		Permanent Easement
Concluded Value:		\$15,000
Per Square Foot:		\$5.13

Property Photographs

AERIAL PHOTOGRAPH



VIEW OF SUBJECT LOOKING W FROM NEWPORT COURT



SUBJECT SITE LOOKING W FROM NEWPORT DRIVE FRONTAGE





Street view S on Newport Drive (subject on R)



Street view N on Newport Drive



View S of larger parcel containing subject site



View W of subject site and future Newport Point Subdivision development site

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Scope of Work

Overview

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the property and its environs. The size and legal description of the subject easement area was obtained from the Client and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, sales activity, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Market data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via the applicable approach to value.

This Appraisal Report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP).

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms "describe," "summarize," and "state" connote different levels of detail, with "describe" as the most comprehensive approach and "state" as the

least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Summarizes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Summarizes the Scope of Work used to develop the appraisal
- Summarizes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Summarizes the rationale for the Highest and Best Use opinion

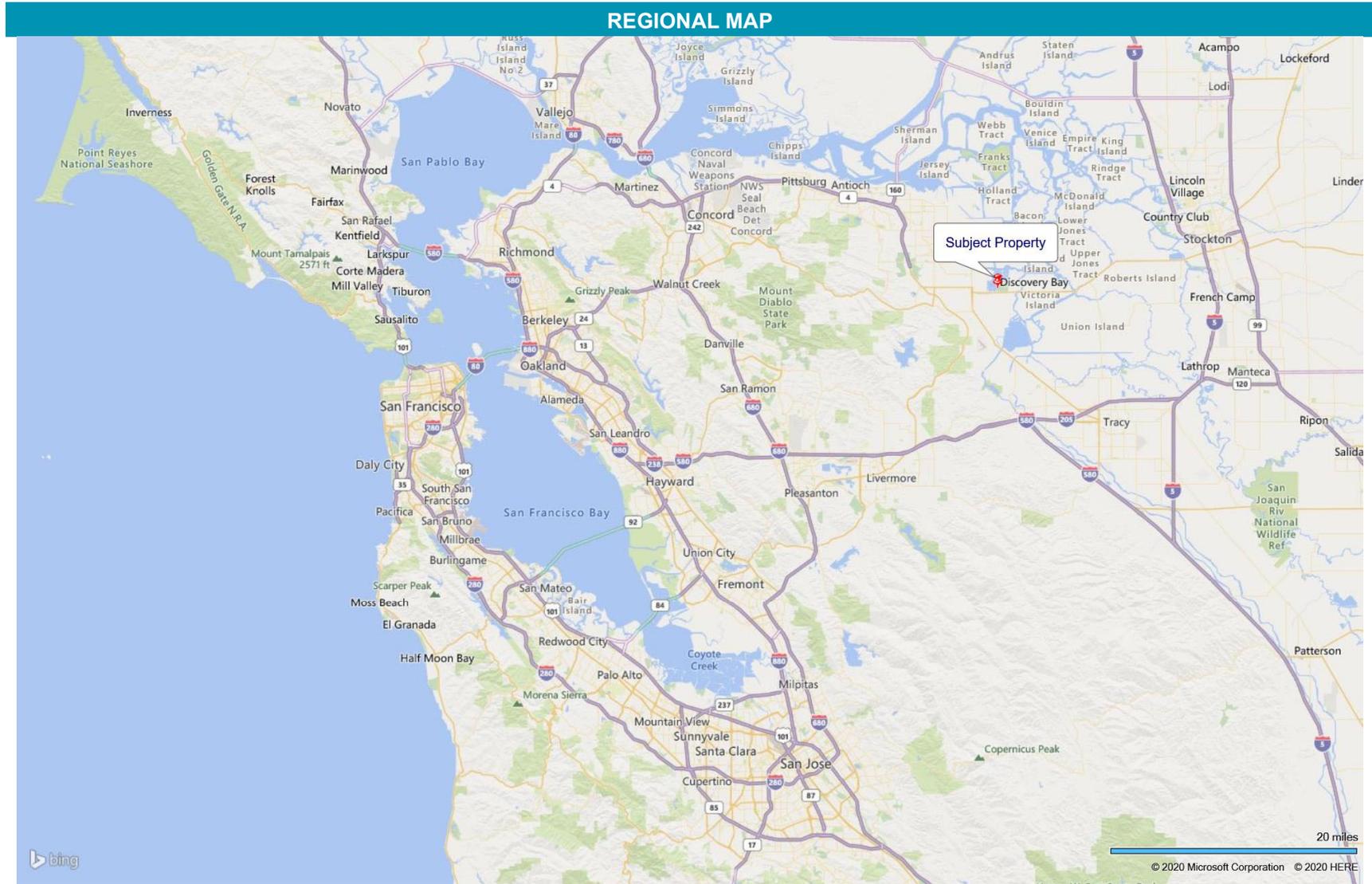
Valuation Process

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

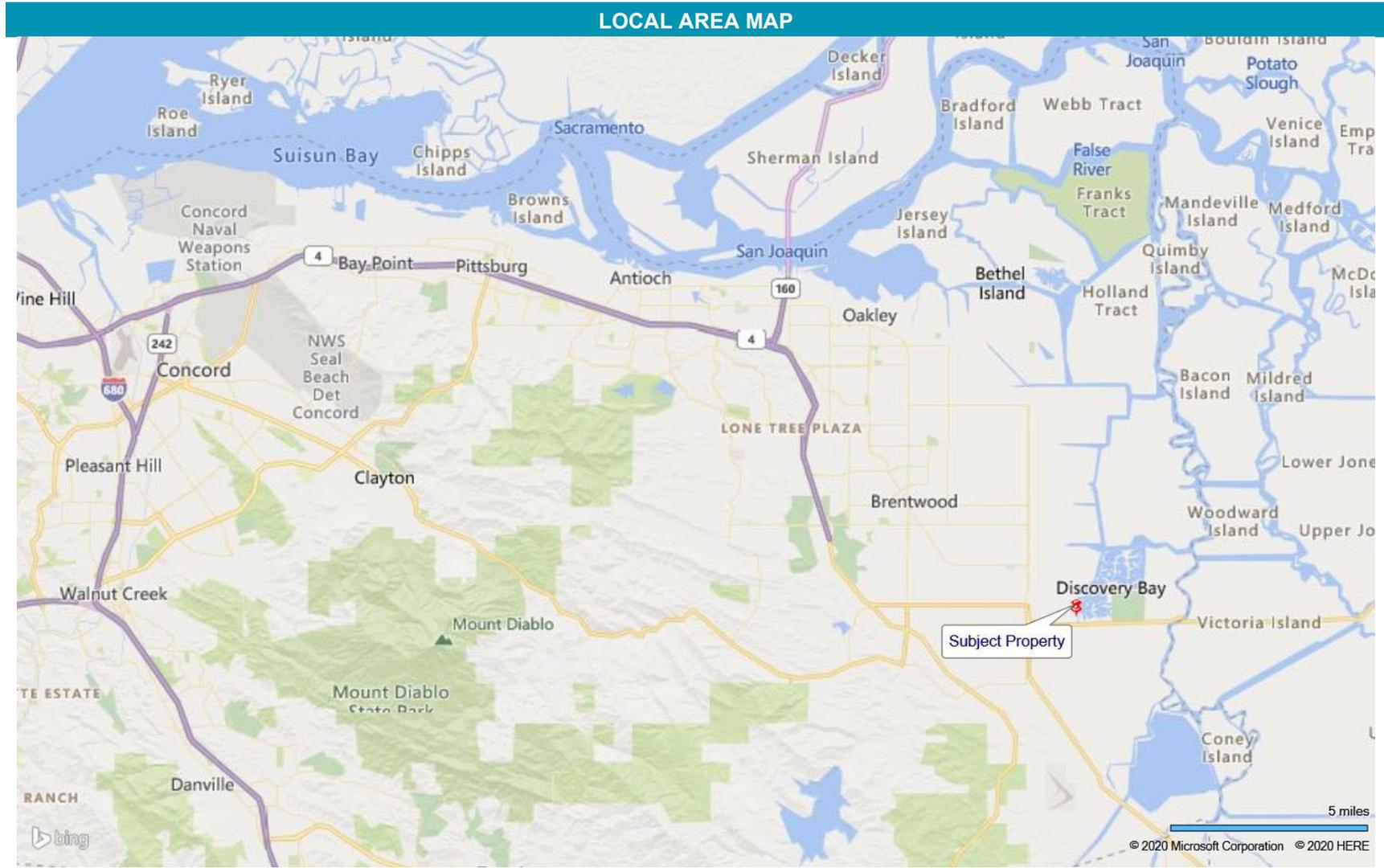
This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Typical purchasers do not generally rely on the Cost or Income Capitalization Approaches when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach or the Income Capitalization Approach to develop an opinion of market value. The exclusion of these approaches to value does not reduce the credibility of the assignment results.

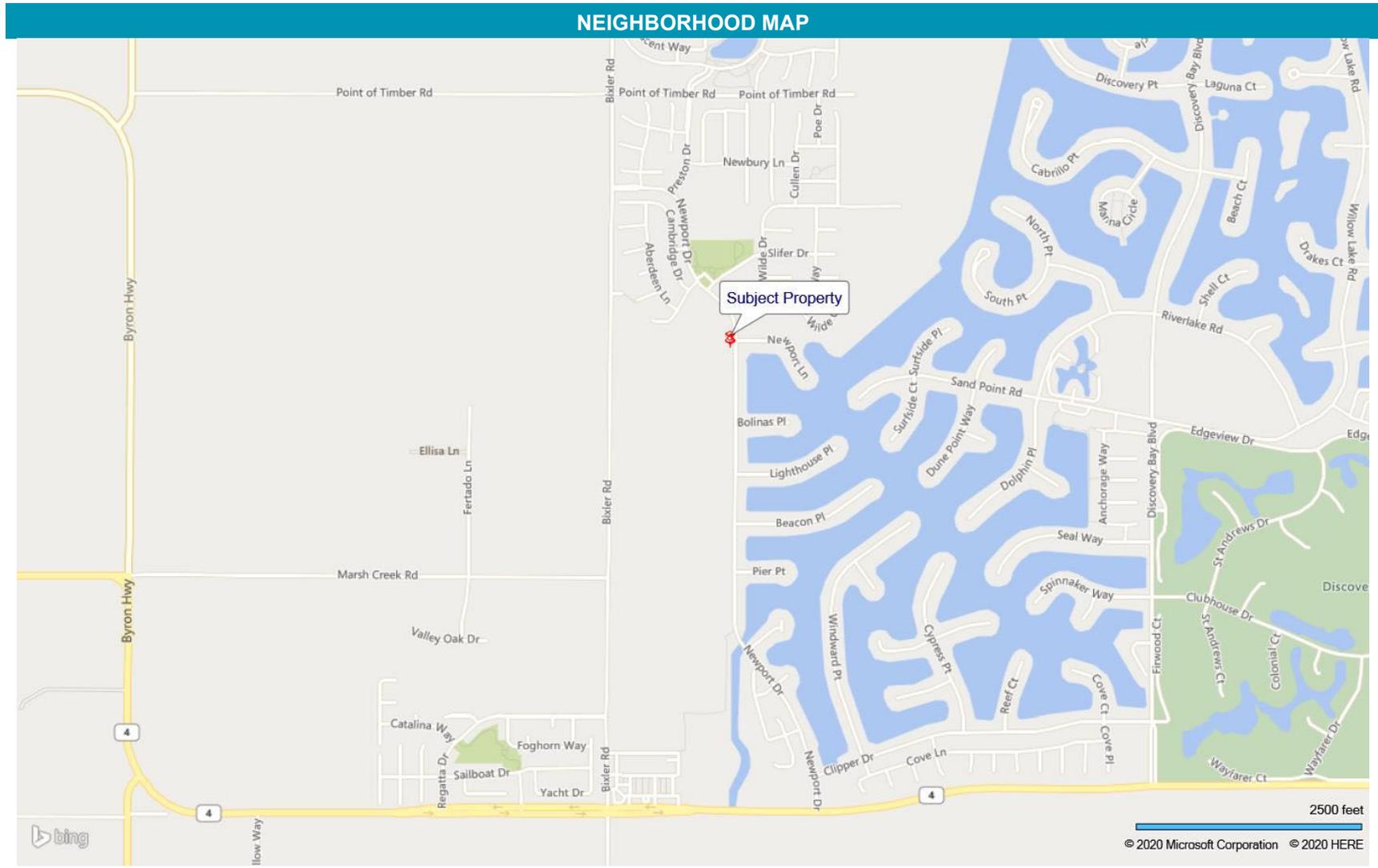
The subject property being valued is a permanent easement for ingress/egress purposes. Due to its small size, current zoning and planned use, it has no development potential. In determining the value of the permanent easement, it is valued as part of the "larger site" which is based on the highest and best use as assemblage with the adjacent two parcels that have a total of 20 gross acres and have Tentative Map approvals in place for development with a 67-unit single family residential subdivision. The market value of the larger site will be based on the Sales Comparison Approach. The resulting per square foot of land area value for the larger site will then be applied to the subject site area only to conclude a market value of the fee simple interest in the subject site. The applicable adjustment for the permanent easement versus fee ownership will then be made to arrive at a value for the permanent easement on the entire subject site.

Regional Location



Local Area Analysis





Location Overview

The property is located in the Town of Discovery Bay, an unincorporated area in Contra Costa County. Generally, the boundaries of the immediate area are Orwood Road to the north, Highway 4 to the south, sloughs to the east and Highway 4 to the west. The subject is located three miles from Downtown Discovery Bay.

Neighborhood Analysis

Discovery Bay is a mixed-use area comprised of older and newer single family residential homes primarily on lots adjacent to, or along, waterways. Some newer developments are located farther from water access along the periphery of the neighborhood. The waterways are a mix of man-made, enclosed lakes and natural sloughs leading to bay waters. There are some multi-family and commercial uses intermixed. The central area of Discovery Bay consists of residential uses surrounding a series of coves, a golf course and a mix of smaller commercial uses. The Discovery Bay Country Club and golf course dominates the southeast quadrant of the area.

The local population (3.0-mile radius) increased a compound annual rate of 2.69 between 2000 and 2019. Expanding to the total trade area (5.0-mile radius), population is expected to increase 1.22 percent per annum over the next five years.

Nearby and Adjacent Uses

The subject property is located outside the central portion of Discovery Bay, to the south of the Slifer Park residential neighborhood. Adjacent uses include:

- East - Single family residential neighborhoods with waterway access
- West - Open space, agriculture lands
- North - Residential neighborhoods with no waterway access
- South - Open space, agriculture lands.

Special Hazards or Adverse Influences

We observed no detrimental influences in the local market area, such as landfills, flood areas, noisy or air polluting industrial plants, or chemical factories.

Per a current FEMA map, the subject site and areas to the west and north surrounding the subject are impacted by Special Flood Hazard areas. As a condition of approvals for the Tentative Map of the Newport Pointe residential subdivision on the adjacent parcels, A floodplain permit will need to be obtained and approximately 5.5 feet of fill dirt will be needed to lift the portion of the site planned for the houses out of the flood plain. For the subject site, a short bridge will be constructed to span the existing water ditch between the existing public street access and the residential subdivision site but no fill will be brought in for the subject area. According to the approvals by Contra Costa County “the raising of a building site by means of fill dirt is typical for residential development in the Discovery Bay area”.

Land Use Changes

The Town of Discovery Bay identifies two residential projects that will add to the residential inventory in the immediate area. Newport Pointe is a 67-unit single-family residential project located immediately west of Newport Drive at Newport Lane and adjacent to the subject site. The Pantages at Discovery Bay development is a 277-unit, single family deep water subdivision. It will be located at the end of Timber Point Road and Kellogg Creek.

The Highway 4 widening project in the East Contra Costa County corridor was completed in 2016 and 2017 with seven total projects, including lane additions, on- and off-ramp construction and the East Contra Costa Bay Area

Rapid Transit Extension Project (eBART). The projects totaled approximately \$1.3 billion in transit improvements for the area. Completion of the projects has helped ease existing traffic congestion, accommodate future travel demand, and increase rapid transit service to the area. These benefits will have a positive effect on economic development. The widening projects were scheduled for completion in fall 2015, but were extended through the summer of 2016 due to construction delays. However, some sections of the expansion were completed in 2015 and in early 2016. The eBART project was completed in 2017.

Access

Local area accessibility is generally good, relying on the following transportation arteries:

- Local:** Highway 4 is the main east/west route serving the area, while Bixler Road is the primary north/south route serving the western portion of the neighborhood. Highway 4 intersects with Bixler Road, Newport Drive, and Discovery Bay Boulevard, the latter of which is the primary entrance to the central area of Discovery Bay.
- Regional:** Highway 4 is an east-west commute arterial providing access to Stockton and Sacramento to the east via Interstate 5. To the west, Highway 4 provides access to the greater San Francisco Bay Area via Interstate 680. The main portion of Highway 4 is approximately 10 miles northwest in the area of the City of Antioch.

In addition to the road system, the local area is also served by Tri Delta Transit bus service with stops located along major thoroughfares. The Pittsburg/Bay Point BART Station is located northwest of Discovery Bay in the City of Pittsburg along Highway 4. The Antioch BART Station, the new terminus for the line serving East Contra Costa County, opened in May 2018. It is located east of Hillcrest Avenue along Slatten Ranch Road near Highway 4.

Conclusion

Overall, the subject is well located along a main north-south thoroughfare in Discovery Bay. This area of Discovery Bay is comprised of newer single family residential subdivisions that are in average to good condition. Commercial uses are in close proximity approximately one mile to the south at the northeast corner of Bixler Road and Highway 4. There is still vacant and/or agricultural land available in the neighborhood for future commercial and residential development. Freeway access is considered average because, although the Highway 4 Bypass has improved freeway access to the greater area, it is approximately a 10-mile distance to the main portion of Highway 4 in Antioch. Overall, there is potential for continual growth in the area, and the long-term outlook of the neighborhood appears cautiously positive.

Housing Market Analysis

Introduction

The subject property is located in the town of Discovery Bay, an unincorporated area of Contra Costa County. The owner-developer of the adjacent 20 acre development site plans to purchase a permanent ingress/egress easement over the entire subject site for use as the main public entrance to their project. This development has Tentative Map approvals for 67 single family lots to be improved with detached houses. As such, in the following sections, we will discuss the market for new and existing homes within the local market as well as the region, which will influence the value for the subject site as a part of the whole development site.

Discovery Bay Residential For-Sale Market

The table below shows median resale pricing trends for the Town of Discovery Bay and Contra Costa County, as well as the year-over-year changes from the same month on year prior. This is followed by a table that summarizes the number of sales in Discovery Bay and the County over the same period. This data spans the six-month period between November 2019 and April 2020.

	DISCOVERY BAY MEDIAN PRICE	% CHG FROM PREVIOUS YEAR	CONTRA COSTA COUNTY MEDIAN PRICE	% CHG FROM PREVIOUS YEAR
Apr 2020	\$613,500	11.5%	\$645,000	3.6%
Mar 2020	\$619,000	6.7%	\$631,000	4.3%
Feb 2020	\$544,500	-6.9%	\$585,000	-1.6%
Jan 2020	\$580,000	-6.3%	\$575,500	4.5%
Dec 2019	\$570,000	0.7%	\$605,000	6.1%
Nov 2019	\$592,000	-7.5%	\$615,000	2.5%

	DISCOVERY BAY NO OF SALES	CONTRA COSTA COUNTY NO OF SALES
Apr 2020	40	844
Mar 2020	37	1,199
Feb 2020	26	930
Jan 2020	25	885
Dec 2019	36	1,211
Nov 2019	30	1,165

According to statistics compiled by CoreLogic, the year-over-year median price in Contra Costa County has increased year-over-year for five of the past six months. The median price in Discovery Bay has increased year-over-year in the past two previous months but had shown declines for the four months between November 2019 and February 2020.

Residential Supply and Demand

The housing market within Contra Costa County has historically included a mix of single-family attached and detached housing. According to State Department of Finance figures, approximately 66 percent of all housing units in the County are single family detached. Available land has led to significant expansion of the detached housing base in the eastern portion of the County. In recent years, new construction in the County has been a mix of primarily single-family detached units in the eastern portion of the county and attached and small-lot units in more developed areas in the central and west county areas.

According to the Town of Discover Bay's website, Discovery Bay "was established in the early 1970s as a mostly weekend and summer resort community". It was a planned waterfront community with many of the houses representing second homes for owners that had their primary residence closer to the employment centers of San Francisco and Oakland, as well as the 680-corridor. In 1998, the Town was officially formed as a California Community Services District (CSD). New home developments occurred on the western side of the town with no waterfront access but centered around main parks or man-made lakes/water areas for aesthetics but no recreational use. Many of the homes in these areas now serve as the primary residence to the owners and supporting commercial (a Safeway anchored retail shopping center) and educational facilities are in close proximity.

Discovery Bay is located at the eastern end of Contra Costa County. It is within commuting distance to Walnut Creek to the west, the Tri-Valley to the southwest, Oakland to the southwest and San Francisco to the west. Its proximity to job centers and ongoing new home development have resulted in steady increases in populations over the past decade. As Discovery Bay is in the unincorporated County area, no specific statistics are broken out by the California Department of Finance (DOF). In looking at the neighboring city of Brentwood to the west, according to the DOF, in the period between January of 2010 and 2019, the city added 3,086 residential units, for a 17.6 percent increase in the total housing inventory. As of January 1, 2019, there were 20,609 total housing units within the City. Of this total, 18,241 units or 89 percent were single family detached homes, 625 units or 3 percent were single family attached homes, and 1,389 units or 7 percent were multifamily units. The remaining 354 units or 1 percent represent mobile homes. New residential developments in Brentwood built in recent years have primarily been detached single-family projects. Discovery Bay is smaller than Brentwood but generally of similar composition.

There has been relatively no new home development in Discovery Bay over the past several years, as most has occurred in nearby Brentwood. It should be noted that the planned residential subdivision on the adjacent 20 acres to the subject was approved by the County Board of Supervisors in June 2013. The approvals were valid for three years, or through June 2016. A request for extension to file for a Final Map was received in May 2016 by the then ownership and the County granted the extension to June 2019. In March 2019, the current owner submitted another request to extend the filing period for a Final Map for an additional two years through June 2021. This extension was granted in April 2019 and the current ownership is reported to be working on meeting the conditions of approval. However, the lack of commencement of construction over the past seven years appears to indicate that market conditions have not been strong enough to make development financially feasible.

Market Effects of Covid-19

The median home price in Contra Costa County has historically been slightly higher than that of Discovery Bay. Discussions with, and reports published by, area realtors revealed that due to the Covid-19 shelter in place situation in March and April 2020 and acceptance of working remotely by many companies, there has been both increased

interest and continued sales of residential units in suburban areas. While interest rates are low, there is also uncertainty in the job/employment market and correspondingly to income stability for potential buyers. Area realtors are cautious in the short term outlook until some stability returns to the economic and employment markets upon full opening of the region and state.

Conclusion

Overall, based on the analysis of current market conditions and economic forecasts, and considering the planned development on the subject property, the short term outlook for the subject as a residential development site is considered to be cautious as the marketplace adjusts to the impacts from the Covid-19 shutdown and gradual lifting of the shelter-in-place restrictions imposed by the State and local governments. However, there is potential for a long-term positive outlook based on the limited amount of directly competing new existing product in the market area.

Legal Description of
Easement Area:

EXHIBIT "A"

PROPOSED PUBLIC INGRESS/EGRESS & UTILITY EASEMENT

LEGAL DESCRIPTION

All that real property being a portion of Parcel "A" as shown on that map of Subdivision 7140 file for record in Book 385 of Maps at Page 43, Contra Costa County Records, situate in the east half of the southwest quarter of Section 26, Township 1 North, Range 3 East, Mount Diablo Meridian, County of Contra Costa, State of California, being more particularly described as follows:

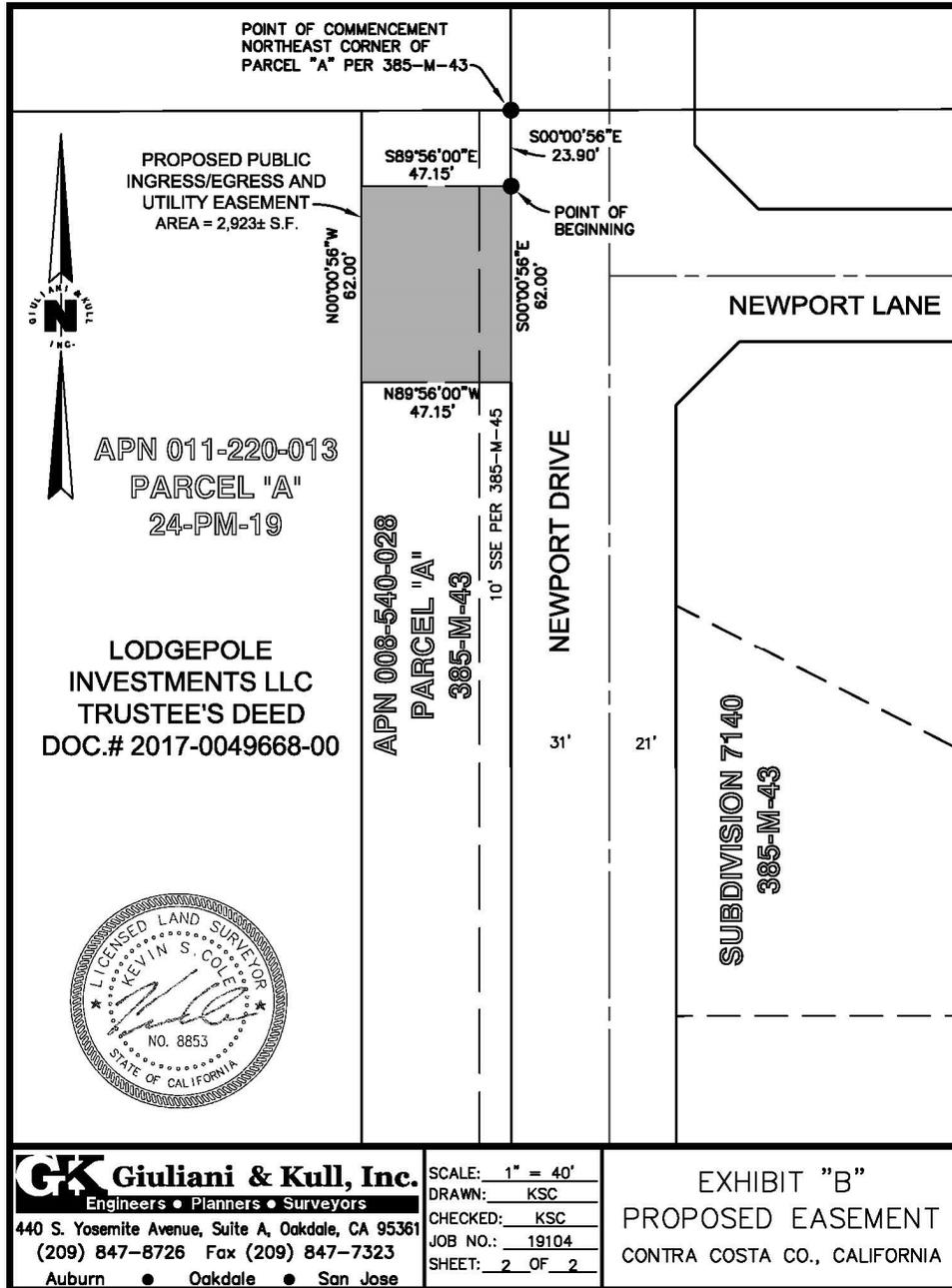
Commencing at the northeast corner of said Parcel "A"; thence along the east line of said Parcel "A" South 00°00'56" East 23.90 feet to the POINT OF BEGINNING; thence leaving said east line North 89°56'00" West 47.15 feet to the west line of said Parcel "A"; thence along said west line North 00°00'56" West 62.00 feet; thence leaving said west line South 89°56'00" East 47.15 feet to the Point of Beginning.

All as shown on attached Exhibit "B" and made a part hereof and containing 2,923 square feet, more or less.

END DESCRIPTION



EASEMENT SITE PLAN



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Real Property Taxes and Assessments

Current Property Taxes

The subject property is located in the taxing jurisdiction of Contra Costa County, and the assessor's parcel identification for the parcel containing the subject site is APN: 008-540-028 (Portion).

The assessment and taxes for the larger parcel containing the subject property are presented in the following table:

PROPERTY ASSESSMENT INFORMATION	
Assessor's Parcel Number:	008-540-028 (Portion)
Assessing Authority:	Contra Costa County
Current Tax Year:	2019-2020
ASSESSMENT INFORMATION	
Assessed Value	Totals
Land:	\$0
Improvements:	\$0
Total:	Property is exempt due to public entity ownership
TAX LIABILITY	
Tax Code Area:	60013
Ad Valorem Tax Rate for 2019-2020	1.10760%
<i>Compiled by Cushman & Wakefield Western, Inc.</i>	

As the ownership of the larger parcel containing the subject (the Town of Discovery Bay) is a public entity, it is exempt from ad valorem taxes. The subject property is located in Tax Code Area 60013, which has an ad valorem tax rate of 1.1076 percent for the 2019-2020 fiscal year. While the subject site as affected by the permanent easement will be part of the Newport Pointe residential subdivision upon build-out, it is planned for use as ingress/egress and likely will remain unassessed and/or taxed for ad valorem tax purposes.

General Plan and Zoning

General Information

The land use designations for the Newport Pointe and larger parcel containing the subject are governed by Contra Costa County. The General Plan and Zoning designations for the parcels comprising the Newport Pointe development site and larger parcel containing the subject property are summarized in the following table:

GENERAL PLAN AND ZONING

Municipality Governing Zoning:	Contra Costa County
General Plan Land Use:	Open Space
Current Zoning:	P-1
Proposed Use:	Easement - Right-of-Way
Is Proposed Use Permitted?	Yes
Change in Zone Likely:	No

Compiled by Cushman & Wakefield Western, Inc.

We analyzed the zoning requirements in relation to the subject property, and considered the compliance of the proposed use. We are not experts in the interpretation of complex zoning ordinances but based on our review of public information, the planned ingress/egress easement covering the entire subject property appears to be a complying use. Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

This appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment

Valuation

Highest and Best Use

Highest and Best Use of Site as Vacant

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as vacant is for development with assemblage with adjacent 20 acres for development with a 67-unit single family residential development as market conditions warrant..

Most Likely Buyer

The subject's size, type, and configuration make the owner-developer of the adjacent Newport Pointe the only likely buyer of the easement. Without the easement, the adjacent development site has no legal access from a public roadway. And as a stand-alone site, the subject is too small for any development.

Valuation of the Subject Easement

Methodology

The subject property being valued is a permanent easement for ingress/egress purposes. Due to its small size, current zoning and planned use, it has no development potential. In determining the value of the permanent easement, it is valued as part of the "larger site" which is based on the highest and best use as assemblage with the adjacent two parcels (Contra Costa County Assessor Parcel Nos. 011-220-013 and -014) that have a total of 20 gross acres and Tentative Map approvals in place for development with a 67-unit single family residential subdivision. The market value of the larger site will be based on the Sales Comparison Approach. The resulting per square foot of land area value for the larger site will then be applied to the subject site area only to conclude a market value of the fee simple interest in the subject site. The applicable adjustment for the permanent easement versus fee ownership will then be made to arrive at a value for the permanent easement on the entire subject site.

We used the Sales Comparison Approach to develop an opinion of land value. We analyzed prices buyers have recently paid for single family residential development sites. A summary chart of the comparables as well as our analysis of the sales is presented on the following pages.

More detailed land sale data sheets are presented in the Addenda of this report.

Analysis of Comparable Data

Property Rights Conveyed

As we are first valuing the larger parcel in fee and all the land sales represent the transfer of fee simple interests, no adjustments are made for property rights conveyed.

Conditions of Sale

Based upon the data analyzed, no adjustments were necessary.

Financial Terms

All of the comparables were reported, or assumed, to have sold as all-cash-to seller transactions. Therefore, adjustments were not applicable for this category.

Market Conditions

The comparable data analyzed occurred between June 2015 and December 2018. The market saw appreciation between 2015 and 2019 when market conditions slowed. As of March 2020 when the Covid-19 pandemic caused a statewide shelter in place order, the market has seen no reported change. No sales have occurred to demonstrate if any downward trends are evident for land in the marketplace. Thus, we have projected no growth from this date of inflection.

Location

Adjustments were made as follows:

- Locational adjustments were based on comparison of average sale price for the land sales in comparison to the subject as published by CoreLogic and Zillow. Land Sales 2 and 3 are in superior locations in the City of Brentwood while Land Sales 4 and 5 are in areas with lower achieved home prices, supporting upward adjustments.

Size

In this instance, the following adjustments were applied:

- Land Sale 1 has a much smaller site size than the entire Newport Pointe development area, supporting a downward adjustment. The site size of Land Sale 2 is also smaller but warrants a lesser downward adjustment.
- The larger size of Land Sale 3 indicated an upward downward for its larger size.

Public Utilities

In this instance, adjustments were not considered necessary.

Density

Density has an inverse relationship with price per unit while on a price per square foot of land area, density has a direct relationship with this price metric. Based on the densities allowed under zoning or the approvals on each of the sale sites, the following adjustments were applied:

- The zoning of Land Sale 1 allows for a lower density than at Newport Pointe indicating a downward adjustment.
- The higher approved densities of Land Sales 4 and 5 warrant upward adjustments in comparison to the entire Newport Pointe development site.

Other

The following adjustments were applied:

- Land Sales 3 and 5 represented purchases of finished lots with Final Map approvals at the time of sale. Typically, the costs associated with all approvals and finished lots are between 30 and 50 percent of those development sites with Tentative Map approvals in place only. As such, a downward adjustment of 40 percent was concluded based on both of these sales.

SUMMARY OF LAND SALES														
PROPERTY INFORMATION									TRANSACTION INFORMATION					
No.	Location	Size (SF)	Size (Acres)	No. of Units	Density (DU/Ac)	Proposed Use	Zoning	Site Utility	Grantor	Grantee	Sale Date	Sale Price	\$/SF Land	\$/Unit
S	Newport Pointe Dev Site	874,123	20.07	67	3.3	Residential-Single-Family	P-1	Good						
1	5019 Myrtle Drive Concord, CA	177,725	4.08	9	2.2	Residential-Single-Family	R-20	Fair	Jacqueline M Seeno Revocable Trust	Myrtle Creek Estates LLC	12/18	\$1,000,000	\$5.63	\$111,111
2	Catchings Ranch Balfour Road and Minnesota Ave Brentwood, CA	349,787	8.03	24	3.0	Residential-Single-Family	R-1	Average	Brentwood 24 Investors, LP	Catchings Ranch, LLC	6/18	\$2,600,000	\$7.43	\$108,333
3	Palmilla Central Blvd Brentwood, CA	1,778,555	40.83	202	4.9	Residential-Single-Family	R2	Average	Plamilla Project Owner LLC	Pulte Home Corp	8/16	\$16,100,000	\$9.05	\$79,703
4	5198 Business Center Drive Fairfield, CA	309,276	7.10	53	7.5	Residential-Single-Family	RM	Average	Jayo Properties LP	TRI Pointe Homes Inc	3/16	\$2,650,000	\$8.57	\$50,000
5	Aspen at Emerson 650 East Cypress Road Oakley, CA	642,946	14.76	104	7.0	Residential-Single-Family	P-1	Average	Brookfield Emerson Land, LLC	East County Communities, LLC	6/15	\$10,088,000	\$15.69	\$97,000
STATISTICS														
Low		177,725	4.08	9	2.2						6/15	\$1,000,000	\$5.63	\$50,000
High		1,778,555	40.83	202	7.5						12/18	\$16,100,000	\$15.69	\$111,111
Average		651,658	14.96	78	4.9						2/17	\$6,487,600	\$9.27	\$89,229

Compiled by Cushman & Wakefield Western, Inc.

LAND SALES ADJUSTMENT GRID

LAND SALES ADJUSTMENT GRID														
Economic Adjustments (Cumulative)							Property Characteristic Adjustments (Additive)							
No.	Price Per Unit	Property Rights Conveyed	Conditions of Sale	Financing	Market ⁽¹⁾ Conditions	Per Unit Subtotal	Location	Size	Public Utilities	Density	Other	Adj. Price Per Unit	Adj. Price PSF Land	Overall
1	\$111,111 12/18	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 3.8%	\$115,279 3.8%	Similar 0.0%	Smaller -10.0%	Similar 0.0%	Superior -2.5%	Similar 0.0%	\$106,633 -7.5%	\$5.40 -7.5%	Superior
2	\$108,333 6/18	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 6.1%	\$114,965 6.1%	Superior -7.5%	Smaller -5.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$100,594 -12.5%	\$6.90 -12.5%	Superior
3	\$79,703 8/16	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 16.4%	\$92,779 16.4%	Superior -7.5%	Larger 10.0%	Similar 0.0%	Similar 0.0%	Superior -40.0%	\$57,987 -37.5%	\$6.59 -37.5%	Superior
4	\$50,000 3/16	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 18.4%	\$59,215 18.4%	Inferior 10.0%	Similar 0.0%	Similar 0.0%	Inferior 5.0%	Similar 0.0%	\$62,176 5.0%	\$10.66 5.0%	Inferior
5	\$97,000 6/15	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 23.3%	\$119,610 23.3%	Inferior 5.0%	Similar 0.0%	Similar 0.0%	Inferior 5.0%	Superior -40.0%	\$65,786 -45.0%	\$10.64 -45.0%	Superior
	\$50,000 - Low											Low - \$57,987	\$5.40	
	\$111,111 - High											High - \$106,633	\$10.66	
	\$89,229 - Average											Average - \$78,635	\$8.04	

Compiled by Cushman & Wakefield Western, Inc.

(1) Market Conditions Adjustment Footnote

See Variable Growth Rate Assumptions Table
Date of Value (for adjustment calculations): 6/8/20

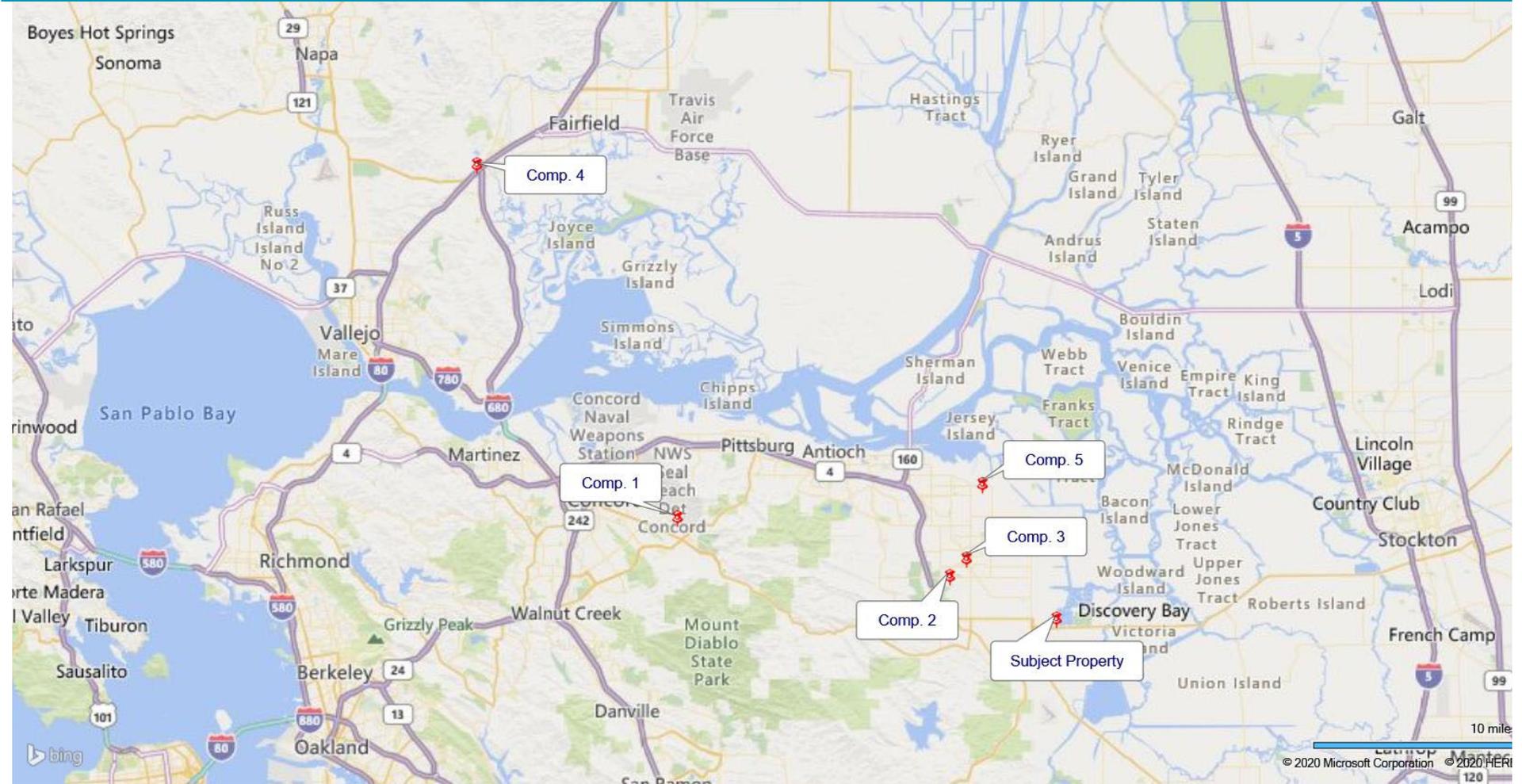
(2) Utility Footnote

Utility includes shape, access, frontage and visibility.

Variable Growth Rate Assumptions

Starting Growth Rate:	5.0%
Inflection Point 1 (IP1):	1/1/2019
Change After IP1:	3.0%
Inflection Point 2 (IP2):	3/1/2020
Change After IP2:	0.0%

LAND SALES LOCATION MAP



Conclusion of Easement Value

The adjustments applied to the land sales in the Land Sales Adjustment Chart reflect what we determined is appropriate in the marketplace. Despite the subjectivity, the adjustments were considered reasonable and were applied consistently.

After a thorough analysis, the comparable land sales reflect adjusted unit values ranging from \$57,987 per unit to \$106,633 per unit, with an average of \$78,635 per unit. We placed greatest reliance on Sales 2, 3 and 5 as they are in the subject's more immediate area and are considered to have less subjectivity in their adjustments. The weakness reflected by Land Sale 1 is the lack of entitlements and attractiveness as a single estate-type property. Therefore, based on our analysis of the land sales, we concluded that the indicated fee simple land value by the Sales Comparison Approach for the larger parcel was \$70,000 per unit. Based on the approved total of 67 units, the resulting indicated market value of the fee simple interest for the larger single family development site with Tentative Map approvals and public access was \$4,690,000.

The larger site, comprised of the Newport Pointe development and subject site to provide public access, has 20.07 gross acres, or 874,123 square feet. Thus, the above concluded fee simple market value for the larger site of \$4,690,000 equates to \$5.37 per square foot of land area. As a check of reasonableness, this indicated per square foot value is within the range of the adjusted values indicated by the five land sales.

The per square foot value of \$5.37 is now applied to the subject site size of 2,923 square feet to arrive at an indicated market value of the fee interest. The resulting value is \$15,685. It should be noted that although no development is allowed on the subject site, it provides legal access to the main development area of the larger site.

The subject site is in negotiations to be purchased by the owner-developer of the adjacent Newport Pointe development property as a permanent easement for ingress/egress, and utility lines, purposes from Newport Drive. This easement will provide the development legal access from a public street. The permanent easement removes any rights to use or develop (if possible) the subject site. However, the subject will not be owned in fee by the adjacent property owner.

Therefore, based on our analysis and the reasons stated above, we have concluded that the value of the easement is 95 percent of the value of the fee value of the subject site encumbered by the easement. The resulting value of the permanent easement on the entire subject property is estimated to be as follows:

MARKET VALUE CONCLUSION	Price Per Acre
Unit Value - After	\$70,000
Unit Measure (Dwelling Units)	x 67.00
Indicated Value of SFR Dev Site with TM approvals and public access	\$4,690,000
Total SFR Dev Site with public access	874,123
Value of SFR Dev Site on PSF Basis	\$5.37
Subject Site Size (SF)	x 2,923
Indicated Market Value of Subject Site - Fee Simple	\$15,685
Percentage of Fee:	95%
Indicated Value of Permanent Easement:	\$14,900
LAND VALUE CONCLUSION (ROUNDED)	\$15,000

Compiled by Cushman & Wakefield Western, Inc.

Final Value Opinion

Valuation Methodology Review and Reconciliation

This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Typical purchasers do not generally rely on the Cost or Income Capitalization Approaches when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach or the Income Capitalization Approach to develop an opinion of market value. The exclusion of these approaches to value does not reduce the credibility of the assignment results.

Value Conclusion			
Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Value of Permanent Easement	Permanent Easement	June 8, 2020	\$15,000

Compiled by Cushman & Wakefield Western, Inc.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification

I certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Melissa J. Bach, MAI, CRE did make a personal inspection of the property that is the subject of this report.
- Melissa J. Bach, MAI, CRE has not provided prior services, as an appraiser or in any other capacity, within the three-year period immediately preceding acceptance of this assignment.
- No one provided significant real property appraisal assistance to the persons signing this report.
- As of the date of this report, Melissa J. Bach, MAI, CRE has completed the continuing education program for Designated Members of the Appraisal Institute.



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Executive Director
CA Certified General Appraiser
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Addenda Contents

- Addendum A: Glossary of Terms & Definitions
- Addendum B: Comparable Land Sale Data Sheets
- Addendum C: Qualifications of the Appraiser

Addendum A:

Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Sixth Edition (2015), published by the Appraisal Institute, Chicago, IL, as well as other sources.

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. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

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.

Cash Equivalency

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

Depreciation

1. 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. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

Disposition Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made in the limited time allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 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.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. In the case of Disposition value, the seller would be acting under compulsion within a limited future marketing period.

Ellwood Formula

A yield capitalization method that provides a formulaic solution for developing a capitalization rate for various combinations of equity yields and mortgage terms.

The formula is applicable only to properties with stable or stabilized income streams and properties with income streams expected to change according to the J- or K-factor pattern. The formula is

$$RO = [YE - M (YE + P / S n^{\gamma} - RM) - \Delta O / S n^{\gamma}] / [1 + \Delta I / J]$$

where

RO = Overall Capitalization Rate

YE = Equity Yield Rate

M = Loan-to-Value Ratio

P = Percentage of Loan Paid Off

$1/S n^{\gamma}$ = Sinking Fund Factor at the Equity Yield Rate

RM = Mortgage Capitalization Rate

ΔO = Change in Total Property Value

ΔI = Total Ratio Change in Income

J = J Factor

Also called mortgage-equity formula.

Exposure Time

1. The time a property remains on the market. 2. The estimated length of time 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; a retrospective estimate based on an analysis of past events assuming a competitive and open market. See also marketing time.

Extraordinary Assumption

An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

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.

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

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.

Hypothetical Conditions

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.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Insurable Replacement Cost/Insurable Value

A type of value for insurance purposes.

Intended Use

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User

The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

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 (i.e., a lease).

Leasehold Interest

The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.

Liquidation Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a severely limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- The buyer is acting in what he or she considers his or her best interest.
- A limited marketing effort and time will be allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 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.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. Under market value, the seller would be acting in his or her own best interests. The seller would be acting prudently and knowledgeably, assuming the price is not affected by undue stimulus or atypical motivation. In the case of liquidation value, the seller would be acting under extreme compulsion within a severely limited future marketing period.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

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. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

Mortgage-Equity Analysis

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

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.

Prospective Value upon Reaching Stabilized Occupancy

The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

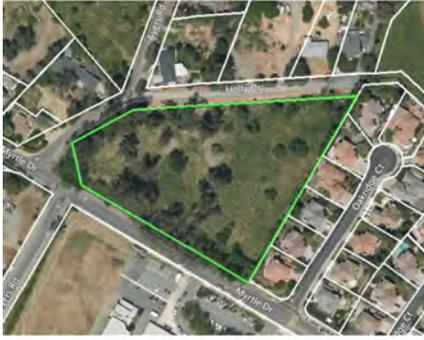
¹ "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

Special, Unusual, or Extraordinary Assumptions

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

Addendum B: Comparable Land Sale Data Sheets

Address: 5019 Myrtle Drive
 City, State, Zip: Concord CA 94521
 Jurisdiction: Contra Costa
 MSA: Oakland
 Submarket:
 Property Type: Land
 Property Subtype: Residential (Single-Family)
 Classification: N/A
 ID: 545299
 Master Plan: N/A
 Tract/Plat Map: N/A
 Planning Area: N/A
 Tax Number(s): N/A



SITE INFORMATION

Gross Site Area (Acres / Sq.Ft.):	4.0800	177,725	Public Utilities:	Partially Available
Net Residential Area (Acres / Sq.Ft.):	4.0800	177,725	Electricity:	No
Zoning:		R-20	Water:	Yes
Utility:		Fair	Sewer:	No
Access:		Average	Gas:	No
Frontage:		Fair	Proposed Use:	Residential-Single-Family
Visibility:		Average	Number of Units:	N/A
Shape:		Irregular	Base/Min Lot Size (Acres / Sq.Ft.):	0.00 0
Topography:		Level	Base/Min Front Foot:	N/A
Physical Condition:		Average	Base/Min Lot Dimensions (Ft):	N/A
Entitlements:		No	Units per Acre (Gross / Net):	N/A N/A
Premium Potential:		N/A	Tax Rate/Special Assessments:	N/A
Premium Type:		N/A		
No. Premium Lots:		N/A		
Lot Premium:		N/A		

IMPROVEMENT INFORMATION

Product Type:		N/A	HOA Dues (per Month/per Year):	N/A	N/A
Retail Pricing (Min,Avg,Max):	N/A	N/A	Amenities:		N/A
Home Size (Min,Avg,Max):	N/A	N/A	Gated:		No
Commercial Space (SqFt):		N/A	School District:		N/A

SALE INFORMATION

Status:	Closed Sale	Price per Sq.Ft.:	\$5.63
Sale Date:	12/2018	Price per Acre:	\$245,098
DOM / Exposure Time:	N/A	Price per Unit:	N/A
Sale Price:	\$1,000,000	Cost to Finished Lot (per Unit):	N/A
Grantor:	Jacqueline M Seeno Revocable Trust	Price per Finished Lot:	N/A
Grantee:	Myrtle Creek Estates LLC	Price per Finished Front Foot:	N/A
Financing:	Cash to seller	Fees at Permit (per Unit):	N/A
Document N	N/A	Price per Finished Lot (with FAP):	N/A
Value Interest:	Fee Simple	Retail Price per Finished Lot:	N/A
Buyer Intention:	N/A	Finished Lot to Home Price Ratio:	N/A
Bulk / Rolling:	N/A	Finished Lot to Home Price Ratio (with FAP):	N/A
Avg. Takedown Rate per Quarter:	N/A		
Escalator Amount:	N/A		
Rolling Options	N/A		
Ground Lease:	No		

VERIFICATION COMMENTS

Public records / offering materials / MLS

COMMENTS

Sale of a single parcel of land within the boundaries of Concord. Views of Mt. Diablo from the site. The property has fair site utility and partially available public utilities. There are no entitlements in place at the time of sale allowing for subdivision development.

Property Name: Catchings Ranch
 Address: Balfour Road and Minnesota Ave
 City, State, Zip: Brentwood CA 94513
 Jurisdiction: Contra Costa
 MSA: Oakland
 Submarket: Contra Costa CA-Antioch/Brentwood
 Property Type: Land
 Property Subtype: Subdivision-Residential
 Classification: N/A
 ID: 474102
 Tax Number(s): 012-030-025,012-030-007



PROPERTY INFORMATION

Site Area (Acres):	8.0301	Public Utilities:	All Available
Site Area (Sq.Ft.):	349,787	Electricity:	Yes
Zoning:	R-1	Water:	Yes
Utility:	Average	Sewer:	Yes
Access:	Average	Gas:	Yes
Frontage:	Good	Proposed Use:	Residential-Single-Family
Visibility:	Average	Maximum FAR:	N/A
Shape:	Irregular	Potential Building Area:	N/A
Topography:	Level	Potential Units::	24
Entitlements:	No		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	102738	NOI:	N/A
Sale Date:	6/2018	Price per Sq.Ft.:	\$7.43
Sale Price:	\$2,600,000	Price per Acre:	\$323,782
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	Brentwood 24 Investors, LP	Price per Potential Units:	\$108,333
Grantee:	Catchings Ranch, LLC		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

LandCastle Offering Memorandum / Recorded Deed # 102738 / CoStar / Public records

COMMENTS

This is the sale of a two-parcel site with Tentative Map approval for 24 detached homes. The lots average 10,250 square feet with three house plans ranging from 2,920 to 3,735 square feet. The permit and Final Map fees were estimated at \$85,000 per lot including the school fee. The costs to finished lot were estimated at \$78,000 per lot.



Property Name: Palmilla
 Address: Central Blvd
 City, State, Zip: Brentwood CA
 Jurisdiction: Contra Costa
 MSA:
 Submarket:
 Property Type: Land
 Property Subtype: Residential (Single-Family)
 Classification: N/A
 ID: 367560
 Master Plan: N/A
 Tract/Plat Map: N/A
 Planning Area: N/A
 Tax Number(s): N/A

SITE INFORMATION

Gross Site Area (Acres / Sq.Ft.):	40.8300	1,778,555	Public Utilities:	All Available
Net Residential Area (Acres / Sq.Ft.):	40.8300	1,778,555	Electricity:	Yes
Zoning:		R2	Water:	Yes
Utility:		Average	Sewer:	Yes
Access:		Average	Gas:	Yes
Frontage:		N/A	Proposed Use:	Residential-Single-Family
Visibility:		Average	Number of Units:	202
Shape:		Irregular	Base/Min Lot Size (Acres / Sq.Ft.):	0.00 0
Topography:		Level	Base/Min Front Foot:	N/A
Physical Condition:		N/A	Base/Min Lot Dimensions (Ft):	N/A
Entitlements:		Yes	Units per Acre (Gross / Net):	4.95 N/A
Premium Potential:		Average	Tax Rate/Special Assessments:	N/A
Premium Type:		N/A		
No. Premium Lots:		N/A		
Lot Premium:		N/A		

IMPROVEMENT INFORMATION

Product Type:		N/A	HOA Dues (per Month/per Year):	N/A	N/A
Retail Pricing (Min,Avg,Max):	N/A	N/A	Amenities:		N/A
Home Size (Min,Avg,Max):	N/A	N/A	Gated:		No
Commercial Space (SqFt):		N/A	School District:		N/A

SALE INFORMATION

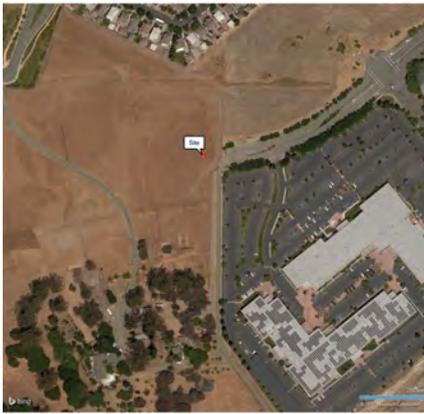
Status:		Recorded Sale	Price per Sq.Ft.:	\$9.05
Deed Reference:			Price per Acre:	\$394,318
Sale Date:		8/2016	Price per Unit:	\$79,703
DOM / Exposure Time:		N/A	Cost to Finished Lot (per Unit):	N/A
Sale Price:		\$16,100,000	Price per Finished Lot:	\$79,703
Grantor:		Plamilla Project Owner LLC	Price per Finished Front Foot:	N/A
Grantee:		Pulte Home Corp	Fees at Permit (per Unit):	N/A
Financing:		N/A	Price per Finished Lot (with FAP):	\$79,703
Document No:		156560	Retail Price per Finished Lot:	N/A
Value Interest:		Fee Simple	Finished Lot to Home Price Ratio:	N/A
Buyer Intention:		Investor	Finished Lot to Home Price Ratio (with FAP):	N/A
Bulk / Rolling:		N/A		
Avg. Takedown Rate per Quarter:		N/A		
Escalator Amount:		N/A		
Rolling Options:		N/A		
GroundLease:		No		

VERIFICATION COMMENTS

CoStar / Public records / Doc# 156560

COMMENTS

This is the sale of 202 Phase 2 lots in the Palmilla project. The lots were reported to be in vacant, graded condition at time of sale.



Address: 5198 Business Center Drive
 City, State, Zip: Fairfield CA 94534
 Jurisdiction: Solano
 MSA:
 Submarket:
 Property Type: Land
 Property Subtype: Residential (Single-Family)
 Classification: N/A
 ID: 367563
 Master Plan: N/A
 Tract/Plat Map: N/A
 Planning Area: N/A
 Tax Number(s): N/A

SITE INFORMATION

Gross Site Area (Acres / Sq.Ft.):	7.1000	309,276	Public Utilities:	All Available
Net Residential Area (Acres / Sq.Ft.):	7.1000	309,276	Electricity:	Yes
Zoning:		RM	Water:	Yes
Utility:		Average	Sewer:	Yes
Access:		Average	Gas:	Yes
Frontage:		N/A	Proposed Use:	Residential-Single-Family
Visibility:		Average	Number of Units:	53
Shape:		Irregular	Base/Min Lot Size (Acres / Sq.Ft.):	0.00 0
Topography:		Level	Base/Min Front Foot:	N/A
Physical Condition:		N/A	Base/Min Lot Dimensions (Ft):	N/A
Entitlements:		Yes	Units per Acre (Gross / Net):	7.46 N/A
Premium Potential:		Average	Tax Rate/Special Assessments:	N/A
Premium Type:		N/A		
No. Premium Lots:		N/A		
Lot Premium:		N/A		

IMPROVEMENT INFORMATION

Product Type:		Single Family	HOA Dues (per Month/per Year):	N/A	N/A
Retail Pricing (Min,Avg,Max):	N/A	N/A	Amenities:		N/A
Home Size (Min,Avg,Max):	N/A	N/A	Gated:		No
Commercial Space (SqFt):		N/A	School District:		N/A

SALE INFORMATION

Status:	Recorded Sale	Price per Sq.Ft.:	\$8.57
Deed Reference:		Price per Acre:	\$373,239
Sale Date:	3/2016	Price per Unit:	\$50,000
DOM / Exposure Time:	N/A	Cost to Finished Lot (per Unit):	N/A
Sale Price:	\$2,650,000	Price per Finished Lot:	\$50,000
Grantor:	Jayo Properties LP	Price per Finished Front Foot:	N/A
Grantee:	TRI Pointe Homes Inc	Fees at Permit (per Unit):	N/A
Financing:	N/A	Price per Finished Lot (with FAP):	\$50,000
Document No:	24216	Retail Price per Finished Lot:	N/A
Value Interest:	Fee Simple	Finished Lot to Home Price Ratio:	N/A
Buyer Intention:	Investor	Finished Lot to Home Price Ratio (with FAP):	N/A
Bulk / Rolling:	N/A		
Avg. Takedown Rate per Quarter:	N/A		
Escalator Amount:	N/A		
Rolling Options:	N/A		
GroundLease:	No		

VERIFICATION COMMENTS

CoStar / Public records / Fairfield Planning documents

COMMENTS

This is the sale of a site approved for 53 single family lots at time of sale. There was a development agreement in place with the City of Fairfield which was transferred to the buyer.



Property Name: Aspen at Emerson
 Address: 650 East Cypress Road
 City, State, Zip: Oakley CA 94561
 Jurisdiction: Contra Costa
 MSA: Oakland
 Submarket: Contra Costa CA-Antioch/Brentwood
 Property Type: Land
 Property Subtype: Subdivision-Residential
 Classification: N/A
 ID: 3009
 Tax Number(s): 037-192-026

PROPERTY INFORMATION

Site Area (Acres):	14.7600	Public Utilities:	All Available
Site Area (Sq.Ft.):	642,946	Electricity:	Yes
Zoning:	P-1	Water:	Yes
Utility:	Average	Sewer:	Yes
Access:	Average	Gas:	Yes
Frontage:	Average	Proposed Use:	Residential-Single-Family
Visibility:	Average	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units::	104
Entitlements:	No		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:		NOI:	N/A
Sale Date:	6/2015	Price per Sq.Ft.:	\$15.69
Sale Price:	\$10,088,000	Price per Acre:	\$683,469
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	Brookfield Emerson Land, LLC	Price per Potential Units:	\$97,000
Grantee:	East County Communities, LLC		
Financing:	N/A		
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Public Records / City of Oakley documents / Doc# 132714

COMMENTS

Denova Homes purchased 104 finished lots in the Emerson Ranch Subdivision from Brookfield Homes for \$97,000 per lot. The lots are identified as Neighborhood 2B within the larger project and are identified as Aspen at Emerson. The buyer received design review approval for four home plans ranging from 1,990 to 2,896 square feet in May 2014. The average lot size is approximately 6,200 square feet.

Addendum C: Qualifications of the Appraiser



Melissa Bach, MAI, CRE Executive Director

Valuation & Advisory
Practice Group Member | Dispute Analysis & Litigation Support
Cushman & Wakefield Western, Inc.

Professional Expertise

Melissa Bach, MAI, CRE joined Cushman & Wakefield Western, Inc. in January 2013. Ms. Bach is a practice group member with Cushman & Wakefield's Valuation & Advisory group in the Dispute Analysis & Litigation Support (DALs) practice, providing real estate economics and valuation expertise. Previous to joining Cushman & Wakefield, Ms. Bach was with Carneghi-Blum & Partners Inc. from 1988-2012, where she was a Managing Partner in their San Francisco and Walnut Creek offices.

Ms. Bach has been a commercial real estate professional in appraisal, valuation and real estate economics since 1988. Her valuation and consulting assignments have included a wide variety of property types including residential projects (single and multi-family land, subdivisions and master-planned communities), industrial parks, small to large-scale industrial facilities, office buildings (all classes), retail centers, medical office, mixed-use properties and a wide variety of development sites. Clients include financial institutions, federal state, county and municipal agencies and governments, property owners, developers, REITs, law firms, domestic and foreign investment firms, and insurance companies.

She has specialized knowledge and experience having completed appraisals and provided consulting analyses on projects including affordable housing developments financed with bond financing and/or Low Income Housing Tax Credits (LIHTCs), conservation easements, wetlands, submerged tidelands, airport facilities, highest and best use land analyses, and condemnation properties. Ms. Bach has also provided consulting services for a variety of clients to furnish Opinions of Reasonableness for projects throughout the country pursuant to Revenue Procedure 2014-12 (Safe Harbor) concerning Section 47 Historic Preservation Tax Credits.

Ms. Bach has provided litigation support and been qualified as an expert witness in court, providing analyses for complex litigation, eminent domain, bankruptcy, and specialized projects. She has also acted as an arbitrator in resolving matters on issues of real estate values, ground rents, space lease renewals and related issues. She has been qualified as a real estate expert and provided testimony in various Superior Courts, United States Bankruptcy Courts, Superior Court of Justice (Canada), and before the American Arbitration Association. She is a senior member of the Dispute Analysis & Litigation Support (DALs) group with Cushman & Wakefield.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute (MAI #11930). As of the current date, Melissa Bach, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Member, Counselors of Real Estate (CRE designation)
- Certified General Real Estate Appraiser in the following states:
 - California – AG017144
 - Nevada – A.0207892-CG
 - Oregon – C001324
 - Washington – 1102560
- Bachelor of Arts, Wellesley College
- Appraisal Institute Service
 - California Government Relations Subcommittee (2014-present; Chair 2017-2018)
 - National Nominating Committee (2015)
 - Advisor (2013-present)
 - President, Northern California Chapter, 2012
 - Vice President, Northern California Chapter, 2011
 - Treasurer, Northern California Chapter, 2010
 - Secretary, Northern California Chapter, 2009
 - Member, Board of Directors, Northern California Chapter, 2006-2008
 - Region 1 Representative, 2008-2012

Speaking Engagements

- Panelist, “*Ask the Experts*”, 2019 Fall Conference, Northern California Chapter of the Appraisal Institute; South San Francisco, California October 2019
- Speaker, “*Restricted Appraisal Reports: The Changes Appraisers Need to Know*”, Northern California Chapter of the Appraisal Institute; Dublin, California May 2019 and South San Francisco, California October 2019.
- Panelist, “*Ask the Experts*”, 2018 Fall Conference, Northern California Chapter of the Appraisal Institute; South San Francisco, California October 2018
- Speaker, “*Valuation of Airport Properties*”, 2016 Commercial Symposium: Appraising Unique and Special Purpose Properties, Northern California Chapter of the Appraisal Institute; Oakland, California December 2016.
- Speaker, *Real Estate Valuation: Overview & Applications*, Buchalter Nemer PC; Phoenix, Arizona May 2016.
- Moderator, *Honing the “Expert” in Expert Witness*, Northern California Chapter of the Appraisal Institute; Woodside, California May 2016.
- Speaker, *Recent Court Decisions Affecting Real Estate Valuation*; Southern California Chapter of the Appraisal Institute; Los Angeles, November 2015
- Panelist, *Finding the Sweet Spot in the Commercial Marketplace*, Fisher Center for Real Estate and Urban Economics, Real Estate & Economics Symposium, San Francisco, November 2012.

- Speaker, *Valuation of Affordable Housing*, Northern California Chapter of the Appraisal Institute, Oakland, September 2011.
- Moderator, *Industrial Market Update*, Northern California Chapter of the Appraisal Institute, San Francisco, November 2009.
- Speaker, *Affordable Housing Valuation*, Northern California Chapter of the Appraisal Institute, Oakland, April 2008.
- Speaker, *The Financing of Affordable Housing*, Northern California Chapter of the Appraisal Institute, Pleasanton, March 2004

Other Accomplishments and Awards

- Claudia B. Carleton, MAI, Legacy in Leadership Award 2015 – Northern California Chapter of the Appraisal Institute
- Service Excellence Award 2014 – Cushman & Wakefield

CALIFORNIA



NEVADA



Nevada Real Estate Division
 3300 W. Sahara Avenue, Suite 350
 Las Vegas, Nevada 89102
 Phone: (702) 486-4033
 Email: realest@red.nv.gov
 Website: red.nv.gov

Lookup Detail View**Name**

Name
MELISSA BACH

Registration Information

Credential	License Type	Issue Date	Expiration Date	Status	Reason
A.0207892-CG	APPRAISER - CERTIFIED GENERAL	03/22/2019	03/31/2021	ACTIVE	NORMAL

OREGON



WASHINGTON



EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (this “**Agreement**”) is made and entered into as of _____, _____ 2020 by and between the TOWN OF DISCOVERY BAY, a community services district formed under California Government Code Sections 61000 et seq. (“**Town**”), and LODGEPOLE INVESTMENTS, LLC (“**Developer**”). The Town and Developer, as Parcel Owners (as that term is defined below), and their respective successors and assigns, are each individually referred to herein sometimes as a “**Party**” and are collectively referred to herein sometimes as the “**Parties**”.

RECITALS

A. The Town is the owner of that certain real property located in the Town of Discovery Bay, California, commonly identified as Assessor’s Parcel Number 008-540-028 and as shown on Exhibit A attached hereto (“**Parcel A**”).

B. Developer is the owner of that certain real property located in Contra Costa County commonly identified as Assessor’s Parcel Numbers 011-220-013 and 011-220-014, and as depicted in Exhibit B (the “**Property**”).

C. Developer intends to obtain entitlements and approval from Contra Costa County (the “**County**”) to (i) develop the Property as a master-planned community consisting of sixty-seven (67) residential housing units, various public infrastructure facilities, and various recreation and open space uses (the “**Project**”), and (ii) construct a bridge for vehicle and pedestrian crossing in the airspace over Parcel A necessary to connect the Project to Newport Drive (the “**Bridge**”).

D. The Town and Developer recognize that the use of Parcel A as required by the Town to provide any services is primary and paramount to all other uses and obligations of Parcel A.

E. The Town and Developer desire to enter into this Agreement to establish certain easements over Parcel A in connection with the Bridge to fulfill Conditions of Approval for the Property as required by Contra Costa County, and to set forth the rights and responsibilities of Developer and the Town for the design, installation, construction, operation, use, inspection, maintenance, management, replacement, repair, alteration, safety and security of the Bridge.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and Developer agree as follows:

SECTION 1. Definitions.

In addition to the capitalized terms that are defined elsewhere in this Agreement, as used in this Agreement the following terms shall have the following meanings:

(a) **“Bridge”** shall mean a bridge constructed and paid for solely by Developer for vehicle and pedestrian crossing in the airspace over Parcel A and connecting the Project to the Contra Costa County maintained road commonly known as Newport Drive.

(b) **“Bridge Easement”** shall mean that easement described below in Section 3(c)(ii) of this Agreement.

(c) **“Construction Easement”** shall mean that easement described below in Section 3(c)(i) of this Agreement.

(d) **“Developer”** shall mean Lodgepole Investments, LLC, including its successors and assigns.

(e) **“Owner”** shall mean the fee title owner or owners of the Property and/or Parcel A, including their successors and assigns.

(f) **“Parcel A”** shall mean that certain real property located in the Town of Discovery Bay, California, commonly identified as Assessor’s Parcel Number 008-540-028 and as shown on Exhibit A attached hereto.

(g) **“Person”** or **“Persons”** shall mean and include individuals, partnerships, limited liability companies, firms, associations, joint ventures, corporations or any other form of business entity.

(h) **“Project”** shall mean the master-planned community consisting of sixty-seven (67) residential housing units, various public infrastructure facilities, and various recreation and open space uses, commonly referred to as Newport Pointe, that Developer intends to obtain entitlements and approval from Contra Costa County to develop and build on the Property.

(i) **“Property”** shall mean that certain real property located in Contra Costa County commonly identified as Assessor’s Parcel Numbers 011-220-013 and 011-220-014, and as depicted in Exhibit B

(j) **“Public”** shall mean members of the public.

(k) **“Regulatory Approvals”** shall mean all authorizations, approvals, entitlements, conditions, requirements, plan amendments (and related review of the proposed project in compliance with the California Environmental Quality Act (California Public Resources Code §§ 21000 et seq.)) of any governmental agency with jurisdiction over the use or development of the Bridge or the Project.

(l) **“Town”** shall mean the Town of Discovery Bay Community Services District, including its successors and assigns.

(m) **“Town Easement”** shall mean that easement described below in Section 3(b) of this Agreement.

SECTION 2. Purchase Price

(a) Purchase Price. Developer shall pay Town the sum of Fifteen Thousand and 00/100 Dollars (\$15,000.00) (the "Purchase Price") as consideration for the Town granting for those certain easements over Parcel A described in this Agreement in accordance with the terms of this Agreement.

(b) Payment of Purchase Price. Developer shall pay the Purchase Price within five (5) Business Days following the Effective Date.

SECTION 3. Grant of Easements.

(a) Condition of Town's Grant of Easement. The Developer shall ensure that (i) any map of the Project and the covenants, conditions & restrictions created within the Property recognize and are subject to this Agreement, (ii) the Bridge Easement and Town Easement shall be part of the common area of any community in the Project and controlled by the property management association of the Owners of residences and property in the Project, (iii) individual Owners of residences and property in the Project shall have no rights or obligations under this Agreement and no interest in the Bridge Easement or the Town Easement; and (iv) the Developer shall, at its sole cost, obtain any and all necessary regulatory and governmental approvals and cause to be installed a four way stop sign at the intersection of Newport Drive and Newport Lane to control traffic at the primary access of the Project. In the event the Town determines, in its sole discretion, that Developer or its successors or assigns fail to fully satisfy the conditions set forth in this Section, upon the Town's written notice this Agreement and all easement rights granted by the Town hereunder shall immediately terminate and revert back to the Town.

(b) Easement from Developer to the Town. As of the Effective Date, Developer, as Owner of the Property, grants to the Town, as Owner of Parcel A, the Town's permittees, and the Public an irrevocable, perpetual, appurtenant, non-exclusive easement in, to, over and across the Bridge, as described and shown in the accompanying legal description incorporated herein as Exhibit C, for access to the publicly accessible areas of the Project by the Town, the Town's permittees, and the Public.

(c) Easement from Town to Developer.

(i) Construction Easement. Effective on the Effective Date, the Town, as Owner of Parcel A, grants to Developer, as Owner of the Property, an appurtenant, temporary, non-exclusive, easement for access by Developer and Developer's permittees in, to, over and across Parcel A, as described and shown in the accompanying legal description incorporated herein as Exhibit D, only as necessary for Developer to design, install, construct, and connect the Bridge to the Project and the Contra Costa County maintained road Newport Drive including the construction and installation of improvements on Parcel A that are necessary and do not interfere with the design, construction, operation, use, maintenance, or management of Parcel A. The Construction Easement shall terminate and expire upon Regulatory Approval of the Bridge.

(ii) Bridge Easement. Effective as of the completion of construction and Regulatory Approval of the Bridge, the Town, as Owner of Parcel A, grants to Developer, as Owner of the Property, an appurtenant, perpetual, irrevocable, non-exclusive, easement for access by

Developer and Developer's permittees, over and across Parcel A, as described and shown in the accompanying legal description incorporated herein as Exhibit E, only as necessary for Developer to operate, and maintain the Bridge, and the Public only as necessary for use of the Bridge crossing the airspace over the Town's Parcel A for access to the publicly accessible areas of the Project. The foregoing easement shall include an easement for encroachment of the Bridge onto Parcel A as constructed in accordance with Regulatory Approval of the construction drawings, under Section 4.

(d) Defining Easement Areas. If requested by either Party after the Bridge has been constructed and installed, the Parties shall execute a mutually-acceptable supplement to this Agreement ("**Supplemental Agreement**") defining the area or areas covered by the easements provided for under this Agreement.

SECTION 4. Construction of Bridge

(a) Regulatory Approval. Developer shall be solely responsible for any Regulatory Approval required or related in any way to the Bridge, including, but not limited to, costs, design, permits, entitlements, installation, construction, or connecting the Bridge on, over, or across the Property, Newport Drive and Parcel A. Construction of the Bridge shall comply with all relevant ordinances, laws, rules and regulations, and terms of this Agreement.

(b) Bridge Requirements. The Bridge shall be constructed, maintained, repaired and operated so as not to interfere with the Town's use of Parcel A. Developer will be responsible for any and all costs incurred by the Town related to or arising out of any conflict between the installation and construction of the Bridge and the Town's current or future use of Parcel A, including costs relating to modification, re-design, removal and relocation of the Bridge. The Town agrees to promptly notify Developer of any such conflict and the parties will use their good faith efforts to resolve the same using the least restrictive alternative/solution.

(c) Cost of Bridge Construction. Construction and Regulatory Approvals of the Bridge by Developer shall be at no cost to the Town and shall be in accordance with the 100% construction drawings approved in writing by Contra Costa County.

(d) Developer Solely Responsible for Bridge. The Town shall have no responsibility for the Bridge whatsoever, nor incur any liability arising from any maintenance obligations, repair obligations, claims, damages, or losses arising from or related to, the Bridge, or any use of the Bridge.

SECTION 5. Operation and Maintenance.

Upon completion the Bridge, Developer shall, at its sole cost, operate and maintain the Bridge, in good order and repair consistent with applicable County and State requirements for bridge operation and maintenance. The Town shall have no responsibility for operation, maintenance, or repairs for the Bridge, financial or otherwise.

SECTION 6. Indemnification.

Developer shall indemnify, protect, defend, and hold harmless the Town, and its respective boards, committees, departments, and other subdivisions, officers, directors, agents, employees, consultants, contractors, and representatives, and their respective heirs, legal representatives, successors and

assigns, and each of them (collectively and individually, **“Town Parties”**) from and against any and all claims, demands, losses, liabilities, damages, costs and expenses (including reasonable Attorneys’ Fees and Costs, and fees of consultants and experts, laboratory costs, and related costs; any Attorneys’ Fees and Costs, and fees of consultants and experts assessed by a court) (collectively, **“Losses”**) arising from or related to the Bridge, Construction Easement, Bridge Easement, Town Easement, Regulatory Approvals, the death of any person or any accident, injury, loss or damage whatsoever to any person or to the property of any person in connection with, arising out of, in response to, caused by, occurs on, or in any manner relating to the design, Regulatory Approvals, installation, construction, operation, use, inspection, maintenance, management, replacement, repair, or alteration of the Bridge, Construction Easement, Bridge Easement, Town Easement; provided, however, that Developer shall have no obligation to indemnify the Town or the Town Parties for Losses arising solely from the gross negligence or willful misconduct of the Town or the Town Parties.

SECTION 7. Insurance.

Developer shall at its sole cost name the Town as additional insured under a policy of Commercial General Liability Insurance covering the Bridge (**“Policy”**). The Policy shall, at a minimum, meeting the following standards:

(a) be effective on the date Developer obtains a permit to construct the Bridge (**“Insurance Effective Date”**) and shall be renewed annually (prior to expiration) for the duration of the life of the Bridge and any modifications thereto. Not less than ten (10) days before the Insurance Effective Date, Developer shall deliver to the Town a certificate or certificates of insurance in a form reasonably satisfactory to the Town, evidencing the coverage required hereunder, and shall deliver such proof of insurance ten (10) days before every anniversary of the Insurance Effective Date;

(b) have a limit of \$1,000,000.00 for each occurrence and aggregate occurrences per year, which may be accomplished by primary and excess layers, subject to an escalation of \$1,000,000.00 on each five- (5-) year anniversary of the Insurance Effective Date;

(c) be a separate policy from Developer’s other insurance policies or shall have a per location endorsement consistent with the limits described in this Section 7;

(d) cover all of the following claims and losses (**“Covered Claims”**): bodily injury and property damage (including claims and losses arising from criminal acts committed by any Person, including but not limited to, claims and losses based on an allegation of inadequate, or a failure of, security, subject to exclusions then customarily contained in Commercial General Liability Insurance policies); independent contractors; and personal injury arising from or based on the design, materials, construction, installation, maintenance, operation of, condition of, or use of the Bridge.

(e) be issued by an insurance company duly authorized to do business in the State of California and with a current rating of A-:VIII or better by Best’s Key Rating Guide;

(e) require Developer, as the primary insured, to pay or cause others to pay any deductible or retention;

(f) require a defense and indemnity of the named insured and the additional insureds, including the Town;

(g) be primary insurance with respect to the Town for all Covered Claims, and any insurance or self-insurance of the Town shall be excess of the Policy and shall not contribute with it;

(h) contain or be endorsed to contain a waiver of all rights of subrogation against the Town; and

(i) be endorsed to state that the insurer shall not cancel coverage unless the insurer has given the first named insured thirty (30) days' prior written notice, or ten (10) days prior written notice for Developer's non-payment of a premium when due.

(j) Developer shall provide written notice to the Town within five (5) business days following notice from Developer's insurer of any cancellation or modification of the terms of the Policy and shall replace such Policy with a Policy that complies with all of the requirements of this Section 7 within five (5) business days after giving the notice to the Town. Developer shall provide written notice to the Town within three (3) business days following Developer's failure to pay all or part of the premium for the Policy when due. Developer's failure to pay all or part, of the premium for the Policy when due shall be an immediate default under this Agreement without any requirement for notice or cure. If Developer fails to pay a premium for the Policy when due, the Town may, at its election, pay the premium and all interest and penalties, if any, and shall have all legal and equitable remedies against Developer for reimbursement of the amount paid, whether or not Developer gives written notice to the Town of the failure to pay the premium.

(k) If Developer fails to carry a policy of Commercial General Liability Insurance meeting the requirements of this Section 7, during any period which Developer is required to carry such insurance pursuant to this Section 7, then Developer shall perform the duties which would have been performed by the carrier had Developer carried such a policy as herein required, but only to the extent of the duties which such carrier would have had to perform.

(l) The foregoing notwithstanding, if Developer's general contractor's policy of commercial general liability insurance for the Project names the Town as additional insureds, meets all of the other criteria set forth in this Section 7, and Developer provides evidence to the reasonable satisfaction of the Town that the obligations of Developer, the general contractor, and the carrier are sufficient to give timely notice to the Town of the general contractor's failure to pay the premium for such insurance when due, or changes to or cancellation of the policy, then upon approval of the Town (which approval shall not be unreasonably withheld, conditioned or delayed), Developer may rely on its general contractor policy to satisfy Developer's obligations under this Section 7 during the period when the general contractor policy is in effect and until the date upon which such general contractor policy becomes no longer effective with respect to the Project.

SECTION 8. Assignment; Effect of Transfer.

(a) Anything else in this Agreement to the contrary notwithstanding, direct or indirect interests in the Property or any portion thereof may be freely transferred without the necessity of any consent by the Town. Developer shall notify the Town of any transfer of fee title to the Property. In the event Developer transfers or otherwise conveys its entire interest in its Property, Developer shall, as to the Town, thereupon be released and discharged from any and all obligations as Developer in connection with such Property arising under this Agreement with respect to the period after the date of such transfer or conveyance, but shall remain liable for all obligations arising under this Agreement with respect to the period prior to such transfer or conveyance; and the transferee of such Property, or portion thereof, (including, without limitation, any transferee who acquires its interest by foreclosure, trustee's sale or otherwise, regardless of the terms of any promissory note, mortgage, or deed of trust agreement between the Owner and any lender or trustee of a lender) shall assume all rights and obligations with respect to such Property, or portion thereof, under this Agreement with respect to the period of ownership by such transferee, including any ongoing breach that continues following the date of transfer, subject to the provisions of this Agreement.

(b) Acceptance of a conveyance of fee simple title to part or all of the Property shall constitute an assumption by the transferee of all of the rights and obligations of the transferor under this Agreement, as it relates to the property transferred, arising from and after the date of such transfer, subject to the limitations set forth in this Agreement.

(c) Anything else in this Agreement to the contrary notwithstanding, direct or indirect interests in Parcel A or any portion thereof may be freely transferred without the necessity of any consent by Developer. The Town shall notify Developer of any transfer of fee title to Parcel A. Acceptance of a conveyance of fee simple title to Parcel A shall constitute an assumption by the transferee of all of the surviving rights and obligations of the transferor under this Agreement, as it relates to the property transferred, arising after the date of such transfer, subject to the limitations set forth in this Agreement.

SECTION 9. No Cancellation.

No breach of any provision of this Agreement shall entitle any Owner to cancel, rescind or otherwise terminate this Agreement or the easements created hereby, but this limitation shall not affect in any manner any other rights or remedies which any Owner may have by reason of any such breach.

SECTION 10. Running with the Land.

It is the intent of the Parties that each and all of the easements, covenants, conditions and restrictions set forth in this Agreement are for the mutual benefit of the Parcels and every portion of each thereof. Each and all of the easements, covenants, obligations conditions and restrictions set forth in this Agreement, touches and concerns and shall affect, relate to, and run with the land of each of the Parcels and every portion of each thereof, and shall apply to and bind the respective successor Owners of each of the Parcels and every portion of each thereof, for the benefit of each of the other Parcels and every portion of each thereof (except to the extent otherwise stated herein). Each and all of the easements, covenants, obligations conditions and restrictions set forth in this

Agreement are imposed on each portion of and interest in each of the Parcels as mutual equitable servitudes in favor of each and all other portions of and interests in the Parcels and constitute covenants running with the land pursuant to applicable law, including, without limitation, Section 1468 of the Civil Code of the State of California.

SECTION 11. Notices.

(a) Addresses for Notices. A notice or communication under this Agreement by either Party to the other shall be sufficiently given or delivered if personally delivered or dispatched by registered or certified mail, postage prepaid, return receipt requested or reputable overnight courier service and addressed as follows:

To the Town. In the case of a notice or communication to the Town:

Town of Discovery Bay Community Services District
 Attn: General Manager
 1800 Willow Lake Road
 Discovery Bay, CA 94505
 Telephone: (925) 634-1131
 Facsimile: (925) 513-2705
 Email:

With a copy to:

Rod A. Attebery, General Counsel for the Town of Discovery Bay
 Community Services District
 Neumiller & Beardslee
 PO Box 20
 Stockton, CA 95201
 Telephone: (209) 948-8200
 Facsimile: (209) 948-4910
 Email: rattebery@neumiller.com

To Developer. And in the case of a notice or communication sent to Developer:

Lodgepole Investments, LLC
 ATTN: Brenna Daugherty
 2450 Stanwell Drive, #295
 Concord, CA 94520
 Telephone: (916) 849-2381
 Facsimile: (309) 213-6589
 Email: BrennaDaughertyESQ@gmail.com

(b) Change of Address. Any mailing address may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days before the effective date of the change.

(c) Effective Date of Notices. All notices under this Agreement shall be deemed given, received, made, or communicated on the date the notice is actually delivered to the office of the person to whom it is addressed or, if mailed or sent by overnight courier, on the delivery date or attempted delivery date shown on the return receipt. The effective time of a notice shall not be affected by the receipt, before receipt of the original, of a copy of the notice.

SECTION 12. Effective Date.

This Agreement shall become effective and binding upon the Parties when both Parties have signed the Agreement. The Easements under this Agreement shall become effective and binding upon the Parties, each of the Parcels, and the Owners of all or any portion of each of the Parcels and their respective successors, assigns and successors-in-interest to all or any portion of each of the Parcels, only upon the recordation of this Agreement in the Official Records of Contra Costa County (“**Effective Date**”).

SECTION 13. Reversion

If said easement is not used by Developer, its successors and assigns, by December 31, 2021, for the purposes described herein, i.e., the construction of a bridge span for vehicle and pedestrian crossing in the airspace over the Town’s Parcel A and connecting the Project to the County maintained road Newport Drive, then this easement shall revert to the Town as if this Grant of Easement had never occurred, provided however, that Town shall not be required to return any monetary consideration described herein.

SECTION 14. Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction or under, any circumstance shall as to such jurisdiction or circumstance be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction or under any other circumstances.

SECTION 15. Non-Waiver.

Any waiver under this Agreement must be in writing and signed by the waiving party. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

SECTION 16. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Town and Developer agree that all actions or proceedings arising directly or indirectly under this Agreement shall be litigated in courts located within Contra Costa County, State of California.

SECTION 17. Attorneys’ Fees.

If either Party fails to perform any of its respective obligations under this Agreement or if any dispute arises between the Parties concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or the Party not prevailing in such dispute, as the case may

be, shall pay any and all reasonable costs and expenses incurred by the other Party on account of such default or in enforcing or establishing its rights under this Agreement, including court costs and reasonable attorneys' fees and costs. Any such attorneys' fees and costs incurred by either Party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such attorneys' fees and costs obligation is not to be merged into any such judgment. For purposes of this Agreement, the reasonable fees of attorneys for the Town shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the Town's attorneys' services were rendered who practice in Contra Costa County, notwithstanding the Town's use of its own attorneys.

SECTION 18. Not a Public Dedication.

Nothing contained in this Agreement shall be deemed to be a gift, dedication or offer of dedication of, or be deemed to create an easement or other real property interest with respect to, any portion of or interest in any of the Parcels to the general public or for the benefit of the general public or for any public purpose whatsoever, and this Agreement shall be strictly limited to and for the purposes expressed herein. No implied dedication shall arise from any use of the areas subject to the easements herein granted, whether or not such use is consistent with the provisions of this Agreement.

SECTION 19. No Third Party Beneficiaries or Duties.

This Agreement is for the exclusive benefit of the Parties and not for the benefit of any other Person (including any member of the Public) and shall not be deemed to have conferred any rights, express or implied, upon any other Person. Nothing in this Agreement shall be deemed or construed to create any duty or liability to any third party or to describe any standard of care owed to any third party.

SECTION 20. Amendments.

This Agreement may be amended, extended, supplemented, changed, or revoked only by the written agreement of all Parties hereto, which amendment, extension, supplement, change, or revocation shall be effective and binding upon the whole of the Parcels upon the recordation of same in the Official Records of Contra Costa County. If Parcel A or the Property is divided, then this Agreement may be modified, as it relates to the affected portions of the Parcels, by the Parties that own the affected Parcels. The Parties shall cooperate in good faith to discuss and, if mutually agreeable, execute one or more amendments to this Agreement only to account for (a) changes in the actual construction field conditions and (b) changes in the circumstances over the course of construction of the improvements to be constructed pursuant to this Agreement. Under no circumstances shall this Agreement be subordinated to any mortgage or lien and the Town shall be deemed in good faith if it refuses to subordinate this Agreement to any mortgage or lien.

SECTION 21. Entire Agreement.

This Agreement (including the Exhibits) contain the entire agreement between the Parties with respect to the subject matter of this Agreement and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings. Any prior

correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement, shall be introduced as evidence in any litigation or other dispute resolution proceeding by either Party or any other person and no court or other body shall consider those drafts in interpreting this Agreement.

SECTION 22. Interpretation of Agreement.

(a) Exhibits. Whenever an “**Exhibit**” is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Exhibits are incorporated herein by reference. In the event of any conflict or inconsistency between the exhibits and any of the provisions of this Agreement, the provisions of this Agreement shall prevail.

(b) Captions. Whenever a section, article or paragraph is referenced, it refers to this Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Agreement.

(c) Words of Inclusion. The use of the term “including,” “such as” or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(d) References. Wherever reference is made to any provision, term or matter “in this Agreement,” “herein” or “hereof” or words of similar import, the reference shall be deemed to refer to any and all provisions of this Agreement reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered Section or paragraph of this Agreement or any specific subdivision thereof.

(e) Recitals. In the event of any conflict or inconsistency between the recitals and any of the remaining provisions of this Agreement, the remaining provisions of this Agreement shall prevail.

(f) No Presumption against Drafter. This Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each Party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

SECTION 23. Relationship of the Parties.

The subject of this Agreement is a private development with neither Party acting as the agent of the other Party in any respect. None of the provisions in this Agreement shall be deemed to render the Town a partner in Developer’s business, or joint venturer or member in any joint enterprise with Developer.

IN WITNESS WHEREOF, this Agreement has been executed by Developer and the Town as of the day and year first above written.

DEVELOPER:

By: _____

Name: _____

Its: _____

TOWN:

TOWN OF DISCOVERY BAY

By: _____

Name: Michael R. Davies

Its: General Manager

APPROVED AS TO FORM:

By: _____

Rod A. Attebery
General Counsel

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____)

County of _____)

On _____, 2020, before me, _____, personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____)

County of _____)

On _____, 2019, before me, _____, personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)