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WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

**FAIR SHARE SCHOOL IMPACT MITIGATION
PAYMENT ADJUSTMENT ANALYSIS
CALENDAR YEAR 2018**

MAY 3, 2018

PREPARED FOR:

**William S. Hart Union High
School District**

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THE ANALYSIS

The purpose of this Fair Share School Impact Mitigation Payment Adjustment Analysis ("Analysis") is to calculate the Fair Share School Impact Mitigation Payments of the William S. Hart Union High School District ("School District") for calendar year 2018. The Fair Share School Impact Mitigation Payments will be calculated for the single family detached ("SFD"), detached condominium ("DC"), and multi-family attached ("MFA") dwelling units within the boundaries of the School District. Since Newhall School District, Saugus Union School District, and Sulphur Springs Union School District serve students in grades kindergarten through 6, and Castaic Union School District ("CUSD") serves students in grades kindergarten through 8, the Analysis identifies Fair Share School Impact Mitigation Payments by location as well as type of construction. Land developers/merchant builders within the School District previously had the option of receiving a share of future State Funds reimbursed to the School District in exchange for a higher Fair Share School Impact Mitigation Payment. Therefore, the Analysis will calculate the full and reduced Fair Share School Impact Mitigation Payments for calendar year 2018.

The Fair Share School Impact Mitigation Payments for calendar year 2018 have been adjusted relative to the previously-applicable Fair Share School Impact Mitigation Payment Adjustment Analysis for calendar year 2017 ("Prior Analysis"). Adjustments to the Fair Share School Impact Mitigation Payments are based on variations in (i) the Marshall & Swift Class D Wood Frame Index for the Western United States ("Non-Land Value Component"), (ii) land value of potential school site(s) in the School District ("Land Value Component"), and (iii) the student generation factors ("SGFs") of the School District.

A. Non-Land Component

Effective each January 1, the Non-Land Value Component of the Fair Share School Impact Mitigation Payments are increased or decreased based upon the percentage change in the Marshall & Swift Class D Wood Frame Index for the Western United States ("Index") for the 12 month period ending on the preceding October 31. Table 1 lists the Index for November 1, 2016 and October 31, 2017, as well as the percentage change for the period.

Table 1
Non-Land Value Component
(November 1, 2016 to October 31, 2017)

Date	Index
October 31, 2016	3,008.20
October 31, 2017	3,118.50
Percent Change	3.667%

B. Land Value Component

In calculating the Fair Share School Impact Mitigation Payments for calendar year 2018, a Land Value Component ("2018 Appraised per Acre Value") of \$926,226 per net usable acre was used (the value assumed the property was in super pad condition). Similar to the Non-Land Value Component, the Land Value Component is to be increased or decreased effective each January 1. This adjustment shall be determined based on the change since the last adjustment in the appraised per acre value of land, using the appraised value of the site then under consideration by the School District for the next junior high school and high school. Table 2 lists the Appraised per Acre Value for the next junior high school and high schools sites.

Table 2
2017 Appraised per Acre Value
Next School Site

Item	Amount
Romero Canyon High School Site Appraisal	
Romero Canyon High School Site Appraisal Value (per acre) ^[1]	\$760,135
Newhall Ranch Junior High School Site Appraisal	
Adobe Middle School Site Appraisal Value (per acre) ^[2]	\$1,092,317
2017 Appraised Value per Acre	\$926,226^[3]
<p><i>[1] The figures represent those used in the Romero Canyon appraisal prepared on July 26, 2016 by Epic Land Solutions, Inc.</i></p> <p><i>[2] The figures represent those used in the Newhall Ranch appraisal prepared on November 15, 2013, by Overland, Pacific & Cutler, Inc.</i></p> <p><i>[3] Based on the average of the Romero Canyon Appraisal Value and the Newhall Ranch Appraisal Value.</i></p>	

In order to calculate the increase or decrease in the Land Value Component, the 2018 Appraised per Acre Value listed in Table 2 must be compared to the 2017 Appraised per Acre Value used in calculating the Fair Share School Impact Mitigation Payments for calendar year 2018. Table 3 lists the 2017 Appraised per Acre Value and the 2018 Appraised per Acre Value, as well as the percentage change for the period.

Table 3
Land Value Component
2017 to 2018 Appraised Value per Acre Value

Item	Amount
2017 Appraised Value per Acre	\$926,226
2018 Appraised Value per Acre	\$926,226
Percentage Change	0.000%

C. Student Generation Factors

Similar to the Non-Land Value Component and the Land Value Component, each January 1, the SGFs shall be increased or decreased based upon a recalculation of SGFs by School District. The recalculation of SGFs is based on a process of cross referencing enrollment data of the School District with residential property data from the County of Los Angeles Office of the Assessor (see Attachment A for a detailed description of the methodology). Table 4 below lists the SGFs by school level and dwelling-unit type, while Attachment A contains specific numbers and counts used in calculating the SGFs.

Table 4
2017/2018 Student Generation Factors

School Level	SFD Units	DC Units	MFA Units
Junior High School	0.0974	0.0837	0.0596
High School	0.1978	0.1634	0.1128
Total SGFs	0.2952	0.2471	0.1724

In order to calculate the increase or decrease in the SGFs, the SGFs shown in Table 4 were compared to the SGFs from the Prior Analysis. Tables 5 and 6 lists the SGFs from the 2017 Analysis and the SGFs for the 2018 Analysis, both inside and outside the CUSD portion of the School District, for single family detached ("SFD") units, detached condominium ("DC") units, and multi-family attached ("MFA") units in the School District, as well as the percentage change for the period.

Table 5
Student Generation Factors Comparison
(Outside the CUSD Portion of the School District)

School Level	SFD Units	DC Units	MFA Units
SGFs for 2017 Analysis	0.3039	0.2449	0.1758
SGFs for 2018 Analysis	0.2952	0.2471	0.1724
Percentage Change	-2.86%	0.90%	-1.93%

Table 6
Student Generation Factors Comparison
(Inside the CUSD Portion of the School District)

School Level	SFD Units	DC Units	MFA Units
SGFs for 2017 Analysis	0.2073	0.1649	0.1152
SGFs for 2018 Analysis	0.1978	0.1634	0.1128
Percentage Change	-4.58%	-0.91%	-2.08%

D. Adjustment Process

All the items mentioned above were employed to yield the Fair Share School Impact Mitigation Payments for calendar year 2018. Specifically, the percentage changes listed in Tables 1, 3, 5, and 6 were used in a nine (9) step process to determine the Fair Share School Impact Mitigation Payments for calendar year 2018 (see Attachment C for more detail). Table 7 shows the full Fair Share School Impact Mitigation Payments for calendar year 2018, while Table 8 shows the reduced amount for assignment of State Funds to the School District.

Table 7
Fair Share School Impact Mitigation Payment Amounts
Without a Notice of Assignment of State Funds for Calendar Year 2018

Item	SFD Units	DC Units	MFA Units
Outside the CUSD portion of School District	\$13,492.53	\$11,279.02	\$7,870.20
Inside the CUSD portion of School District	\$9,245.56	\$7,622.76	\$5,263.16

Table 8
Fair Share School Impact Mitigation Payment Amounts
With a Notice of Assignment of State Funds for Calendar Year 2018

Item	SFD Units	DC Units	MFA Units
Outside the CUSD portion of School District	\$12,528.76	\$10,473.44	\$7,308.10
Inside the CUSD portion of School District	\$8,762.90	\$7,230.34	\$4,992.23

ATTACHMENT A

**Appraisal and Valuation Letter Prepared by
Epic Land Solutions, Inc.**

APPRAISAL OF REAL PROPERTY

CASTAIC HIGH SCHOOL

PROPOSED SITE – ROMERO CANYON

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

Epic Land Solutions, Inc.

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Los Angeles, CA 90505

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July 26, 2016

Wendy Wiles, Esquire
Bowie, Arneson, Wiles and Giannone
4920 Campus Drive
Newport Beach, CA 92660

Re: Appraisal of Real Property
Complete Appraisal, Restricted Use Report Format
Castaic High School Site – Romero Canyon Site
William S. Hart Union High School District
Castaic, California
Epic Land Solutions File No.: EA16030

Dear Ms. Wiles,

As you requested I have performed a complete appraisal of the above-described real property and am presenting my findings to you in this restricted use appraisal format. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice and the Code of Ethics of the Appraisal Institute.

You have asked that an appraisal be performed to estimate the current fair market value of the proposed Castaic High School site in Romero Canyon, Castaic. This property is being appraised assuming it is finished as a super pad, ready to accept the high school improvements. In addition, the value conclusion assumes all off-site improvements have been extended to the site including roadways, utilities, and all access necessary to complete the high school. This is in keeping with section 1859.74.1 of the Office of Public School Construction regulations. This is a hypothetical condition and its use may have affected the assignment results.

This letter sets forth the information required by the Uniform Standards of Professional Appraisal Practice regarding this type of assignment, a complete appraisal in a restricted use appraisal report format. It should be noted that this report cannot be fully understood without the complete information which has been retained in the files. This appraisal report simply states what work was completed along with my findings.

Appraisal
Findings

The valuation opinions and analysis are expressed as of July 1, 2016. The breakdown of land use and approximate areas for the subject property is as follows:

Use	Area (Acres)
High School Pad (Net Usable)	59.20
Open Space	61.60
Retention Basins/Tank Site/Helipad	15.90
Other Areas	61.26
TOTAL	197.96

The other areas include supporting slopes for the pad and other areas which surround the pad but are not needed for the other listed uses. While they are irregularly shaped, they could potentially be usable.

The subject property is surrounded by rural residential development. It is zoned A-2-2, an agricultural zone which allows residential development to a density of one unit for each two acres. For the gross area of the subject property (including all four parcels, 197.96-acres per Parcel Map 67132) this would allow development of about 75-homes¹, or lots. Subdivision of the entire site into areas was provided by Mr. Ron Horn of Sikand Engineering via an annotated cut-fill engineering map, and included a supplemental itemized breakdown of each section. I also consulted the Castaic High School Draft EIR Project Description, and a site plan prepared by Ruhнау, Ruhнау and Clarke. I have relied on these figures in forming my valuation conclusions. If the assumed land areas are found to be different, it may change the stated opinion of value. I have concluded that the highest and best use of the subject property is the subdivision of the pad area into 75-lots which yields an overall density that is consistent with the zoning, with consideration of potential density bonus given to allotted mitigation and open space lands. With a loss of about 10% of the pad area to interior streets, the lots would contain an average of 0.71-acres, or 30,945 square feet ($59.20 \times 90\% \div 75$ -lots).

Based on this, the total value for the property is \$44,942,500, which I have rounded to **\$45,000,000** for the subject site in super-pad, “construction ready” condition. This is equal to \$760,135 per pad-acre ($\$45,000,000 \div 59.2$ -acres). This equates to a total price per gross acre of \$227,319 ($\$45,000,000 \div 197.96$ -acres). Both of these figures appear reasonable. This is based on a hypothetical condition since the subject is currently being graded and access extended but the work has not yet been completed.

¹ This is based upon the combination of the net-pad area, basins/helipad/tank site, and other areas (supportive slopes, etc.), as well as consideration given to the amount of open space allocated to the development ($59.20+15.90+61.26 = 136.70$ -acres).

**Identification of the Client and
Other Intended Users**

The client is Wendy Wiles, counsel for the William S. Hart Union High School District (District). This is a restricted use appraisal report and as such there are no other intended users.

**Intended Use of
the Appraisal**

This appraisal is intended to provide documentation of the estimated fair market value of the 197.96-acre high school site which is to be developed with the Castaic High School in the Castaic area of the Santa Clarita Valley. Ms. Wiles will use this appraisal to make recommendations to the District regarding the value of the current school site.

**Property
Interest**

The property interest appraised is the fee simple estate.

**Purpose of
the Appraisal**

The purpose of the report is to establish a reasonable estimate of the current fair market value of the subject property. The definition of market value that is used comes from the Office of the Comptroller of the Currency – 12 CFR 34.45(b), defined as follows:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.”

Date of Value and
Date of Appraisal

The appraisal assignment was completed on July 26, 2016, and transmitted to the client on about that date. I performed all research and analysis in June 2016. The date of value is July 1, 2016.

Identification of the Real Estate
which is the Subject Property

The subject property consists of four assessor parcels designated as parcels 3247-068-900, 901, 902, 903. It contains 197.96-acres total, with a high school site that has a pad area of 59.2-acres, as well as other supportive, access road, and mitigation areas. I have reviewed a Schematic Design named "Site Plan–Option 2B", dated May 9, 2012, as well as the related "High School Site Acreage Breakdown Map", dated September 5, 2012 which is an annotation of the "Castaic High School Earthwork Exhibit for Grading Study 5L" dated May 9, 2012 contained within Appendix K of the "Final EIR" dated October 5, 2012, all completed by Sikand Engineering. I have also reviewed a Jurisdictional Delineation Report submitted to Spirit Holdings, Inc. and dated July 2010, the William S. Hart Union School District ("WSHUSD") Revised Recirculated Notice of Preparation ("NOP") dated January 20, 2012, a Draft Traffic Report by Austin-Foust dated March 17, 2011, Vesting Parcel Map No. 67132, and Vesting Tentative Tract No. 47807-1. I have also reviewed the Draft EIR dated July 24, 2012, the Final EIR report dated October 5, 2012 and the Final Supplemental Environmental Impact Report dated July 2014 in preparation of this report.

Brief History of PM 67132 and Associated TTM 47807-01

The subject property consists of four assessor parcels as noted above, which contain a total land area of 197.96-acres (gross). Parcel Map 67132 was granted final approval and was recorded, consisting of the four larger parcel divisions. According the Los Angeles County Department of Regional Planning Office of Land Divisions, the Los Angeles Department of Public Works Land Development division is currently the lead agency on the site. I contacted both agencies at various times during preparation of this report. Mr. Fabrizio Pachano, Principal Engineer of the DPW Land Development Division verified that activity within this larger mapping area was restricted to the following:

- 1) TTM 47807-01
 - a. Consists of a tentative subdivision map with a total of 31 lots including all of PM 67132 parcel 2, and the eastern half of parcel 1
 - b. The tentative map is in "final map" stage, however, has not been recently revised
 - c. Was most previously plan checked by LA DRP in 2007 and 2008:
 - i. Submitted for review of the final map on April 1, 2007; DPW reviewed and sent back for corrections
 - ii. Submitted for review of the corrected final map on October 29, 2007; map was returned for correction in April of 2008

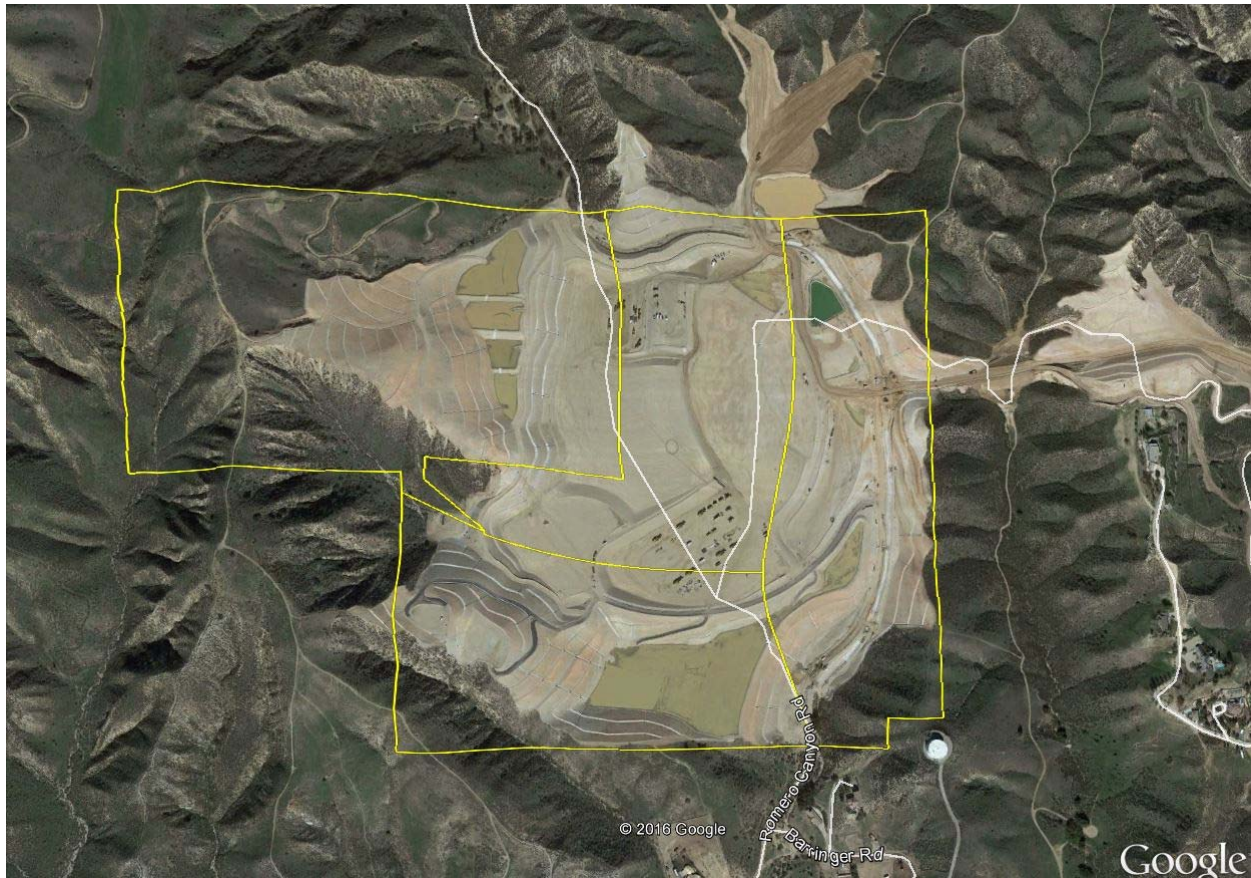
- 2) The publically accessible Los Angeles County Department of Regional Planning GIS-Net subdivision land map overlay tool² indicates that PM 67132 may have originally been intended for subdivision into approximately 76 building lots and one open space lot (additional mitigation land area). This map was never resubmitted or officially recorded however, and we were unable to discover any current information related to this historical map. It is assumed that this original plan was abandoned, as the only officially recorded map to date for the site is Parcel Map 67132.
- 3) I confirmed this information with Mr. Steve Berger, Principal Engineer over Mr. Pachano at LA DPW Land Development Division, however, Mr. Berger indicated that DPW did not actually have the original files on this submitted subdivision application in their possession, and that it had been a substantial time period since the property was actively being reviewed per internal review records.

Current Design of the High School Site per the DEIR & FEIR

The Schematic Design of the proposed high school drafted by Ruhnau Ruhnau Clarke per the DEIR Site Option 2B dated May 9, 2012 and the Site Area Acreage Map dated September 14, 2012 indicates the proposed location of the finished school site, surrounding access roads for ingress and egress to and from the site, and the location of buildings, parking, fields, and supportive areas (retention, evaporative, and debris basins, overflow parking, sloping, etc.). Parcel Map No. 67132 is the legal map which created the four parcels, Parcels 1 to 4, which encompass the subject property. Vesting Tract No. 47807-1 is a subdivision of parcels 1 and 2 of Vesting Parcel Map No. 67132. These two parcels are part of the subject property, and based upon the density on the map, lends support to our conclusions regarding lot density and subdivision potential for the super-pad.

The subject property site is currently in the final stages of being graded for the Castaic High School. Groundbreaking for the high school occurred in May 2013 and grading of the site began in about January 2015. The permit to create the access road along Sloan Canyon was obtained in about January 2014 but grading for the road started in September 2014. At this time the access road is nearing completion and construction of the actual school improvements is set to begin shortly. The site is being appraised as if it were already a graded super pad in a finished graded condition ready to accept the high school improvements along with all legal access required by the State's Division of Architects and Los Angeles County Department of regional Planning. These improvements would include a pad graded to at most a 2% slope, utilities extended to the site but not onto the site, fully improved access to the property and perimeter streets fully improved. The proposed high school improvements will consist of a fully functional, modern high school facility which most likely includes a library and administrative offices building, gymnasium, several two-story classroom buildings, a science lab building, performing arts center, cafeteria building and computer technology building. Site improvements will have a football stadium and track, baseball and softball fields, soccer fields, practice fields, tennis and basketball courts along with several parking lots for faculty/staff, students, and events.

² See website: <http://planning.lacounty.gov/subnet>.



The January 2012 NOP and Schematic Design refer to a preferred access “Option 2B”, as well as the DEIR and FEIR, via construction of dual public access roads. These two access roads are to consist of an extension of Sloan Canyon Road east of the property via a newly installed Canyon Hill Road main entry point, and a paved extension of Romero Canyon Road branching northward to the subject from Baringer Road to the south (not a fully paved extension of the southerly Romero Canyon Road, a northward extension of Baringer Road).

Lot Development Density – Per Highest and Best Use of the High School Pad Area

The subject property is surrounded by rural residential development. It is zoned A-2-2, an agricultural zone which allows residential development to a maximum density of one unit for each two acres. This appraisal (per OPSC regulations) assumes the hypothetical condition that the subject is a graded super-pad, with a construction-ready status³, we have relied upon the approved DEIR, FEIR and SEIR project description indications for guidance as to land areas. The EIR recommendations clearly delineate specific areas as mitigation/open space, pad, and slope areas. These are areas which either cannot be developed or can only be developed after approvals are obtained and extensive grading is accomplished. A large, centralized pad area is delineated as the high school site, with supportive retention basin and overflow parking (other

³ Including all perimeter access roads with their necessary supportive sloping and detention improvements, wet and dry utilities to the pad perimeter, and necessary supportive graded slopes and retention basins serving the pad site, as well as dedicated mitigation/open space area.

basins) areas composing the remainder of the smaller pad areas. Mitigation, basins (smaller pad areas in the FEIR Appendix K Land Use Breakdown Acreage Summary via Sikand Engineering dated 9.5.2012, PDF Pg. 23), slopes, and drainage swale areas are not buildable as they are indicative of typical supportive features for a pad of this size and scope.

For this reason, I have concluded that the highest and best use of the subject property is subdivision of the high school pad area⁴ into 75-lots, yielding an overall density that is consistent with zoning ($197.96\text{-acres} \div 75\text{-lots} = 2.6$ gross acres per lot) and in keeping with surrounding developmental character. With a loss of about 10% of the pad area to interior streets, the lots would contain an average of 0.71-acres, or 30,945 square feet ($59.20\text{-acres} \times 90\% \div 75\text{-lots}$). While this is smaller than is allowed by zoning, these are still large lots and the overall project density is consistent with the zoning (2.6 gross acres per lot). This density of development is also confirmed by a 160 gross acre tract located adjacent north of the subject site. Tract 46443 was subdivided into 101 lots with one large open space lot containing 34-acres. The average lot size for this tract is 1.13-acres and this supports my conclusion that the subject property pad would likely yield 75-lots.

Santa Clarita Valley Area Description

The Santa Clarita Valley is geographically distinct from the neighboring San Fernando Valley as it is surrounded by the San Gabriel and Santa Susanna Mountains. The entire Santa Clarita Valley comprises 400 square miles, approximately 47 of which are located within the city of Santa Clarita. Regional transportation for the area is good, with the Golden State Freeway (Interstate 5), and the Antelope Valley Freeway (State Highway 14) west and east of the subject property respectively, traversing the valley generally in a north/south alignment. Interstate 5 connects the Castaic area at the far northwestern end of the valley to Stevenson Ranch at the southwestern side and provides the primary access to Santa Clarita from the City of Los Angeles. Other connecting freeways at the confluence of the San Fernando and Santa Clarita Valleys include the San Diego Freeway (405), the Foothill Freeway (210) and the Hollywood Freeway (170/101). The Santa Paula Freeway (126) connects Santa Clarita to Ventura County, the City of Ventura and the coast.

Employment is primarily centered along major transportation routes: in the western region of Santa Clarita along Interstate 5; in the southern section of the city along Lyons Avenue and Valencia Boulevard; in the Canyon Country area along the Antelope Valley Freeway. Employment is diverse with financial, real estate, and professional services mostly concentrated along Lyons and Valencia Boulevard. The industrial and smaller manufacturing companies are located along Interstate 5 in the Valencia Industrial Center, just south and west of the subject property.

The population of the Santa Clarita Valley is currently estimated at 177,158 persons reflecting an increase of approximately 17% from 2000. Covering approximately 47 square miles, Santa Clarita is the fifth largest land mass city, and contains the fourth largest population in the County

⁴Noted in the Land Use Breakdown Acreage Summary to be 59.2-acres.

of Los Angeles. There are 57,162 housing units with an average household size of 3.1-people and a median age of 35.1. In all, 100,000 new residential units are proposed for the Santa Clarita Valley in large subdivisions. The Southern California Association of Governments projects a population of 193,866 for the city of Santa Clarita by the year 2015, although other sources indicate a number closer to 200,000.

One reason for the Santa Clarita Valley's rapid growth increase is the available supply of affordable housing relative to other parts of the region. New residential housing is of good quality and is primarily situated on the valley floor and along the area's rolling hills. In August 2010 the city's average detached new home cost was \$478,083, down about 6% from \$508,652 in November 2009. There were only 33 new detached home sales in the Summer Quarter 2010, down from 77 sales reported in the Spring Quarter and down from the 71 sales reported one year ago. There are only eight active developments now selling detached homes in Santa Clarita, four in Canyon Country and four in Valencia. Homes under 2,000 square feet accounted for 20% of all new detached home sales, while those containing 2,000 to 2,800 square feet had 38% of all sales. The larger homes made up the difference with only 15% of all sales represented by homes with more than 3,200 square feet. At the current sales pace unsold detached homes represent 23-weeks of inventory. There are more homes currently under construction than in recent previous quarters. Brookfield Homes is planning to start site grading for The Keystone, a 499-home community with 319 detached homes and 180 multi-family units. Prices have not changed substantially over the recent past and they are projected to remain stable into the foreseeable future. There are currently no new home tracts in the Castaic submarket and nothing in the planning stages for the near future.

Some consider Santa Clarita a more desirable place to live compared to the San Fernando Valley because it offers more pleasing views, better air quality, favorable weather, a predominance of upper income neighborhoods, a better school system, the fourth lowest crime rate in the nation and developing new businesses. The Santa Clarita Valley is considered one of the more affluent areas within the County of Los Angeles. The median household income is \$75,792, significantly higher than the county as a whole.

Market activity has also occurred in the commercial sector (shopping centers, office buildings, medical offices, industrial parks, and the lodging industry). The Valencia Town Center, the Santa Clarita Valley's first regional shopping mall, opened in 1992. Anchor tenants include Sears, J.C. Penny's and Robinsons/May. The Town Center was a joint venture development with JMB Properties and The Newhall Land and Farming Company.

In summary, the Santa Clarita Valley is experiencing stability with little increase in housing or population reflecting the current state of the economy. It is the location of many new good quality commercial buildings and residential subdivisions. The Santa Clarita Valley offers a pleasant living environment due to its hilly topography, upscale residential neighborhoods, and its population's strong desire for a more improved quality of life.

Scope of Work

In order to complete this assignment I have attempted to gather sales of comparable land parcels within the greater Santa Clarita area. There were six sales discovered of residential acreage parcels which were developed with residential lots. Since these lots were all smaller, at substantially greater density than that considered feasible at the subject property, I have also gathered sales of larger, finished residential lots in order to adjust the bulk lot sales to the density for the subject property. Finally, sales of open space parcels have been gathered and applied to the areas other than the pad area of the subject property. The value opinion and analysis complies with the Uniform Standards of Professional Appraisal Practice and is unbiased and impartial. No predetermined value or opinion formed the basis of any conclusions stated in this appraisal. The depth of the investigation and analysis is meant to be in keeping with the purpose of the appraisal and the client's needs in obtaining the information.

Appraisal Procedures Followed, Methodologies

I have used the sales comparison approach for the development of the value opinion expressed in the appraisal report.

Sales Comparison Approach

For the pad area which would support 75-lots, I have analyzed bulk sales of residential lots which were generally finished to blue top condition. In addition I have also reviewed sales of larger, acreage finished lots in the Westridge tract in Valencia to determine the appropriate adjustment from a typical, 5,000 square foot to 7,500 square foot lot.

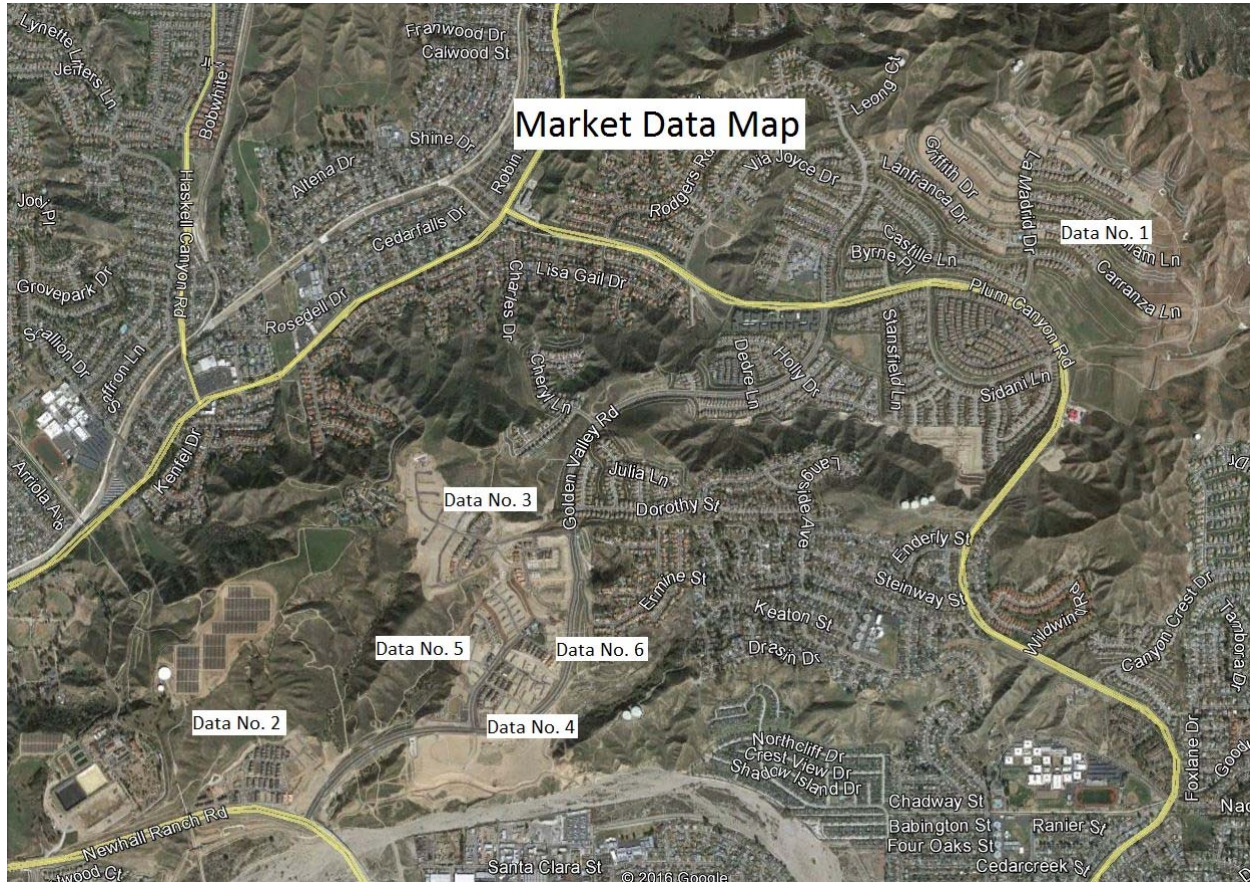
Residential Tract Sales

In completion of this assignment, we have gathered sales of comparable land parcels within the greater Santa Clarita area of partially or fully finished lot packages. A survey of existing home sales tracts has also been performed. We have concluded that use of a comparative analysis supplemented by costs to develop the land to a super pad condition is the most credible methodology and results in the most reliable value indication. The costs are based on cost services and development costs for other projects. The value opinion and analysis complies with the Uniform Standards of Professional Appraisal Practice and is unbiased and impartial. No predetermined value or opinion formed the basis of any conclusions stated in this appraisal. The depth of the investigation and analysis is meant to be in keeping with the purpose of the appraisal and the client's needs in obtaining the information.

Following are the pertinent sales discovered which were used in the comparative analysis.

COMPARABLE BULK RESIDENTIAL LAND SALES SUMMARY

Data No. Sale Date	Location Property	Buildable Acreage Homes	Density (D.U./Ac.)	Sale Price	Sale Price Per	
					Acre	D.U.
Subject	Castaic High School	59.20	1.3			
	Castaic, California, 91350	75				
1	N/S Plum Canyon Road, E/O La	77.64	3.6	\$68,955,500	\$888,144	\$248,041
Apr-14	Madrid Drive, Santa Clarita	278				
2	Riverwalk Village. NWC Golden	37.39	6.4	\$32,000,000	\$855,844	\$133,891
Jul-14	Valley Rd & Newhall Ranch Rd.	239				
3	Claremore Way & Camellia Drive	12.27	4.8	\$14,421,121	\$1,175,315	\$244,426
Jun-15	Santa Clarita	59				
4	NEC Five Knolls Drive and Golden	14.01	8.5	\$20,800,000	\$1,484,654	\$174,790
Sep-15	Valley Road, Santa Clarita	119				
5	W/s Five Knolls Drive, N/o Golden	8.91	6.6	\$11,200,000	\$1,257,015	\$189,831
Sep-15	Valley Road, Santa Clarita	59				
6	SWC Five Knolls Drive and	12.01	9.6	\$17,391,500	\$1,448,085	\$151,230
Jul-15	Brentwood Lane, Santa Clarita	115				



Data No. 1: is the sale of 278 lots located north of Plum Canyon along La Madrid Drive, 5-miles northeast of the subject property. This is a KB Home development and there are two communities in the development. The property sold as nearly fully finished lots.

The two communities are Canyon Heights (182-homes) and Canyon Crest (96 homes). Canyon Heights has seven floor plans extending from 1,925 square feet to 4,215 square feet with asking prices from \$585,000 to \$735,000. Canyon Crest has three floor plans from 4,048 square feet to 4,517 square feet. The asking prices extend from \$775,000 to \$793,000. Asking prices for the homes remain virtually unchanged from one year ago. The lots were in blue top condition at the time of sale making it in superior condition to the subject property. The sales price should be adjusted down for condition, up slightly for date of sale and down for its superior location.

Data No. 2: This is the sale of 51.86 gross acres (37.39 buildable acres) sold to Beazer Homes from Newhall Land and Farming Company in RiverVillage. This was the sale of Tract 53425, located approximately 5-miles northeast of the subject property in a superior location. There were approvals in place for two distinct product types, attached and detached housing. The attached housing was for 152-units on 21.31-acres (7.1-units per acre) and the detached product represents 8.33-acres with 87 units (5.4-units per acre). In addition, there was 14.47-acres of open space. The property was rough graded at the time of sale, just beyond a super pad condition, and so is slightly superior to the hypothetical subject property condition.

The homes are now being offered for sale in three different communities within RiverVillage. Hartford (89-units), Kensington (63-units) are the attached product and Providence with 87-units is the detached product. The smallest, and most affordable, homes are in Hartford from 1,635 square feet (\$439,000) to 1,732 square feet (\$439,000). Kensington homes are slightly larger and more expensive ranging from 2,399 square feet (\$510,000) to 2,624 square feet (\$560,000). The detached homes in Providence extend from 2,101 square feet (\$534,000) to 2,349 square feet (\$550,000) and are on 5,000± square foot lots. The asking prices for these homes have increased approximately 10% over the past year.

The price should be adjusted down for location, up for market conditions (date of sale) and down slightly for its condition. Overall, the subject property should be worth more than \$175,000 per lot based on this sale.

Data No. 3: Represents the transfer of 59 lots within the Five Knolls development in the Canyon Country area of Santa Clarita. The lots were in blue top condition at the time of sale with home sites rough graded and the streets graded, but no interior improvements. The property is currently improved with several homes which are being marketed for sale, and there is a model home area. There are three floor plans offered. Residence 1 contains about 3,600 square feet and has a base asking price of \$720,000. Residence 2 contains 3,650 square feet with an asking price of 768,000 and Residence 3 is the largest with 3,860 square feet and an asking price of \$790,000. Lots are typically from 6,000 square feet to nearly 8,000 square feet. Marketing started in October 2015 and there are six closed escrows to date. Located in the Canyon Country area of the City of Santa Clarita, this property is slightly inferior to the subject property in terms of location. The property was in superior condition with the lots in blue top condition and interior streets were graded and dedicated. The location is superior and the price should be adjusted up slightly for the increase in prices over time. Overall, based on this sale the subject property is worth about \$200,000 per potential lot.

Data No. 4: This property is part of the Five Knolls Development and has direct Golden Valley Road frontage. It is also at the intersection with Five Knolls Drive making it a good location. The property is being developed with residences and the tract is called Grayson. These are smaller, more modest homes, offered in three floor plans. Residence 1 contains 2,121 square feet, Residence 2 has 2,350 square feet and residence 3 has 2,470 square feet. The homes are being offered from \$500,000 to nearly \$600,000. The location is similar to slightly inferior and the price should be adjusted up slightly for date of sale. The price must be adjusted down for its superior condition with some of the lots being in blue top condition. The lots are smaller but still sold for an average price of \$175,000. When size is considered, this would be the lowest value indication appropriate for the subject property.

Data No. 5: This is the acquisition of 59 blue top lots in September 2015 within the Five Knolls master development. It is being marketed as Everett at Five Knolls. All of the lots sold in blue top condition, and that is the primary difference between Data 4 and Data 5. Data No. 4 sold with some of the lots rough graded. The lots average 4,727 square feet, slightly larger than Data No. 4. There are three floor plans being marketed at this tract, Residence 1 has 2,724 square feet with a base asking price of about \$600,000. Residence 2 contains 2,846 square feet with an asking price of about \$620,000. Residence 3 is the largest with 3,131 square feet and an asking price of about \$640,000. Overall, the location is slightly inferior, the lots are smaller than

anticipated at the subject property, but it is in superior condition being blue top. This sale indicates a value for the subject property, in blue top condition, from \$175,000 to \$200,000 per lot.

Data No. 6: This is a 59-lot transaction within the Five Knolls development in Canyon Country in Santa Clarita. It is located very near all the other sales. It is the highest density (smallest lots) and the homes are the smallest being offered for sale in the development. Residence 1 contains 1,856 square feet with an asking price of \$472,000. Residence 2 has 2,208 square feet and an asking price of \$504,000 while Residence 3 has 2,388 square feet and an asking price of \$530,000. The tract is located directly across from The Club at Five Knolls, a private recreational facility offered to all residents of any Five Knolls community. This location offsets the smaller residences and lot sizes.

The price should be adjusted up slightly for location, up for market conditions (date of sale) and down for its blue top condition. Once density is considered the price for the subject property, as a finished super pad, must be greater than \$150,000 per lot, and closer to \$175,000 per lot.

The sales prices for these comparable properties extend from approximately \$135,000 to \$250,000 per lot and from about \$850,000 to \$1,500,000 per acre.

The market data arrays into the following order by density (DU/AC):

Data No.	Density DU/AC	Condition	Price Per Acre	Price Per Lot
1	3.6	Blue Top	\$888,144	\$248,041
3	4.8	Blue Top	\$1,175,315	\$244,246
2	6.4	Rough Graded	\$855,844	\$133,891
5	6.6	Blue Top	\$1,257,015	\$189,831
4	8.5	Blue Top	\$1,484,654	\$174,790
6	9.6	Blue Top	\$1,448,085	\$151,230

Looking at the array, it becomes obvious that the greater the density, the lower the price on a per lot basis. This makes sense because the lots will be smaller. Likewise, the greater the density, the greater the price on a per acre basis. This reflects the greater intensity of use for these parcels so they naturally sell for more on a per acre basis.

Based on this, with the subject property containing 59.2-acres of pad area which can support 75-homes, the density for the pad area is 1.3-units per acre. This is lower than any of the sales presented. As a result the value, on a per acre basis, should be lower than any of the sales. After considering the inferior location of the subject property compared to all of the sales, and adjusting down for the super pad condition assumed at the subject property, but adjusting up for the increase in prices over time, the subject property cannot be worth more than \$750,000 per acre.

Assuming the subject property were in super pad status the value can also be analyzed on a per lot basis. As a super pad all basic grading has been completed, surrounding streets are developed

and utilities are stubbed to the site. In other words, the property is ready for development. On a per lot basis, the subject property would be worth more than any of the sales presented. That is because of the larger size of the subject property lots. All of the sales must be adjusted down for location, down for the condition of the properties, but up for the increase in prices over time. Then they need to be adjusted up for the larger lots at the subject property.

Sales of finished larger lots in Westridge serve as the basis for the adjustment for lot size. Three sales were discovered in this tract which is located in the Valencia area, near Stevenson Ranch. They are summarized following:

Data No.	Address APN	Size Acres / Square Feet	Sale Date	Sales Price
1	25618 Oak Meadow Drive 2826-148-012	0.783 / 34,103	1/7/15	\$1,300,000
2	25369 Oakview Estates Dr. 2826-150-021	1.02 / 44,431	1/15/15	\$500,000
3	25355 Oakview Estate Dr. 2826-150-020	1.016 / 44,249	11/16/15	\$740,000

Data No. 1 is at a higher elevation than either Data No. 2 or Data No. 3 with unobstructed views of the entire Santa Clarita Valley. It is also located in Westridge proper, behind the security gates whereas Data Nos. 2 and 3 are located off Stevenson Ranch Parkway and not within the gated community. This explains the higher price for Data No. 1 compared to Data Nos. 2 and 3.

Data Nos. 2 and 3 are more closely comparable to the market data from the bulk lot sales. Both lot prices include plans and they are finished lots. Data No. 2 has a pad area about half the pad area for Data No. 3. This explains most of the difference in price. Therefore, the prices need to be adjusted down by about \$80,000 to compare to the bulk residential lot sales, or \$420,000 to \$680,000 per lot. Comparing the price paid for Data No. 3, adjusted for condition of \$680,000, to the lowest density sale price on a per lot basis of \$250,000, shows the difference between the larger lots and the smaller lots. However, the larger lot sale must also be adjusted down further for profit, condition to super pad status and location to compare to the subject property. This would provide a value indication on a per lot basis of about \$560,000 per lot for the subject property. This assumes the subject property is in a super pad state.

Using a value indication of \$560,000 per lot for the 59.2-acre pad area indicates a contributory value for this portion of the subject property of \$42,000,000. This equates to just over \$700,000 per acre, and fits nicely in the array presented previously. Therefore, for the 59.2-acres I have concluded on a value of \$42,000,000.

The balance of the subject property needs to be valued consisting of the following:

Open Space	61.60-acres
Retention Basin/Tank Site/Helipad.....	15.90-acres
Other Areas (Slopes, etc.)	<u>61.26-acres</u>
Total	138.76-acres

CASTAIC HIGH SCHOOL SITE - WSHUSD

In order to value these areas I have gathered sales of raw, acreage land parcels in the Castaic area. These are summarized in the following table.

Data No.	Address APN	Size Acres / Square Feet	Sale Date	Sales Price	Price Per Acre
1	30955 Stone Creek, Castaic 3247-026-019	79.565 / 3,465,856	Listing 7/1/16	\$499,000	\$6,272
2	Hasley Canyon, Castaic 3247-029-013	114.81 / 5,001,124	Listing 7/1/16	\$630,000	\$5,487
3	Romero Canyon, Castaic 3247-026-035`	19.107 / 832,310	Listing 7/1/16	\$185,000	\$9,682
4	31175 Romero Cyn, Castaic 3247-026-036	19.655 / 856,172	2/3/15	\$115,000	\$5,851
5	Justamere Ave, Val Verde 3270-010-047	31.85 / 1,387,306	1/2/15	\$100,000	\$3,140

These five market data items generally indicate that the unusable portions of the remaining property at the subject property (the open space area) cannot be worth more than \$10,000. Data No. 3 is a listing of 20-gross acres which is adjacent south of the subject property, and in fact adjacent south to the slope areas along the southerly boundary of the subject property. Data No. 4 is the sale of the 20-gross acre parcel which is adjacent south of this. These two data items clearly demonstrate that the subject open space parcel must be worth from \$5,000 to \$10,000 per acre.

The retention basin, tank site and helipad must be worth something more than this, but cannot be valued at the same rate as the pad area. These areas represent graded areas that cannot be developed with homes, but are necessary for the 59.2-acre pad area to be developed. For these portions of the subject property I have used a rate of \$50,000 per acre to represent their contributory value since they are graded and serve to allow the subject property to function. Their value must be greater than \$10,000 per acre but cannot be worth anywhere near the contributory value of the pad area of \$600,000 per acre. The balance of the site is slope area, and it is these graded areas which allow the pad to function as a pad. These slopes support the pad and help create the value of the pad area. Similar to the detention basin, helipad and tank site, these areas are graded, but not to the same finish or degree. These have been valued at \$25,000 per acre as part of the overall value of the entire 197.96-acres which constitute the subject property. Therefore, the contributory value of these other areas can be demonstrated as follows:

Open Space	61.60-acres @ \$10,000/acre = \$616,000
Retention Basin/Tank Site/Helipad.....	15.90-acres @ \$50,000/acre = \$795,000
Other Areas (Slopes, etc.)	<u>61.26-acres @ \$25,000/acre = \$1,531,500</u>
Total	138.76-acres @ \$21,206/acre = \$2,942,500

Based on this, the total value for the property is \$44,942,500 (\$42,000,000 + \$2,942,500), which I have rounded to \$45,000,000 for the subject site in super-pad, “construction ready” condition. This is equal to \$760,135 per pad-acre ($\$45,000,000 \div 59.2\text{-acres}$). This equates to a total price per gross acre of \$227,319 ($\$45,000,000 \div 197.96\text{-acres}$). Both of these figures appear reasonable.

Appraisers Workfile

The conclusions stated in this restricted use appraisal report cannot be properly and fully understood without the additional and complete information which is contained within the appraiser’s workfile. This workfile is being maintained per the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute and the Code of Ethics of this same organization.

Assumptions and Limiting Conditions

All typical and standard limiting conditions which are a normal part of any appraisal process are considered, by reference, to be included within this appraisal report. These include:

- 1) The date of value to which the conclusions and opinions expressed in this report apply, is July 1, 2016. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.
- 2) The appraiser assumes no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of the letter transmitting the report.
- 3) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 4) The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
- 5) No opinion as to title is rendered. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
- 6) The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.

- 7) The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.
- 8) The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.
- 9) The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.
- 10) No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.
- 11) No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
- 12) No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
- 13) That possession of this report, or a copy of it, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
- 14) Unless specifically stated, this appraisal does not take into consideration the possibility of the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances and/or underground storage tank (hazardous material), or the cost of encapsulation or removing thereof. Should the client have concern over the existence of such substances on the property, I consider it imperative for you to retain the services of a qualified independent engineer or contractor to determine the existence and extent of any hazardous materials, as well as the cost associated with any required or desirable treatment or removal thereof.
- 15) The appraisal assumes the subject property has been developed as a super pad essentially as represented by the Grading Study 5L (based on the RRC Site Plan Option 2B, dated 5-9-2012), and the High School Site Acreage Breakdown Map, dated September 5, 2012 drafted by Sikand Engineering. It also assumes that all access roads have been completed, that infrastructure is installed and readily available for use at the subject property. This is a hypothetical condition and its use may have affected the assignment results. I reserve the right to amend this report if these areas are found to be incorrectly reported or inconsistent with the approved SEIR and FEIR.

Certification

The appraiser signing this appraisal report certifies to the best of his knowledge and belief:

- 1) The facts and data reported by the appraiser and used in the appraisal process are true and correct.
- 2) The analyses, opinions and conclusions in this report are limited only by the assumptions and limiting conditions stated in this appraisal report, and are our personal, unbiased, professional analyses, opinions and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this appraisal report and we have no personal interest or bias with respect to the parties involved.
- 4) I have provided real property valuation services as an appraiser by performing an appraisal of the subject property within the three-year period immediately preceding acceptance of this assignment.
- 5) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7) My compensation is not contingent upon an action or event resulting from the analyses, opinions or conclusions in, or the use of this appraisal report.
- 8) My analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute, and the Code of Professional Ethics of the Appraisal Institute.
- 9) No one provided significant professional assistance to the appraiser signing this report including collection, verification and analysis regarding comparable sales data, review and analysis of all documents relied upon, subject property review and analysis, and writing of portions of this appraisal report.
- 10) I personally inspected the subject property, the comparable sales and the neighborhood.
- 11) The appraiser signing this appraisal report has appraised this property in each of the past two years for the same client and for the same intended use.
- 12) The report is subject to the requirements relating to review by the Appraisal Institute and their duly authorized representatives.
- 12) As of the date of this report I have completed the continuing education program of the Appraisal Institute.

Respectfully Submitted,



D. Michael Mason, MAI, SRA
California State General
Certified Appraiser - AG001673

ATTACHMENT B

**Appraisal and Valuation Letter Prepared by
Overland, Pacific & Cutler, Inc.**



APPRAISAL OF REAL PROPERTY

MARKET VALUE APPRAISAL OF:

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
PROPOSED ADOBE MIDDLE SCHOOL
NEWHALL RANCH – LONG CANYON
VALENCIA, SANTA CLARITA, CALIFORNIA 91381

EFFECTIVE DATE OF THE APPRAISAL:

NOVEMBER 15, 2013

DATE OF REPORT:

NOVEMBER 15, 2013

PREPARED FOR:

MS. WENDY WILES, ESQUIRE
ON BEHALF OF THE WILLIAM S. HART UNION HIGH
SCHOOL DISTRICT

PREPARED BY:

OVERLAND, PACIFIC & CUTLER, INC.
99 SOUTH LAKE AVENUE, SUITE 201
PASADENA, CA 91101

OPC FILE NO.: APP-209



November 15, 2013

Ms. Wendy Wiles, Esquire
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RE: Proposed Adobe Middle School Site
William S. Hart Union High School District
Newhall Ranch – Long Canyon
Valencia, Santa Clarita, California

OPC File No.: APP-209

Dear Ms. Wiles,

As you requested, Overland, Pacific & Cutler, Inc. (“OPC Services”) has performed a complete appraisal of the above-described real property. Our findings are presented to you in this restricted use appraisal report format. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice and the Code of Ethics of the Appraisal Institute.

You have asked that an appraisal be performed to estimate the current fair market value of the proposed Adobe Middle School site within the Newhall Ranch Specific Plan (Long Canyon subsection) area in the Santa Clarita Valley. This property is being appraised assuming it is finished as a super pad site, with supportive off-pad infrastructure installed and ready to receive the school facilities. This is in keeping with section 1859.74.1 of the Office of Public School Construction regulations.

This letter sets forth the information required by the Uniform Standards of Professional Appraisal Practice regarding this type of assignment, a complete appraisal in a restricted use appraisal report format. It should be noted that this report cannot be fully understood without the complete information which has been retained in the files. This appraisal report simply states what work was completed along with our findings.





APPRAISAL FINDINGS

The valuation opinions and analysis are expressed as of November 15, 2013, the date of the fair share mitigation agreement revaluation. Based on the residual analysis and our discussions with developers in the area, the 16.0-gross acres of subject land area in super pad condition for the proposed Adobe Middle School as of November 15, 2013 was worth \$17,477,068 which equates to \$1,092,317 per acre and \pm \$166,500 per pad lot, repeated as follows:

**MARKET VALUE AS PROPOSED (SUPER-PAD CONDITION)
OF THE FEE SIMPLE INTEREST
\$17,500,000 (Rounded)
(\$1,092,317 per net pad-acre)
(\pm \$166,500 per potential lot)**

Thank you for the opportunity to be of service.

Respectfully Submitted,

OVERLAND, PACIFIC & CUTLER, INC. – VALUATION SERVICES

Eric Boucher
Senior Valuation Analyst
Certified General Real Estate Appraiser
CA – AG042483; Exp. May 8, 2015
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D. Michael Mason, MAI
Managing Director
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CA – AG001673; Exp. March 19, 2014
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IDENTIFICATION OF THE CLIENT AND OTHER INTENDED USERS

The client is Ms. Wendy Wiles, Esq., on behalf of the William S. Hart Union High School District (“the District”). This is a restricted use appraisal report and as such there are no other intended users.

INTENDED USE OF THE APPRAISAL

This appraisal is intended to provide documentation of the estimated fair market value of the 16.0-acre middle school site which is to be developed with the Adobe Middle School in the Long Canyon area of Newhall Ranch. This property is currently owned by the Newhall Land & Farming Company and will be sold to the District at the appraised value. The report will serve in the annual fair share mitigation agreement valuation as the next high school and middle school to be acquired by the District setting developer fees for new construction.

PROPERTY INTEREST

The property interest appraised is the fee simple estate.

PURPOSE AND DEFINITION OF VALUE APPLICABLE TO THE APPRAISAL

The purpose of the report is to establish an estimate of the current fair market value of the subject property. The definition of market value that is used is derived from the Office of Comptroller of the Currency Title 12, Part 34, Subpart C-Appraisals, §34.42 (Source: 55 FR 34696, Aug. 24, 1990) and is stated as follows

For the purpose of this appraisal, the following definition and appropriate CCP section of the California Eminent Domain Law was utilized. From CCP Section 1263.320:

“(a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purpose for which the property is reasonably adaptable and available. (b) The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable.”

DATE OF VALUE AND DATE OF APPRAISAL

OPC Services was authorized to perform this appraisal assignment by Wendy Wiles during a phone conversation in October 2013. The assignment was completed on November 15, 2013 and transmitted to the client on November 18, 2013. The property was inspected by Eric Boucher (California Certified General Lic. AG042483). All research and analysis was performed during October and November 2013. The date of value by agreement is for the annual fair share mitigation agreement valuation, November 15, 2013.

IDENTIFICATION OF THE REAL ESTATE WHICH IS THE SUBJECT PROPERTY

The subject property consists of a proposed middle school site with a 16.0-acre pad. A proposed super pad and improved map of the subject property is located in the Addenda, Exhibit C. The site is currently raw acreage and is part of the proposed Newhall Ranch residential development, a proposed residential development in Valencia, Santa Clarita, California.

The subject property site is being appraised as if it were a graded super pad in a finished graded condition ready to accept the middle school improvements. These improvements would include a pad graded to at most a 2% slope, utilities extended to the site but not onto the site, fully improved access to the property and perimeter streets fully improved. The proposed middle school facility will have a library/administration building, two 2-story classroom buildings, a food service building (cafeteria), laboratory science building, and gymnasium. A field area for baseball and football/soccer will be provided along with parking lot and bus drop-off zone. A site plan showing the proposed improvements is located in the Addenda, Exhibit C.

SANTA CLARITA VALLEY

The Santa Clarita Valley is geographically distinct from the neighboring San Fernando Valley as it is surrounded by the San Gabriel and Santa Susanna Mountains. The entire Santa Clarita Valley comprises 400 square miles, approximately 47 of which are located within the city of Santa Clarita. Regional transportation for the area is good, with the Golden State Freeway (Interstate 5), and the Antelope Valley Freeway (State Highway 14) west and east of the subject property respectively, traversing the valley generally in a north/south alignment. Interstate 5 connects the Castaic area at the far northwestern end of the valley to Stevenson Ranch at the southwestern side and provides the primary access to Santa Clarita from the City of Los Angeles. Other connecting freeways at the confluence of the San Fernando and Santa Clarita Valleys include the San Diego Freeway (405), the Foothill Freeway (210) and the Hollywood Freeway (170/101). The Santa Paula Freeway (126) connects Santa Clarita to Ventura County, the City of Ventura and the coast.

Employment is primarily centered along major transportation routes: in the western region of Santa Clarita along Interstate 5; in the southern section of the city along Lyons Avenue and Valencia Boulevard; in the Canyon Country area along the Antelope Valley Freeway. Employment is diverse with financial, real estate, and professional services mostly concentrated along Lyons and Valencia Boulevard.

The industrial and smaller manufacturing companies are located along Interstate 5 in the Valencia Industrial Center. The population of the Santa Clarita Valley as of 2010 was estimated at 177,158 persons reflecting an increase of approximately 17% from 2000. Covering approximately 47 square miles, Santa Clarita is the fifth largest land mass city, and contains the fourth largest population in the County of Los Angeles. There are 57,162 housing units with an average household size of 3.1-people and a median age of 35.1. In all, 100,000 new residential units are proposed for the Santa Clarita Valley in large subdivisions. The Southern California Association of Governments projects a population of 193,866 for the city of Santa Clarita by the year 2015, although other sources indicate a number closer to 200,000.

Market activity has also occurred in the commercial sector (shopping centers, office buildings, medical offices, industrial parks, and the lodging industry). The Valencia Town Center, the Santa Clarita Valley's first regional shopping mall, opened in 1992. Anchor tenants include Sears, J.C. Penny's and Robinsons/May. The Town Center was a joint venture development with JMB Properties and The Newhall Land and Farming Company.

In summary, the Santa Clarita Valley is experiencing stability with little increase in housing or population reflecting the current state of the economy. It is the location of many new good quality commercial buildings and residential subdivisions. The Santa Clarita Valley offers a pleasant living environment due to its hilly topography, upscale residential neighborhoods, and its population's strong desire for a more improved quality of life.

GENERAL & SPECIFIC PLAN AREA AND ZONING CLASSIFICATIONS

NEWHALL RANCH SPECIFIC PLAN

The subject property is part of the Newhall Ranch Specific Plan and as such it is subject to the development requirements of the master plan. The underlying zoning is residential and if the subject property were not developed with a school facility it could be developed with detached and/or attached single family homes. The site is north of Long Canyon Road with frontage on a street designated as X Street on the Specific Plan. Southeast of the subject property, on a northwest corner, is a proposed aquatic center and at the southwest corner of the subject property is a proposed community park. Adjacent west is a proposed high school.

Just northwest of the subject property is planning area LCN-1. This area contains 8.4-acres and is proposed for 223 affordable housing units in a three-story townhouse design. South and east of the subject property are planning areas LCN 6 and LCN 7. These residential areas contain 41.8-acres and 28.5-acres respectively, and will have 10,000 and 7,500 square foot lots. These areas are much higher in elevation and it will be designed to take advantage of the views afforded from this location. Southwest of the subject property, across Long Canyon Road, is a residential estate tract, PR-1, offering estate sized parcels over one acre. This area is also higher in elevation and the home sites will offer views west to Ventura and east to Magic Mountain along the Santa Clara Riverbed. North of these estate sized lots, at a lower elevation along the river, are the Onion Fields tracts. These tracts are for smaller lots, 3,500, 4,500 and 5,500 square feet, and some attached product in three-story townhouse design with triplex units.

The Newhall Ranch is located in the northern portion of unincorporated Los Angeles County in the Santa Clara River Valley. The ranch is irregular shaped (approximately 5 miles east-west and approximately 5.5 miles north-south) and encompasses approximately 11,963 acres. State Highway 126 (SR-126) and the Santa Clara River transect the site from east to west. The Golden State Freeway (I-5) corridor is located approximately one mile east of the site. The site is roughly bound by the Valencia Commerce Center, the Chiquita Canyon Landfill, and the community of Val Verde to the north; the Santa Susana Mountains to the south; the Los Angeles County/Ventura County line to the west; and the Six Flags Magic Mountain theme park to the east.

The Newhall Ranch site can be characterized as an area of varying terrain, ranging from the flat agricultural lands along the Santa Clara River, to the gentle valleys, rolling hills, steep-faced cliffs and elevated mesas to the south and north of the river. The southerly portion of the site contains steep terrain and high plateaus of the Santa Susana Mountains.

Direct access to the site is provided by State Route 126 which transects Newhall Ranch in an east-west direction. The Golden State Freeway (Interstate Highway 5)/SR-126 interchange is located approximately one mile east of the site. San Martinez Grande Road and Chiquito Canyon Road north of SR-126 provide access to the northern portion of the site. Magic Mountain Parkway and Valencia Boulevard will be extended west and will form the backbone of local connector streets in the project.

The Newhall Ranch Plan contains five complementary "Villages", with specific land use designations for each parcel. The five Villages within Newhall Ranch include:

- **Riverwood** — Situated north of the Santa Clara River and along State Highway 126;
- **Oak Valley** — Located in the westerly portion of Potrero Canyon;
- **Potrero Valley** — Occupies the central and easterly portions of Potrero Canyon;
- **Long Canyon** — Situated in the valley and hills adjacent to the Sawtooth Ridge, south of the Santa Clara River; and
- **The Mesas** — Overlooks the Santa Clara River in the Northeast portion of the site.

These Villages are defined by natural landmarks and topographical features. Dividing this large community into Villages allows for the creation of convenient Village Centers, giving future residents optimal access to commercial, recreational and public facilities.

The subject property is located within the Long Canyon village, which is the smallest and most topographically enclosed of the Newhall Ranch Villages. It is situated in a canyon bordered by the prominent Sawtooth Ridge to the northeast, rolling hills and bluffs to the south and the Santa Clara River Valley to the northwest. The Village's natural sense of enclosure, along with its varied elevations and resulting shape, provide the opportunity to maximize views and to build a distinctive linear greenbelt serving as a central trail component.

A design goal of this residential Village is to preserve the adjacent river corridor and Sawtooth Ridgeline, and to restore Long Canyon Creek. The linear form of the Village is emphasized through an *Open Area* and trail system oriented along Long Canyon Creek as it drains to the River. The northern portions of the Village are spread along an elevated plain above the River and just below the continuous bluff protruding inland at this point. The easterly, elevated portions of Long Canyon afford excellent views of the River Corridor. This smaller Village contains an elementary school and an adjoining Neighborhood Park.

Residential: 1,693 view-oriented homes are referenced in the Newhall Ranch specific plan for the Village of Long Canyon. Sited along the canyon floor and the hillsides, residential *land use designations* range from Estate Residential (Potrero Ridge) to Medium, condominiums/attached (Onion Fields) depending on site topography and view characteristics. Homes in the more elevated eastern end of the canyon have tiered views of the River Corridor, while the remaining homes are oriented along the creek and linear greenbelt, affording views of the ridgeline and *Open Area* features.

Commercial: Due to its relatively small size, physical boundaries, and proximity to other Village Centers, Long Canyon does not contain a commercial component. However, the Village Centers of Potrero Valley and Riverwood, and the close-by commercial center of The Mesas, are easily accessible to the residents of Long Canyon Village by arterial roadways and the community trail system.

Circulation/Mobility: Long Canyon Road (extension of Chiquito Canyon Road) bisects Long Canyon to provide both intra- and inter- Village access. This roadway meets other arterials at both ends of the Village to connect with the Villages of Riverwood, and Potrero Valley. A smaller collector road, aligned more closely to Long Canyon Creek, loops off from the arterial to serve the residential neighborhoods in the southern portions of the Village and links to the Magic Mountain Parkway extension. The key feature of the Village's pedestrian and bikeway system is the Local Trail which runs the length of the canyon through the linear greenbelt along Long Canyon Creek which joins the Santa Clara River Valley. This trail system provides maximum exposure to the scenic features of the canyon and offers access to other Villages. Neighborhoods in the middle of the Village are linked to the creek side trails by convenient entry points. A pedestrian, on-street pathway is also located along the Village's major roadway and provides linkage to the creek side Local Trail at both ends of the Village.

Public Facilities/Recreation/Open Area: The recreation and *Open Area* planned for Long Canyon focuses on its central, linear greenbelt and creek side Local Trail, which connects to the Long Canyon Road and Community Trail and provides access and a continuous link to the River Corridor Local Trail to the north. The Local Trail will provide access and passive recreation along the *River Corridor SMA* and will act to separate the River from the Low and Medium Residential development south of the river. A Neighborhood Park and elementary school site near the linear greenbelt will provide recreational opportunities and a social focal point for the entire Village.

HIGHEST AND BEST USE & POTENTIAL DEVELOPMENT DENSITY DETERMINATION

The highest and best use of the subject property site is development with single family homes. This is in keeping with the Newhall Ranch Specific plan and surrounding land uses. Because of the size of the subject property site, 16.0-acres, the site would be developed with a detached single family residential tract offering either three or four floor plans. The Onion Fields development contains approximately 60.60-acres and is proposed to be developed with 714-units, in both detached and attached product. This is at an overall density of 11.8-units per acre. The detached product is in the Low-Medium density range with a 2,500 square foot minimum allowed lot size. The proposed development plan anticipates lots of 3,500 to 5,500 square feet, and this is a reasonable range to be anticipated for the subject property.

Nearby lower density developments, 7,500 to 10,000 square foot lots, are all located southwest and southeast from the subject property, at higher elevations. These lots take advantage of the elevations with views, and because of this it does not appear likely that the subject property would be developed with this type of product. It is most likely the subject property site would be developed with detached product similar to the Onion Field area. This would result in the site being developed with 4,500 and 5,500 square foot lots with a density of 6.0 to 7.0-units per acre. For the 16-acre subject property site this would result in about 100 to 110-units constructed on the site. This appears reasonable, supportable and compatible with surrounding development.

SCOPE OF WORK, APPRAISAL PROCEDURES FOLLOWED & METHODOLOGIES

In completion of this assignment, we have gathered sales of comparable land parcels within the greater Santa Clarita area including entitled raw land, as well as partially or fully finished lot packages. A survey of existing home sales tracts has also been performed. We have concluded that use of a residual analysis to value the subject property is the most credible methodology and results in the most reliable value indication. The costs are based on cost services, development costs for other Newhall Land Development (previously LandSource Communities Development LLC and Newhall Land and Farming) projects such as West Hills and West Creek, and anticipated costs for Long Canyon 6, Long Canyon 7 and Long Canyon 8 planning areas. The historical costs have been adjusted down by about 10% to 15%. The value opinion and analysis complies with the Uniform Standards of Professional Appraisal Practice and is unbiased and impartial. No predetermined value or opinion formed the basis of any conclusions stated in this appraisal. The depth of the investigation and analysis is meant to be in keeping with the purpose of the appraisal and the client's needs in obtaining the information.

RESIDUAL ANALYSIS

Transfers of Finished Lots

We identified seven bulk sales of finished lots which transferred during 2012 and 2013 which are briefly described below for reference. All other detail regarding these sales are retained in our workfile.

Sale 1 is of a raw land site within the city occurred in August 2013 between two private investors. The site was sold by related but separate entities in 2010 (WL Homes LLC and EHL Homes LLC) and then resold by EHL Homes LLC to Republic Western Investors Co. LLC which intends to develop the site. The investor group obtained a \$17,600,000 construction deed of trust from Wells Fargo in August 2013 which was recorded concurrently with the purchase grant deed of \$4,000,000. The site was approved for development by the Los Angeles County Board of Supervisors with conditions, rezoned to accommodate 5,000 square foot minimum lot sizes, and was slated to include sufficient open space allocations and a public park. The 12.2-gross acre site is approved for 42 single family homes in cluster formation, open space, a park, and a public facility lot (basin). The site was later redesigned and reduced to 40 buildable home sites, equating to a per lot pricing of \$100,000 for the entitled, but as of yet unrecorded subdivision.

Sale 2 consists of a very large site in Agua Dulce of 551-gross acres, of which roughly 260 acres are entitled for development of 492 single family homes (Tract Map No. 48086). The development would also include open space elements, and a school site. Based on the tract map and applicable approved zoning for the development, lots would range from 7,000 to 20,000 square feet, with the larger lots having less than half this size as buildable pad area. The sale price was \$17,000,000 and occurred in February 2013, equating to \$34,552 per entitled/approved lot. The site has challenging topography, and will require considerable engineering and earthwork to develop.

Sale 3 consists of 35 entitled lots in Santa Clarita which were approved in November 2009 by the City of Santa Clarita. The VTTM 68601 originally sought approval for 45 lots, but was eventually reduced to 35 lots due to the hillside management issues involved with the project. The average approved lot size is 7,000 square feet (48-gross acres), and the site will include two open space and basin lots as well. The property was purchased by Trilogy Land Holdings LLC (holding entity for Richland Communities) and Legacy Land Partners LLC (Florida LLC) in 50% interests from Canyon Brook LP (holding entity for Brooks Street). Both buyer and seller are highly experienced real estate planning, funding, entitlement, development, and marketing enterprises. The sale price was \$520,000, or \$14,857 per approved lot.

Sale 4 is a 19.53-gross acre site approved for development with 147 single family cluster homes known as Soledad Circle Estates. The site was in raw condition at the time of sale in May 2013. The sale price was \$7,240,000, equating to \$49,252 per approved raw lot. The City of Santa Clarita City Council approved the project in June 2008 and will consist of homes between 1,693 and 2,274 square feet in size (roughly a third in each of three size categories). While an HOA is planned for the project, no CFD is anticipated. Cost estimates by the seller to complete the lots to a finished condition were reported at about \$95,000 (excluding school fees to be paid at the time of building permit issuance). Accessibility to the community would be extended from Soledad Canyon Road, just west of its intersection with Whites Canyon Road, and southwest of the river.

Sale 5 consists of the only sale of a package of true finished lots in the Santa Clarita Valley during 2013 so far of which we are aware. The transaction consisted of the sale of 58 single family home sites within the West Hills village planned neighborhood of Capri by Lennar. Although the transfer was from one group of entities to another within a larger public corporation, based upon our discussions with internal staff of the company all transfers are negotiated and are market value based due to reporting and disclosure requirements for the SEC. For this reason, the \$11,926,000 transfer price, which equated to \$205,620 per lot represents an excellent indication of the present finished lot value in the submarket. Capri is currently open and selling two-story homes sized from 2,625 to 3,000 square feet having 4-5 bedrooms, 2 ½-3 bathrooms, and an attached two-car garage. Pricing currently ranges from \$654,000 to \$670,500, which includes solar upgrades. Based upon this pricing, the underlying finished lot price is roughly 30-35% of the overall finished home retail price which is expected and typical.

Sale 6 was completed in September 2012, and was between Newhall Land and Farming (seller) and KB Home Coastal, Inc. (buyer). The sale was of 54 single family home sites within the RiverVillage area of the city which was to become the Charleston neighborhood. Lot sizes vary from 6,500 to 10,000 square feet, and average 6,500 to 7,500 square feet. The reported sale price was \$9,827,000 which equates to \$181,981 per finished lot. Finishing costs were outstanding, though were reportedly low, estimated to be within the \$10,000 to \$15,000 per lot range. Charleston is described above within the currently active selling developments section. This sale offers the second best indication of finished lot values based on the trailing sale date, but the highly finished nature of the lots, and the subsequent immediate beginning of development of the lots following close of escrow.

Sale 7 was completed in April 2012, and was between Newhall Land and Farming and D.R. Horton, Inc. including a total of 314 parcels, of which 283 were finished single family lots. The average size of the lots is approximately 5,500 to 6,500 per home.

The transaction encompassed three planned neighborhoods in the West Hills Village west of Copper Hill Drive (Tract Map No. 52455-03): Monument, Belmont and Highgate. All three neighborhoods are described above and are actively developing. We attempted contact with both buyer and seller, however, both parties were bound by confidentiality agreements and would not release price details. Public records indicate that the purchase price was \$19,500,000, which equates to \$68,905. One seller contact noted that the lots were only semi-finished, that topography was difficult and challenging (as well as expensive), and that considerable time and capital would be required to bring the lots up to a finished state. Some of the lots were only mass graded while others were more finely graded, however, in tracts, backbone infrastructure (wet & dry utilities) and perimeter walls and entrance structures were all absent.

In conclusion, finished lot sales packages were almost non-existent in 2013, and there were only a few projects sold in 2012 of considerable size and scope. This indicates that builders in the submarket continue to simply develop the approved projects within their possession, or trade them to other builders of national size and scale for development. As prices continue a slow but steady increase, this in turn logically increases the value of the underlying land and the necessity for available and prepared finished lot inventories. For this reason, and based upon the sales data presented, we estimate the value of the subject property per finished lot (at an average lot size of 5,000 square feet) to be between \$230,000 to \$260,000.

This indicates that the subject would be worth less than this as a super pad per the hypothetical condition applicable to this analysis. The super pad condition would not include in tracts, finish grading for the individual lots, or any necessary off-site improvements to serve the interior streets and circulation elements.

Residential Single Family Subdivisions

Seven comparable residential communities were surveyed which are comparable to the type of development anticipated at the subject property. Information for each is highlighted as follows:

Charleston is within the RiverVillage neighborhood and consists of a 45-unit single-family residential tract development offering being sold by KB Homes with four floor plans currently being offered for sale. The development opened in May 2013. These homes represent the largest floor plans on average amongst the comparable set, followed by Monument at West Hills, however are priced roughly 10% less than Monument.

The two-story designed home sizes range from 3,413 to 4,506 square feet, and all include an attached two- to three-car garage. The smallest floor plan is a 3,413 square foot, four to six-bedroom, 2 ½ to 4 ½ bathroom home (offered at \$711,841, \$209/sq. ft.). The largest floor plan offered in Charleston is a 4,506 square foot, five to six-bedroom, 4 ½ to 6 bathroom home (offered at \$865,420, \$192/sq. ft.). Solar panels are included with each home with upgradable sizing for each system per buyers' requests. Of the 41 units total offered so far for sale, 26 had sold at the close of August 2013, equating to a rate of 2.46 homes per week during the 2Q2013. The average lot size is 7,500 to 8,500 square feet.

Mosaic is within the West Hills neighborhood and consists of a 54-unit single-family residential tract development offering being sold by Lennar Homes with four floor plans currently being offered for sale. The development opened in February 2013. These homes represent an average size floor plan amongst the comparable set. The two-story designed home sizes range from 2,809 to 3,376 square feet, and all include an attached two-car garage. The smallest floor plan is a 2,809 square foot, four-bedroom, 3 bathroom home (offered at \$664,000, \$236/sq. ft.). The largest floor plan offered in the Mosaic community is a 3,376 square foot, 5 bedroom, 3 bathroom home (offered at \$707,145, \$209/sq. ft.). Solar panels (1.4 kW roof-mounted system) are included with each home as a standard option. Also, the Next Gen™ fully separated, integrated living quarters (guest suite or aging parent living area) with private entrance is included within one of the floor plans offered. Of the 32 units total offered so far for sale, 27 had sold at the close of August 2013, equating to a rate of 1.08 homes per week during the 2Q2013. The average lot size for these homes is 5,500 to 6,500 square feet.

Lexington is within the River Village neighborhood and consists of a 93-unit single-family residential tract development offering being sold by Lennar Homes with four floor plans currently being offered for sale. The development opened in May 2012. These homes represent similar size floor plans to compared to Monument in West Hills, at the upper end of sizing within the comparable set. The two-story designed home sizes range from 3,073 to 3,820 square feet, and all include an attached two- or three-car garage. The smallest floor plan is a 3,073 square foot, 5 bedroom, 3 ½ bathroom home (offered at \$662,800, \$216/sq. ft.). The largest floor plan offered in the Lexington community is a 3,820 square foot, 5 bedroom, 3 bathroom home (offered at \$745,500, \$195/sq. ft.). Solar panels (1.4 kW roof-mounted system) are included with each home as a standard option. Also, the NextGen™ fully separated, integrated living quarters (guest suite or aging parent living area) with private entrance is included within two of the floor plans offered. Of the 56 units total offered so far for sale, all had sold at the close of August 2013, equating to a rate of 1.00 homes per week during the 2Q2013. The average lot size for these homes is 7,500 square feet.

Toscana is within the West Creek neighborhood and consists of a 106-unit single-family residential tract development offering being sold by Lennar Homes with three floor plans currently being offered for sale. The development opened in February 2013. These homes represent the smallest size floor plans within the comparable set. The two-story designed home sizes range from 2,167 to 2,781 square feet, and all include an attached two-car garage. The smallest floor plan is a 2,167 square foot, 4 bedroom, 3 ½ bathroom home (offered at \$489,000, \$226/sq. ft.). The largest floor plan offered in the Toscana community is a 2,781 square foot, 4 bedroom, 3 ½ bathroom home (offered at \$548,000, \$197/sq. ft.). Solar panels (1.4 kW roof-mounted system) are included with each home as a standard option. Of the 29 units total offered so far for sale, all had sold at the close of August 2013, equating to a rate of 1.18 homes per week during the 2Q2013. The average lot size for these homes is 4,500 to 5,000 square feet.

Belmont is within the West Hills neighborhood and consists of a 91-unit single-family residential tract development offering being sold by D. R. Horton with four floor plans currently being offered for sale. The development opened in April 2013. These homes represent the an average size floor plan within the comparable set. The two-story designed home sizes range from 2,982 to 3,705 square feet, and all include an attached two- or three-car garage. The smallest floor plan is a 2,982 square foot, 4 bedroom, 2 ½ bathroom home (offered at \$613,220, \$206/sq. ft.).

The largest floor plan offered in the Belmont community is a 3,705 square foot, 5 bedroom, 3 ½ bathroom home (offered at \$680,250, \$184/sq. ft.). Of the 16 units total offered so far for sale, 10 had sold at the close of August 2013, equating to a rate of 0.69 homes per week during the 2Q2013. The average lot size for these homes is 7,500 square feet.

Monument is within the West Hills neighborhood and consists of a 114-unit single-family residential tract development offering being sold by D. R. Horton with four floor plans currently being offered for sale. The development opened in April 2013. These homes are among the largest floor plans in the comparable set. The two-story designed home sizes range from 3,530 to 3,968 square feet, and all include an attached two- or three-car garage. The smallest floor plan is a 3,530 square foot, 6 bedroom, 5 ½ bathroom home (offered at \$717,302, \$203/sq. ft.). The largest floor plan offered in the Monument community is a 3,968 square foot, 5-6 bedroom, 4 ½ bathroom home (offered at \$758,845, \$191/sq. ft.). Of the 22 units total offered so far for sale, 14 had sold at the close of August 2013, equating to a rate of 0.62 homes per week during the 2Q2013. The average lot size for these homes is 7,500 to 8,500 square feet.

Highgate is within the West Hills neighborhood and consists of a 79-unit single-family residential tract development offering being sold by D. R. Horton with three floor plans currently being offered for sale. The development opened in April 2013. These homes are among the smallest floor plans in the comparable set. The two-story designed home sizes range from 2,627 to 2,994 square feet, and all include an attached two-car garage. The smallest floor plan is a 2,627 square foot, 3-5 bedroom, 3 ½ bathroom home (offered at \$586,069, \$223/sq. ft.). The largest floor plan offered in the Highgate community is a 2,994 square foot, 3 bedroom, 3 ½ bathroom home (offered at \$613,721, \$205/sq. ft.). Of the 15 units total offered so far for sale, 10 had sold at the close of August 2013, equating to a rate of 0.38 homes per week during the 2Q2013. The average lot size for these homes is 7,000 square feet.

Overall, although starts, production, and absorption have increased from the previous twelve month period, sales remain considerably below the average mid-year average at 161, or only 42% of the twenty-five year summer average of 380 homes. During the summer quarter absorption continued to be below one home per week among average projects. This is representative of roughly half of levels seen during 2002-2005 despite the comparatively few number of active projects (about 40% currently, or 16 active, of the average during that same period being between 35-36 active projects).

The low—though slowly increasing—sales rate at these projects, which is emblematic of single family residential sales in the greater Santa Clarita Valley area, demonstrate why there are a limited number of active tract projects being developed and very little new raw land or finished lot construction taking place.

Most builders are continuing to work through their inventories of finished lots, and previously entitled projects. In 2008 there were only 478 new building permits issued for the Santa Clarita Valley. At the time it was the lowest figure for the 28-years that statistics have been kept. However, 2009 saw building permits for only 281 units, eclipsing the old mark with a 41% loss. 2010 saw an extension of the low permit numbers from the prior year at 272 permits, of which 238 were detached single family product. In 2011, permits were up about 20%, and almost all were for single family development product.

In 2012, this increased activity is reflective of more available financing (which is anticipated to increase in cost in coming quarters), pent up demand, increasing offering prices, as well as stabilization of the submarket. Detached, new home prices reached a peak of just over \$700,000 in the summer of 2006. It then fell rapidly the next quarter to about \$550,000 and currently stands at \$599,000. While prices fell steadily through 2007- 2012, the decline was very gradual. Pricing began to climb throughout 2012 and into the current quarter, finally recovering above levels observed in early 2008 around spring of 2013. Prices have continued to climb since this time up to the present. While sell out of current tract developments is returning, a key difference between pre-recession housing bubble conditions of 2002-2005 and today is the buyer profile. Truly financially capable and well qualified buyers are those obtaining financing and purchasing new homes in the area.

The residual analysis was performed to draw together finished lot pricing and current home prices in establishing the current land value of the subject property. Our analysis assumes the subject is finished and ready to receive the school improvements, though is not subdivided into individual home sites, or including in tracts or other SFR development features on the super pad.

In the following table, the residual analysis utilizes current estimated costs and the 105-lot estimated yield for the 16.0-acre parcel for the proposed Newhall Ranch Adobe Jr. High School property. The costs are based on information provided by Newhall Land and Farming for Planning Areas LCS-4, LCN-7 and LCN-8. These planning areas have 4,000, 7,500 and 5,000 square foot minimum lot sizes respectively. They will also be developed with larger homes, averaging 2,232, 4,200 and 2,900 square feet respectively. For these homes the estimated sales price is \$185 to \$210± per square foot (larger home sizes are projected to sell for less per square foot). The densities are lower than that anticipated at the subject property as they are 4.47, 3.44 and 5.30 units per acre, compared to 6.56 units per acre estimated for the subject property. The residual analysis is presented on the following page. It utilizes a sales price of \$185 per square foot for the estimated average home size of 2,850 square feet, a figure well supported by the market data. The finished lot cost is ±\$251,000.

The value conclusion indicated by the residual analysis of \$17,500,000 (rounded) equates to \$1,092,317 per acre and ±\$166,500 per pad lot.

**WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
PROPOSED ADOBE MIDDLE SCHOOL SITE APPRAISAL**

LAND RESIDUAL ASSUMPTIONS SUMMARY AND ANALYSIS

Residual Assumptions

Estimated Number of Homes	105		
No. of Acres (Super Pad)	16.0		
Density - Lots per Acre	6.5625		
Minimum Lot Size	5,000 SF	*Based upon assumed product type for subject	
Average Size Home	2,850 SF	*Based upon assumed product type for subject	
Average Price Per Sq. Ft.	\$185.00		

Costs and Residuals	Unit Price	Total	Per Home
Average Total Home Price	\$527,250	\$55,361,250	\$527,250

Home Costs

Direct Construction Costs	\$60.00 per square foot	\$17,955,000	\$171,000
Indirect Construction Costs			
Fees/Permits/Warranty	\$35,000 per home	\$3,675,000	\$35,000
Architecture/Other	\$12,000 per home	\$1,260,000	\$12,000
Sales/Marketing	8.0% of total price	\$4,428,900	\$42,180
Legal/Title/Insurance	\$7,500 per home	\$787,500	\$7,500
Taxes @ 1.25%	\$3,141 per home	\$329,830	\$3,141
Contractor Overhead/Profit	3% of direct costs	\$538,650	\$15,818

Total Home Development Costs		\$28,974,880	\$286,639
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Total Home Development Costs PSF			\$101
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Site Development

Intracts	\$40,000 per home	\$4,200,000	\$40,000
Grading	\$17,500 per home	\$1,837,500	\$17,500
Fees/Permits - Site Development	\$25,000 per home	\$2,625,000	\$25,000
Total Site Development Costs		\$8,662,500	\$82,500

Developer Profit	8% of total price	\$4,428,900	\$42,180
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Total of All Costs		\$42,066,280	\$400,631
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Total of All Costs PSF			\$141
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Land Residual - Raw Land Value	Total	\$13,294,970	\$126,619
	Per Acre	\$830,936	

Finished Lot Cost (Site Dev. + Dev. Profit)		\$26,386,370	\$251,299
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Finished Site Value as a Percent of Home Price		47.66%	
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Cost to Create Super Pad Condition	\$27,500 per lot	\$2,887,500	
Profit for Super Pad Condition	8% of total costs	\$1,294,598	

Total Value for Super Pad		\$17,477,068	\$166,448
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Total Value for Super Pad Per Acre		\$1,092,317	
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APPRAISER'S WORKFILE

The conclusions stated in this summary appraisal report cannot be properly and fully understood without the additional and complete information which is contained within the appraiser's workfile. This workfile is being maintained per the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute and the Code of Ethics of this same organization.

ASSUMPTIONS AND LIMITING CONDITIONS

All typical and standard limiting conditions which are a normal part of any appraisal process are considered, by reference, to be included within this appraisal report. These include:

- 1) The date of value to which the conclusions and opinions expressed in this report apply, is November 15, 2013. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.
- 2) The appraisers assume no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of the letter transmitting the report.
- 3) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 4) The appraisers reserve the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
- 5) No opinion as to title is rendered. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
- 6) The appraisers assume no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.
- 7) The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.
- 8) The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.
- 9) The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national

government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.

- 10) No engineering surveys have been made by the appraisers. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.
- 11) No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
- 12) No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
- 13) That possession of this report, or a copy of it, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
- 15) Unless specifically stated, this appraisal does not take into consideration the possibility of the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances and/or underground storage tank (hazardous material), or the cost of encapsulation or removing thereof. Should the client have concern over the existence of such substances on the property, I consider it imperative for you to retain the services of a qualified independent engineer or contractor to determine the existence and extent of any hazardous materials, as well as the cost associated with any required or desirable treatment or removal thereof.

CERTIFICATION

The appraisers signing this appraisal report certify to the best of their knowledge and belief:

- The facts and data reported by the appraisers and used in the appraisal process are true and correct.
- The analyses, opinions and conclusions in this report are limited only by the assumptions and limiting conditions stated in this appraisal report, and are our personal, unbiased, professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this appraisal report and we have no personal interest or bias 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 is not contingent upon an action or event resulting from the analyses, opinions or conclusions in, or the use of this appraisal report.
- Our analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and as subscribed to by the Appraisal Institute, and the Code of Professional Ethics of the Appraisal Institute.
- No one provided significant professional assistance to the persons signing this appraisal report.
- Eric Boucher personally inspected the subject property, the comparable sales and the neighborhood.
- The appraisers signing this appraisal report have not appraised this property at any time within the past five years for the client in any capacity.
- The report is subject to the requirements relating to review by the Appraisal Institute and their duly authorized representatives.
- As of the date of this report D. Michael Mason, MAI has completed the continuing education program of the Appraisal Institute.

Respectfully Submitted,

OVERLAND, PACIFIC & CUTLER, INC. – VALUATION SERVICES



Eric Boucher
Senior Valuation Analyst
Certified General Real Estate Appraiser
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D. Michael Mason, MAI
Managing Director
Certified General Real Estate Appraiser
CA – AG001673; Exp. March 19, 2014
Phone: 626.408.6741
E-Mail: mmason@opcservices.com

ADDENDA OF SUPPORTING DATA

ADDENDA:

Summary of Background and Qualifications.....	Exhibit “A”
Subject Property Proposed Super Pad and Improved School Site Maps	Exhibit “B”

D. Michael Mason, MAI, Principal

Overland, Pacific & Cutler, Inc.

- Education:** ▪ Bachelor of Science in Business Administration, California State University, Los Angeles
- License(s):** ▪ Certified General Real Estate Appraiser, State of California, License #AG001673
- Professional Affiliations:** ▪ MAI Designated Member, Appraisal Institute
 ▪ SRA Designated Member, Appraisal Institute
 ▪ Past President, Southern California Chapter, Appraisal Institute
 ▪ Trustee, Thomas F. Mason Education Trust Fund of the Southern California Chapter of the Appraisal Institute
- Years of Experience:** **Initial Year in Industry:** 1980
 Initial Year with OPC: 2012

Overview

Mr. Mason has been involved in appraisal and consultation for more than 30 years. Appraisals have been completed in the Southern California counties of Los Angeles, Ventura, San Bernardino, Riverside, Orange, San Diego, Imperial, and Santa Barbara. Reports, both form and narrative, have been completed for a variety of purposes including condemnation, easements, mortgage lending, employee relocation, fire loss, establishing sales price, and estate settlements. Examples of assignments include Residential, Commercial, Industrial, Special Purpose, and Review Appraisal. Appraisal experience includes right of way, easements, airports, and special studies including measuring the effects on value due to proximity to electrical overhead utility lines. Mr. Mason has qualified as an Expert Witness within the following jurisdictions: Superior Courts of Los Angeles County, San Bernardino County, Riverside County, and Federal Bankruptcy Court.

School District Project Examples

- **Norwalk La Mirada School District, *Rancho and Kling Schools*.** Assignment required appraisal of two school facilities in the city of La Mirada. The District was considering selling the two properties and needed analysis of their value. In addition, the District wanted to know what the fair rental value was for the facilities to aid in the decision of whether to sell or lease.
- **Lennox Unified School District, *Jefferson Elementary School*.** Assignment involved the acquisition of 10 parcels including a motel, two self-storage facilities, dialysis center, three apartment properties, a retail/industrial building, banquet center, and vacant lots.
- **Savannah School District, *Elementary School*.** Appraisal involved a 9.8-acre site in Stanton that was to be sold by the District. The property was improved with an elementary school.

Specific Expertise

Other Coursework:

Specialized Appraisal Courses sponsored by the American Institute of Real Estate Appraisers
Litigation Certificate Program, Appraisal Institute

Teaching/Lecture/Authorship

Faculty, Appraisal Institute
Various Courses taught including
Valuation, Case Studies, Cost Approach,
USPAP, Code of Ethics

Eric Boucher, Senior Valuation Analyst

Overland, Pacific & Cutler, Inc.

- Education:** ▪ Bachelor of Arts, Biblical Exposition, Minor in English and Languages, Santa Clarita, CA
- License(s):** ▪ Certified General Real Estate Appraiser, State of California, License #042483
- Professional Affiliations:** ▪ Member, Appraisal Institute, Pending
- Years of Experience:** **Initial Year in Industry:** 2006
Initial Year with OPC: 2012

Overview

Mr. Boucher is part of OPC's Appraisal Group. His background in valuation includes appraisals for proposed developments, construction finance, adaptive re-use, portfolio valuations for acquisitions and portfolio analysis, with past emphasis on multi-family. He has been involved in specialty litigation teams preparing reports, providing analysis and producing exhibits for court trials. Mr. Boucher's notable projects have included school district sites, luxury home subdivisions, large shopping centers, and large apartment developments. He has experience interacting with buyers and sellers, developers, executives, brokers, property/asset managers, attorneys, lenders, and other 3rd parties.

Mr. Boucher completed over \$350M in multi-family valuation transaction volume during 2010-2011, lead valuation of five client portfolio acquisitions, and regularly employed ARGUS analysis for multi-tenant retail centers. Property type expertise includes office, industrial, retail, apartment, agricultural, development land, specialty (food processing, airport, ranches), non-conforming properties, and custom tailored consulting assignments.

Project Examples

- **KeyBank for First American Communities, Hidden Creeks Estates.** This project included valuation services for a 188-home luxury subdivision in the midst of entitlement proceedings including \$1M-1.5M proposed homes, as well as horse lots, parks, and open space.
- **Corporate Headquarters, San Gabriel Valley location.** Project included valuation services for a 100,000 square foot global corporate HQ office park including feasibility analysis, land valuation, rent analysis, and renovation cost structuring for client.
- **Wells Fargo Bank for Wood Partners, Monterey Station.** Project included valuation for a proposed 349 unit apartment complex development in urban infill location. Development of this scale in downtown location in 25 years.

Specific Expertise

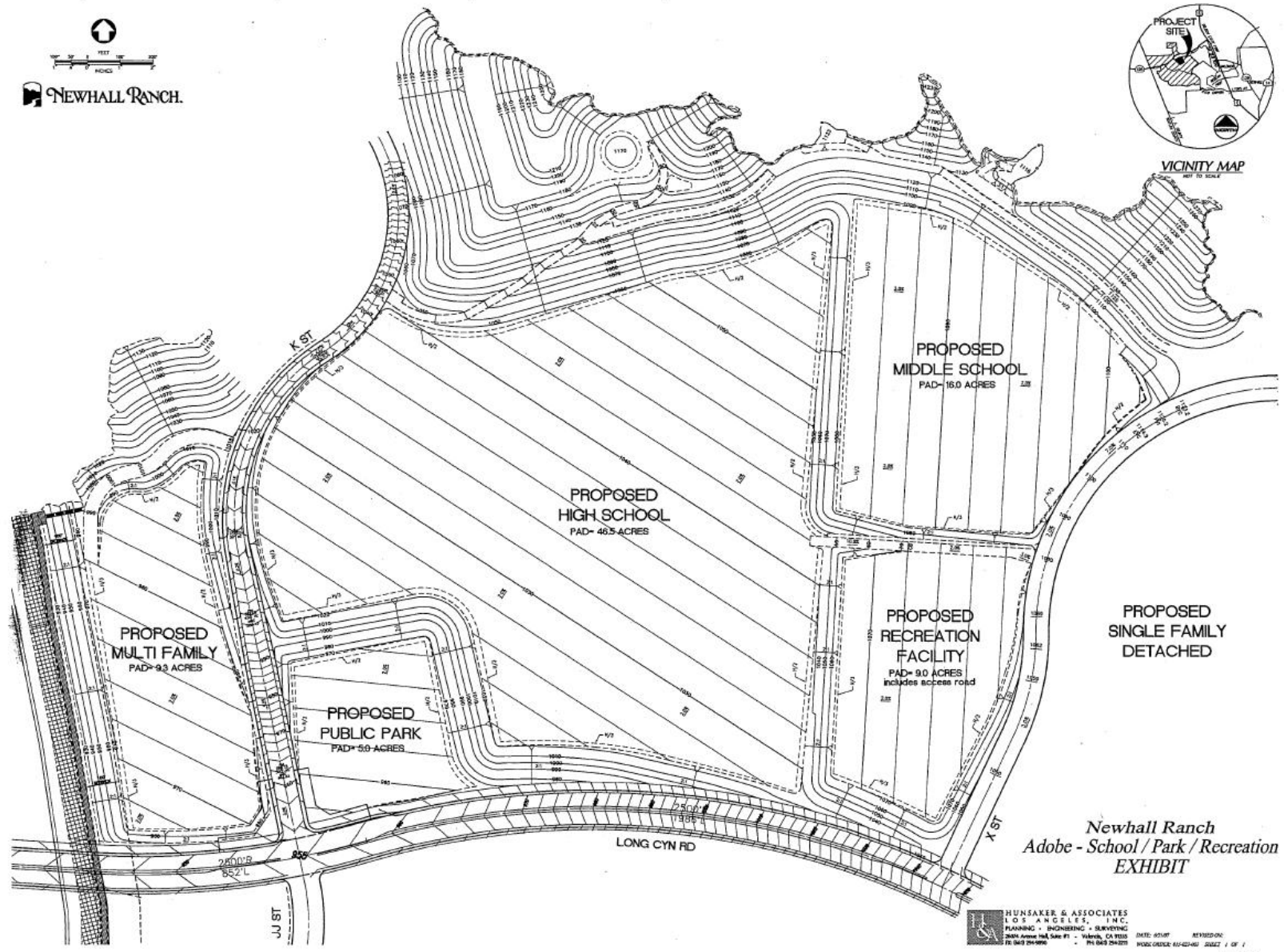
Appraisal Institute Coursework

Basic and Advanced Income Capitalization
Market Analysis and Highest and Best Use
Advanced Sales Comparison and Cost Approaches
Advanced Applications
Report Writing and Valuation Analysis
Uniform Standards of Professional Appraisal Practice.

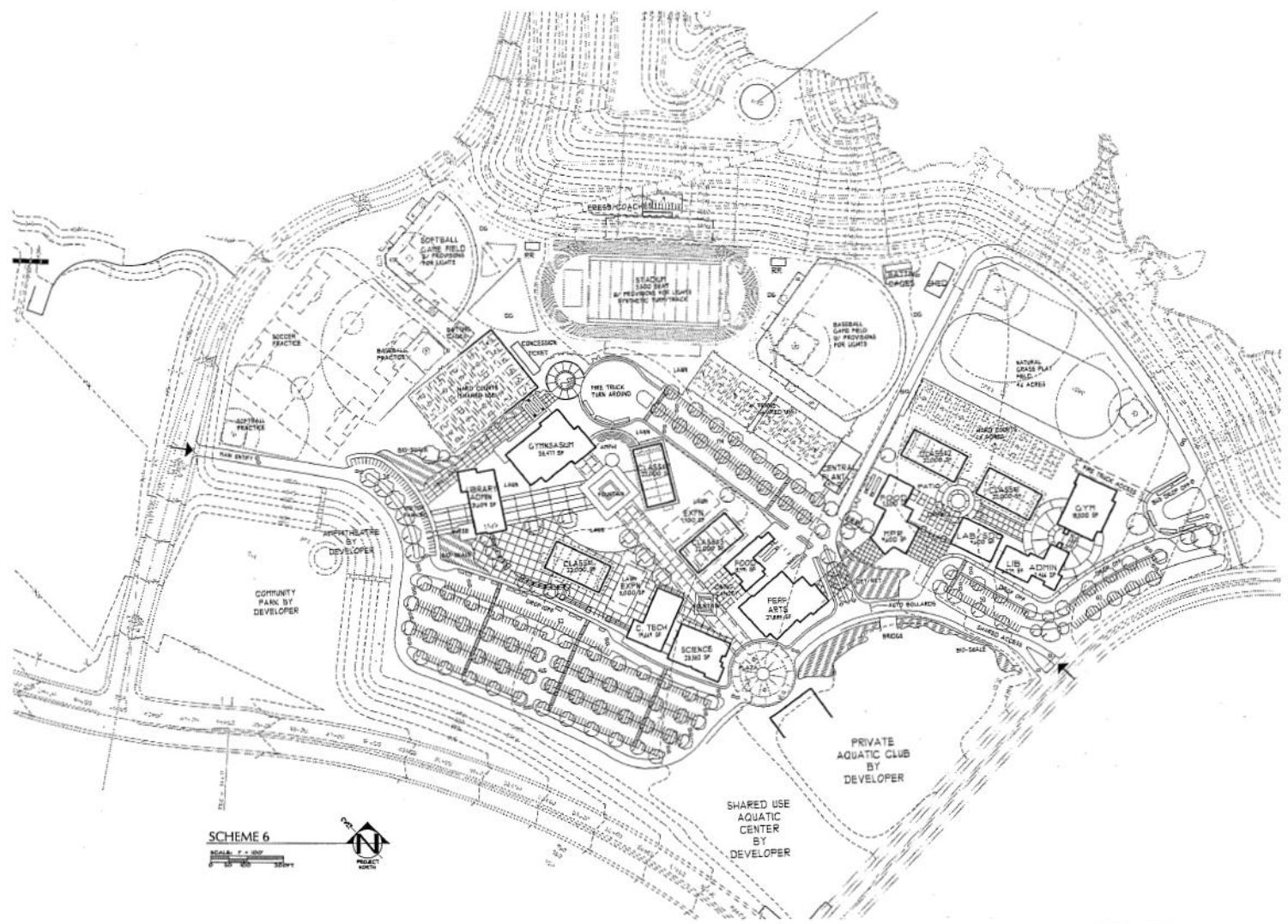
Additional Coursework

Kahr's Guide to Using Argus in Real Estate
ALTA Surveys and Beyond
Partial Interest Discounting
Transportation Innovations in So. Cal.

EXHIBIT B
SUBJECT PROPERTY PROPOSED IMPROVED SCHOOL SITE MAP



Newhall Ranch
Adobe - School / Park / Recreation
EXHIBIT



SCHEME 6
SCALE: 1" = 100'
0 50 100 150 200 250 300 350 400 450 500 550 600 650 700 750 800 850 900 950 1000 1050 1100 1150 1200 1250 1300 1350 1400 1450 1500 1550 1600 1650 1700 1750 1800 1850 1900 1950 2000 2050 2100 2150 2200 2250 2300 2350 2400 2450 2500 2550 2600 2650 2700 2750 2800 2850 2900 2950 3000 3050 3100 3150 3200 3250 3300 3350 3400 3450 3500 3550 3600 3650 3700 3750 3800 3850 3900 3950 4000 4050 4100 4150 4200 4250 4300 4350 4400 4450 4500 4550 4600 4650 4700 4750 4800 4850 4900 4950 5000 5050 5100 5150 5200 5250 5300 5350 5400 5450 5500 5550 5600 5650 5700 5750 5800 5850 5900 5950 6000 6050 6100 6150 6200 6250 6300 6350 6400 6450 6500 6550 6600 6650 6700 6750 6800 6850 6900 6950 7000 7050 7100 7150 7200 7250 7300 7350 7400 7450 7500 7550 7600 7650 7700 7750 7800 7850 7900 7950 8000 8050 8100 8150 8200 8250 8300 8350 8400 8450 8500 8550 8600 8650 8700 8750 8800 8850 8900 8950 9000 9050 9100 9150 9200 9250 9300 9350 9400 9450 9500 9550 9600 9650 9700 9750 9800 9850 9900 9950 10000 10050 10100 10150 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ATTACHMENT C

**Student Generation Factor Methodology
And Calculation**

Student Generation Factor Methodology

The calculation of student generation factors ("SGFs") for William S. Hart Union High School District ("WSHUHSD" or "District") will be performed by the District or a designee and will be based on a process of cross-referencing enrollment data of WSHUHSD against residential property data from the County of Los Angeles ("County").

The enrollment data of WSHUHSD will be based on its latest fall student enrollment report submitted to the State and will provide the grade level and home address of every student in the District (excluding inter-district transfer students). A student enrollment database will be prepared from this data. The residential property data to be obtained from the County Assessor will provide Assessor's Parcel Number, land use type, and street address information for all residential units in the District. Sorting and extracting by land use, a database of all single family detached ("SFD") units, detached condominium ("DC") units, multi-family attached ("MFA") units (including second units), and mobile homes within the District will be developed. All age restricted units consistent with Section 65995.1 of the Government Code or subsequent successor statutory provisions will be excluded from the residential property database.

This property database will then be compared against WSHUHSD's enrollment database to identify address matches. Once the matching is completed, preliminary SGFs will be calculated for SFD and MFA units. In performing such calculations, the numerator shall be the total number of students residing in the particular housing type within the District and the denominator shall be the total number of units of that housing type, less any age restricted units of that housing type, within WSHUHSD. For example, if there are determined to be 100,000 SFD units which are not age restricted units within the District and 30,000 students residing in SFD units within WSHUHSD, the preliminary SGF for SFD units will be 0.300.

Because of incomplete and/or incorrect address information in either the student enrollment database or the residential property database, it may not be possible to match every non-interdistrict transfer student to an address within WSHUHSD. The result of such incomplete and/or incorrect data will be an underestimation of the number of students generated by SFD and MFA units within WSHUHSD. The preliminary SGFs calculated as described above will therefore be adjusted upward, if necessary, to offset this effect by allocating the unmatched non-inter-district transfer students to existing units in the same proportion as the matched

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

Student Generation Factor Calculation

Pursuant to Senate Bill 50

Districtwide Information

Step 1: Identify the Total Number of Students that Could be Matched

Item	Number of Students
Number of Middle School Students Enrolled in the District	6,985
Number of High School Students Enrolled in the District	15,217
Less Number of Middle School Inter-District Transfer Students	98
Less Number of High School Inter-District Transfer Students	213
Number of Students that Could be Matched	21,891

Step 2: Total Students Enrolled at Each School Level by Land Use

School Level	Total Students from SFD Units	Total Students from DC Units	Total Students from MFA Units
Middle School (7-8)	4,827	103	1,746
High School (9-12)	10,978	243	3,379
Total Students	15,805	346	5,125

Step 3: Existing Number of Residential Units by Land Use

Item	Number of SFD Units	Number of DC Units	Number of MFA Units
Total Units in Portion Excluding CUSD	49,576	1,230	29,314
Total Units in District	55,490	1,487	29,949

Step 4: Districtwide SGFs for Each School Level by Land Use

School Level	SGF for SFD Units	SGF for DC Units	SGF For MFA Units
Middle School (7-8)	0.0974	0.0837	0.0596
High School (9-12)	0.1978	0.1634	0.1128
Total SGF	0.2952	0.2471	0.1724

ATTACHMENT D

**Fair Share School Impact Mitigation Payment
Adjustment Process and Calculation**

Fair Share School Impact Mitigation Payment Annual Adjustment Calculation

Each January 1, commencing January 1, 2000, the Fair Share School Impact Mitigation Payment for single family detached ("SFD") units, multi-family attached ("MFA") units, and second units shall be adjusted as shown below:

1. Calculate the Land Value Component of the previous year's Fair Share School Impact Mitigation Payment by multiplying the previous year's Fair Share School Impact Mitigation by 35.50%.
2. Calculate the Non-Land Value Component of the previous year's Fair Share School Impact Mitigation Payment by multiplying the previous year's Fair Share School Impact Mitigation Payment by 64.50%.
3. Calculate the percentage change in the appraised per acre value and add 1.0.
4. Calculate the percentage change in the Index and add 1.0.
5. Calculate the Adjusted Land Value Component by multiplying the Land Value Component calculated in step 1 above by the adjustment factor calculated in step 3 above.
6. Calculate the Adjusted Non-Land Value Component by multiplying the Non-Land Value Component calculated in step 2 above by the adjustment factor calculated in step 4 above.
7. Calculate the Preliminary New Fair Share School Impact Mitigation Payment by adding the Adjusted Land Value Component and the Adjusted Non-Land Value Component calculated in steps 5 and 6 above.
8. Calculate the Student Generation Factor Adjustment by calculating the percentage change in the total Student Generation Factor for grades 7-12 from Student Generation Factor used in the previous Fair Share School Impact Mitigation Payment calculation to the new Student Generation Factor and add 1.0.
9. Calculate the New Fair Share School Impact Mitigation Payment by multiplying the Preliminary New Fair Share School Impact Mitigation Payment calculated in step 7 above by the Student Generation Factor Adjustment calculated in Step 8 above.

FAIR SHARE SCHOOL IMPACT MITIGATION PAYMENT

Annual Adjustment Calculation Worksheet

Outside the CUSD portion of WSHUHSD

(Without Assignment of State Funds)

Step 1: Calculate Land Value Component - Existing

Item	SFD Unit	DC Unit	MFA Unit
2017 Fair Share School Impact Mitigation Payment Amount	\$13,568.85	\$10,920.13	\$7,839.66
Land Value Multiplier	35.50%	35.50%	35.50%
2018 Land Value Component	\$4,816.94	\$3,876.65	\$2,783.08

Step 2: Calculate Non-Land Value Component - Existing

Item	SFD Unit	DC Unit	MFA Unit
2017 Fair Share School Impact Mitigation Payment Amount	\$13,568.85	\$10,920.13	\$7,839.66
Land Non-Value Multiplier	64.50%	64.50%	64.50%
2018 Non-Land Value Component	\$8,751.91	\$7,043.48	\$5,056.58

Step 3: Calculate Percent Change in Appraised per Acre Value

Item	Amount
2017 Appraised per Acre Value	\$926,226
2018 Appraised per Acre Value	\$926,226
Percent Change	0.000%

Step 4: Calculate Percent Change in Index

Date	Amount
October 31, 2016	3,008.2
October 31, 2017	3,118.5
Percent Change	3.667%

Step 5: Calculate Land Value Component - Adjusted

Item	SFD Unit	DC Unit	MFA Unit
2017 Land Value Component	\$4,816.94	\$3,876.65	\$2,783.08
Percent Change in Appraised per Acre Value	1.00000	1.00000	1.00000
2018 Adjusted Land Value Component	\$4,816.94	\$3,876.65	\$2,783.08

FAIR SHARE SCHOOL IMPACT MITIGATION PAYMENT

Annual Adjustment Calculation Worksheet

Outside the CUSD portion of WSHUHSD

(Without Assignment of State Funds)

Step 6: Calculate Non-Land Value Component - Adjusted

Item	SFD Unit	DC Unit	MFA Unit
2017 Non-Land Value Component	\$8,751.91	\$7,043.48	\$5,056.58
Percent Change in Index	1.03667	1.03667	1.03667
2018 Adjusted Non-Land Value Component	\$9,072.84	\$7,301.76	\$5,242.00

Step 7: Preliminary 2018 Fair Share School Impact Mitigation Payment Amount

Item	SFD Unit	DC Unit	MFA Unit
Adjusted Land Value Component	\$4,816.94	\$3,876.65	\$2,783.08
Adjusted Non-Land Value Component	\$9,072.84	\$7,301.76	\$5,242.00
Preliminary 2018 Fair Share School Impact Mitigation Payment Amounts	\$13,889.78	\$11,178.41	\$8,025.08

Step 8: Calculate Percent Change in Student Generation Factors

Item	SFD Unit	DC Unit	MFA Unit
2015 Student Generation Factors	0.3039	0.2449	0.1758
2017 Student Generation Factors	0.2952	0.2471	0.1724
Percent Change	-2.86%	0.90%	-1.93%

Step 9: 2018 Fair Share School Impact Mitigation Payment Amounts

Item	SFD Unit	DC Unit	MFA Unit
Preliminary 2018 Fair Share School Impact Mitigation Payment Amount	\$13,889.78	\$11,178.41	\$8,025.08
Percent Change in SGFs	0.9714	1.0090	0.9807
2018 Fair Share School Impact Mitigation Payment Amount	\$13,492.53	\$11,279.02	\$7,870.20

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FAIR SHARE SCHOOL IMPACT MITIGATION PAYMENT

Annual Adjustment Calculation Worksheet

Inside the CUSD portion of WSHUHSD

(Without Assignment of State Funds)

Step 1: Calculate Land Value Component - Existing

Item	SFD Unit	DC Unit	MFA Unit
2017 Fair Share School Impact Mitigation Payment Amount	\$9,465.45	\$7,515.01	\$5,250.77
Land Value Multiplier	35.50%	35.50%	35.50%
2018 Land Value Component	\$3,360.23	\$2,667.83	\$1,864.02

Step 2: Calculate Non-Land Value Component - Existing

Item	SFD Unit	DC Unit	MFA Unit
2017 Fair Share School Impact Mitigation Payment Amount	\$9,465.45	\$7,515.01	\$5,250.77
Land Non-Value Multiplier	64.50%	64.50%	64.50%
2018 Non-Land Value Component	\$6,105.22	\$4,847.18	\$3,386.75

Step 3: Calculate Percent Change in Appraised per Acre Value

Item	Amount
2017 Appraised per Acre Value	\$926,226
2018 Appraised per Acre Value	\$926,226
Percent Change	0.000%

Step 4: Calculate Percent Change in Index

Date	Amount
October 31, 2016	3,008.2
October 31, 2017	3,118.5
Percent Change	3.667%

Step 5: Calculate Land Value Component - Adjusted

Item	SFD Unit	DC Unit	MFA Unit
2017 Land Value Component	\$3,360.23	\$2,667.83	\$1,864.02
Percent Change in Appraised per Acre Value	1.00000	1.00000	1.00000
2018 Adjusted Land Value Component	\$3,360.23	\$2,667.83	\$1,864.02

FAIR SHARE SCHOOL IMPACT MITIGATION PAYMENT

Annual Adjustment Calculation Worksheet

Inside the CUSD portion of WSHUHSD

(Without Assignment of State Funds)

Step 6: Calculate Non-Land Value Component - Adjusted

Item	SFD Unit	DC Unit	MFA Unit
2017 Non-Land Value Component	\$6,105.22	\$4,847.18	\$3,386.75
Percent Change in Index	1.03667	1.03667	1.03667
2018 Adjusted Non-Land Value Component	\$6,329.10	\$5,024.93	\$3,510.94

Step 7: Preliminary 2018 Fair Share School Impact Mitigation Payment Amount

Item	SFD Unit	DC Unit	MFA Unit
Adjusted Land Value Component	\$3,360.23	\$2,667.83	\$1,864.02
Adjusted Non-Land Value Component	\$6,329.10	\$5,024.93	\$3,510.94
Preliminary 2018 Fair Share School Impact Mitigation Payment Amounts	\$9,689.33	\$7,692.76	\$5,374.96

Step 8: Calculate Percent Change in Student Generation Factors

Item	SFD Unit	DC Unit	MFA Unit
2017 Student Generation Factors	0.2073	0.1649	0.1152
2018 Student Generation Factors	0.1978	0.1634	0.1128
Percent Change	-4.58%	-0.91%	-2.08%

Step 9: 2018 Fair Share School Impact Mitigation Payment Amounts

Item	SFD Unit	DC Unit	MFA Unit
Preliminary 2018 Fair Share School Impact Mitigation Payment Amount	\$9,689.33	\$7,692.76	\$5,374.96
Percent Change in SGFs	0.9542	0.9909	0.9792
2018 Fair Share School Impact Mitigation Payment Amount	\$9,245.56	\$7,622.76	\$5,263.16

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FAIR SHARE SCHOOL IMPACT MITIGATION PAYMENT

Annual Adjustment Calculation Worksheet

Outside the CUSD portion of WSHUHSD

(With Assignment of State Funds)

Step 1: Calculate Land Value Component - Existing

Item	SFD Unit	DC Unit	MFA Unit
2017 Fair Share School Impact Mitigation Payment Amount	\$12,599.62	\$10,140.18	\$7,279.74
Land Value Multiplier	35.50%	35.50%	35.50%
2018 Land Value Component	\$4,472.87	\$3,599.76	\$2,584.31

Step 2: Calculate Non-Land Value Component - Existing

Item	SFD Unit	DC Unit	MFA Unit
2017 Fair Share School Impact Mitigation Payment Amount	\$12,599.62	\$10,140.18	\$7,279.74
Land Non-Value Multiplier	64.50%	64.50%	64.50%
2018 Non-Land Value Component	\$8,126.75	\$6,540.42	\$4,695.43

Step 3: Calculate Percent Change in Appraised per Acre Value

Item	Amount
2017 Appraised per Acre Value	\$926,226
2018 Appraised per Acre Value	\$926,226
Percent Change	0.000%

Step 4: Calculate Percent Change in Index

Date	Amount
October 31, 2016	3,008.2
October 31, 2017	3,118.5
Percent Change	3.667%

Step 5: Calculate Land Value Component - Adjusted

Item	SFD Unit	DC Unit	MFA Unit
2017 Land Value Component	\$4,472.87	\$3,599.76	\$2,584.31
Percent Change in Appraised per Acre Value	1.00000	1.00000	1.00000
2018 Adjusted Land Value Component	\$4,472.87	\$3,599.76	\$2,584.31

FAIR SHARE SCHOOL IMPACT MITIGATION PAYMENT

Annual Adjustment Calculation Worksheet

Outside the CUSD portion of WSHUHSD

(With Assignment of State Funds)

Step 6: Calculate Non-Land Value Component - Adjusted

Item	SFD Unit	DC Unit	MFA Unit
2017 Non-Land Value Component	\$8,126.75	\$6,540.42	\$4,695.43
Percent Change in Index	1.03667	1.03667	1.03667
2018 Adjusted Non-Land Value Component	\$8,424.76	\$6,780.26	\$4,867.61

Step 7: Preliminary 2018 Fair Share School Impact Mitigation Payment Amount

Item	SFD Unit	DC Unit	MFA Unit
Adjusted Land Value Component	\$4,472.87	\$3,599.76	\$2,584.31
Adjusted Non-Land Value Component	\$8,424.76	\$6,780.26	\$4,867.61
Preliminary 2018 Fair Share School Impact Mitigation Payment Amounts	\$12,897.63	\$10,380.02	\$7,451.92

Step 8: Calculate Percent Change in Student Generation Factors

Item	SFD Unit	DC Unit	MFA Unit
2017 Student Generation Factors	0.3039	0.2449	0.1758
2018 Student Generation Factors	0.2952	0.2471	0.1724
Percent Change	-2.86%	0.90%	-1.93%

Step 9: 2018 Fair Share School Impact Mitigation Payment Amounts

Item	SFD Unit	DC Unit	MFA Unit
Preliminary 2018 Fair Share School Impact Mitigation Payment Amount	\$12,897.63	\$10,380.02	\$7,451.92
Percent Change in SGFs	0.9714	1.0090	0.9807
2018 Fair Share School Impact Mitigation Payment Amount	\$12,528.76	\$10,473.44	\$7,308.10

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FAIR SHARE SCHOOL IMPACT MITIGATION PAYMENT

Annual Adjustment Calculation Worksheet

Inside the CUSD portion of WSHUHSD

(With Assignment of State Funds)

Step 1: Calculate Land Value Component - Existing

Item	SFD Unit	DC Unit	MFA Unit
2017 Fair Share School Impact Mitigation Payment Amount	\$8,971.31	\$7,128.14	\$4,980.47
Land Value Multiplier	35.50%	35.50%	35.50%
2018 Land Value Component	\$3,184.82	\$2,530.49	\$1,768.07

Step 2: Calculate Non-Land Value Component - Existing

Item	SFD Unit	DC Unit	MFA Unit
2017 Fair Share School Impact Mitigation Payment Amount	\$8,971.31	\$7,128.14	\$4,980.47
Land Non-Value Multiplier	64.50%	64.50%	64.50%
2018 Non-Land Value Component	\$5,786.49	\$4,597.65	\$3,212.40

Step 3: Calculate Percent Change in Appraised per Acre Value

Item	Amount
2017 Appraised per Acre Value	\$926,226
2018 Appraised per Acre Value	\$926,226
Percent Change	0.000%

Step 4: Calculate Percent Change in Index

Date	Amount
October 31, 2016	3,008.2
October 31, 2017	3,118.5
Percent Change	3.667%

Step 5: Calculate Land Value Component - Adjusted

Item	SFD Unit	DC Unit	MFA Unit
2017 Land Value Component	\$3,184.82	\$2,530.49	\$1,768.07
Percent Change in Appraised per Acre Value	1.00000	1.00000	1.00000
2018 Adjusted Land Value Component	\$3,184.82	\$2,530.49	\$1,768.07

FAIR SHARE SCHOOL IMPACT MITIGATION PAYMENT

Annual Adjustment Calculation Worksheet

Inside the CUSD portion of WSHUHSD

(With Assignment of State Funds)

Step 6: Calculate Non-Land Value Component - Adjusted

Item	SFD Unit	DC Unit	MFA Unit
2017 Non-Land Value Component	\$5,786.49	\$4,597.65	\$3,212.40
Percent Change in Index	1.03667	1.03667	1.03667
2018 Adjusted Non-Land Value Component	\$5,998.68	\$4,766.25	\$3,330.20

Step 7: Preliminary 2018 Fair Share School Impact Mitigation Payment Amount

Item	SFD Unit	DC Unit	MFA Unit
Adjusted Land Value Component	\$3,184.82	\$2,530.49	\$1,768.07
Adjusted Non-Land Value Component	\$5,998.68	\$4,766.25	\$3,330.20
Preliminary 2018 Fair Share School Impact Mitigation Payment Amounts	\$9,183.50	\$7,296.74	\$5,098.27

Step 8: Calculate Percent Change in Student Generation Factors

Item	SFD Unit	DC Unit	MFA Unit
2017 Student Generation Factors	0.2073	0.1649	0.1152
2018 Student Generation Factors	0.1978	0.1634	0.1128
Percent Change	-4.58%	-0.91%	-2.08%

Step 9: 2018 Fair Share School Impact Mitigation Payment Amounts

Item	SFD Unit	DC Unit	MFA Unit
Preliminary 2018 Fair Share School Impact Mitigation Payment Amount	\$9,183.50	\$7,296.74	\$5,098.27
Percent Change in SGFs	0.9542	0.9909	0.9792
2018 Fair Share School Impact Mitigation Payment Amount	\$8,762.90	\$7,230.34	\$4,992.23

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