Staff Report
August 13, 2019

TO:	Honorable Mayor and Members of the Town Council
FROM:	Sean Rabé, Town Manager
DATE:	August 13, 2019
RE:	Sale of Town-Owned Property Located at 3800 Taylor Road

Recommendation
Staff recommends the Council adopt the attached resolution approving the sale of 3800 Taylor Road (WW Moulding) to the Loomis Mill Group. LLC, in accordance with the terms set out in the attached Purchase and Sale Agreement.

Issue Statement and Discussion
At the December 11, 2018 Council meeting, Council awarded the exclusive development rights to the Town-owned property located 3800 Taylor Road (WW Moulding Plant). The development rights were awarded to a joint venture between High Hand Nursery & Café and Loomis Basin Brewing Co. That joint venture has now been incorporated as Loomis Mill Group, LLC. Council extended the development rights on March 12, 2019.

That award was after staff released in August a Request for Proposals (RFP) for the redevelopment of the property. That RFP is attached to this Staff report as Attachment E.

As a result of the circulation of the RFP, the Town received one proposal, from a joint venture between High Hand Nursery & Café and Loomis Basin Brewing Co. (now known as Loomis Mill Group, LLC; referred to as Developer). That proposal is attached to this Staff report as Attachment D. The Town had several inquiries on the property, but ultimately just one proposal was submitted.

The Developer proposes the following uses for the site:
1. Move the Loomis Basin Brewery facilities to the site
2. Bakery
3. Charcuterie and provisions store
4. Public stage and beer garden

Staff believes this proposal is a great fit for Downtown Loomis and will work well with the existing and future buildings. More details can be found in the proposal itself.

Upon awarding the development rights to the Developer on December 11, 2018, Council directed the Town Manager to begin purchase negotiations with the Developer. The results of those negotiations

and subsequent direction from Council, are included in the attached Purchase and Sale Agreement (Attachment B).

As noted in previous Staff reports, there are specific processes for divesting public properties. The first step in that process is obtaining an appraisal for the property. That appraisal is attached to this Staff report as Attachment F.

The second step in the process was to issue the RFP to gauge developer interest in the property. The RFP was written in a way that allows for flexibility to potential developers – staff felt it is important to "cast the net" as widely as possible. As noted above, the Loomis Mill Group, LLC was the only respondent to the RFP.

Government Code Section 52201 authorizes local governments to acquire, sell or lease property for the "furtherance of the creation of an economic opportunity." In order to consummate the purchase and sale agreement, the Town needs to follow a specific process to either sell or lease the property that includes approving the sale at a public hearing, which is scheduled for tonight. The public hearing was advertised in the July 26, 2019 and August 2, 2019 editions of the Loomis News.

In order to sell the property under Government Code Section 52201, the Town was required to prepare a report that discloses the estimated value of the property at that time. An explanation as to why the sale or lease of the property will assist in the creation of economic opportunity, as defined by statute, must also accompany the report. That summary report is included as Attachment C.

Summary of Transaction:

The subject property is a 4.08-acre site located at 3800 Taylor Road, Loomis, California, and currently identified as Assessor's Parcel Nos. 044-121-074, 044-080-063, and 044-133-003. The Town acquired the subject property from Union Pacific Railroad in 2008 as part of a multi-parcel purchase of properties from the subject property up through the parcel of land now containing Blue Anchor Park. The Town approved a lot merger of the three parcels earlier this year.

The Property previously housed the closed WW Moulding Mill, which has not been in operation for several years. The Property's previous tenant created a significant health and safety issue on the Property, which has been cleaned up. The Town will be remediating a diesel-and-oil impacted soil area on the Property. The estimated cost of remediation is $121,043. Work was scheduled to begin on the remediation on August 5, 2019. It is estimated the remediation work will be completed before the end of September.

In 2008, the City acquired the subject property from Union Pacific Railroad in 2008 as part of a multi-parcel purchase of properties from the subject property up through the parcel of land now containing Blue Anchor Park. The purchase price of all of those parcels was $1,343,390.00. The purchase contract for that transaction does not break out the price paid for each individual parcel; however, the proposed purchase Agreement specifies the Property will be sold to the Developer at the appraised value of $710,000.00 (based on an April 2018 appraisal commissioned by the Town), minus a credit of $6,000 to be applied to the Purchase Price. This credit reimburses the Developer for the $6,000 paid by Developer to acquire the existing building from the previous tenant.

The Town will finance the purchase of the Property through a carry-back loan evidenced by a Promissory Note. The salient terms of that loan are as follows:

- Term is five years
- The interest rate per annum to be applied to the unpaid principal balance of this Note is four and one-quarter percent (4.25%).
- Loan is secured through a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing
- Interest will begin accruing on the date of execution of Agreement, however, no principal or interest payments will be due until the Maturity Date. The entire outstanding principal balance, and all accrued, but unpaid interest on Agreement, will be due and payable in full on the Maturity Date
- Default: In the event of an uncured default on terms of Agreement, the Town will follow terms of default as prescribed in Agreement

Staff is prepared to answer any questions you may have.

CEQA Requirements

On July 9, 2019, The Town Council determined that remediation and sale of the property is Categorically Exempt from CEQA. The redevelopment of the site will require some CEQA review, which will be handled during the permitting process for the redevelopment.

Financial and/or Policy Implications

The sale of the property will generate $710,000 in revenue for the Town (minus the $6,000 credit to the Developer). The property will go back on the property tax roll, which will generate property tax for the Town. Additional sales tax revenue from beer sales and other general merchandise sales. The redeveloped site will also create a synergistic effect on the south end of Taylor Road, bringing new visitors to downtown that may not otherwise visit.

Attachments

A. Resolution
B. Purchase and Sale Agreement
C. Government Code Section 52201 Summary Report
D. Loomis Cannery Proposal
E. Development Request for Proposals
F. Property Appraisal

Attachment A

TOWN OF LOOMIS

RESOLUTION 19 - ___

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS AUTHORIZING THE TOWN MANAGER TO ENTER INTO A PURCHASE AND SALE AGREEMENT FOR 3800 TAYLOR ROAD, CURRENTLY IDENTIFIED AS ASSESSOR PARCEL NUMBERS 044-121-074, 044-080-063, AND 044-133-003

WHEREAS, the Town of Loomis ("Town") is the owner of ± 4.08 acres of real property located at 3800 Taylor Road in the Town of Loomis, California (Assessor's Parcel Numbers 044-121-074, 044-080-063 and 044-133-003) (the "Property"); and

WHEREAS, Section 52201 *et seq.* of the California Government Code authorizes the Town to sell the Property for the purpose of creating economic opportunities; and

WHEREAS, the Town desires to create an attractive and convenient Downtown core conducive to the healthy development of commercial businesses and provide a more cohesive arrangement of public and private parcels; and

WHEREAS, Loomis Mill Group, LLC (Developer) is willing to acquire the Property subject to the current proposal; and

WHEREAS, the General Plan designation of the Property, and its zoning under the Town's Zoning Ordinance, are consistent with the planned use of the Property by the Purchaser; and

WHEREAS, the Town Council has been presented with a proposed Purchase and Sale Agreement (the "Agreement") as well as the Summary Report required by Government Code Section 52201 describing the proposed transaction, and has previously determined that sale of the Property as contemplated in the Agreement is categorically exempt under the California Environmental Quality Act; and

WHEREAS, the Town Council has considered the Agreement at a duly noticed public hearing.

NOW THEREFORE, BE IT RESOLVED by the Town Council of the Town of Loomis that:

1. Sale of the Purchase Property in accordance with the terms of the Agreement will:

   A. Assist in the creation of economic opportunity; and

   B. constitute sale of the Purchase Property at a price that is not less than the fair market value of the Property at its highest and best use.

2. Sale of the Property in accordance with the terms of the Agreement is in conformity with the General Plan of the Town of Loomis; and

3. The Town Manager (the "Designated Officer") is hereby authorized and directed, for and in the name of and on behalf of the Town, to:

A. Approve, execute, and deliver the Agreement in substantially the form presented to this meeting, which Agreement is hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the Designated Officer in consultant with the Town Attorney; and

B. to execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to consummate the above transaction and implement the sale of the Property pursuant to this resolution and the Agreement.

PASSED AND ADOPTED this 13th day of August, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Mayor Tim Onderko

Attest:

_____
Town Clerk

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") is made July ___, 2019 ("Effective Date"), by the **Town of Loomis**, a California municipal corporation ("Seller" or "Town"), and **Loomis Mill Group, LLC**, a California limited liability company (the "Purchaser" or "Developer"). Seller and Purchaser are hereafter referred to individually as a "Party," or collectively, as the "Parties."

RECITALS

A. The Town is the owner of three parcels of real property totaling approximately 4.08 acres and containing an existing building ("Existing Building") and parking lot located at 3800 Taylor Road, in Loomis, California, as legally described in **Exhibit A**, attached hereto and incorporated herein (collectively, the "Property"). The Existing Building was owned by the previous tenant and was sold to the Developer in connection with Developer's leasing of the Property. The Existing Building was originally built and used by "WW Moulding," but is in poor physical condition and is uninhabitable.

B. In August 2018, the Town released a Request for Proposals ("RFP") to solicit developer proposals for the redevelopment of the Property. At the completion of the proposal period, the Town chose the Developer's submittal, a copy of which is attached hereto and incorporated herein as **Exhibit B** ("RFP Response").

C. Developer plans to repurpose and redevelop the Property with a new brewery and beer manufacturing building ("Brewery"), and a new distillery and barrel house, bakery, charcuterie, an outside community amphitheater with beer gardens, grass park area, and additional parking for visitors (collectively, the "Project").

D. Purchaser desires to purchase all of Seller's rights, title and interest in the Property from Seller, and Seller intends to sell all of its rights, title and interest in the Property to Purchaser for development of the Project, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and for other good and valuable consideration moving between the Parties, Seller and Purchaser agree as follows:

AGREEMENT

1. Sale of Property. Seller agrees to sell and convey the Property to Purchaser and Purchaser agrees to purchase the Property from Seller, subject to the terms and conditions set forth in this Agreement. For purposes hereof, the "Property" shall mean and include all buildings, structures, improvements, and fixtures located on the Property.

2. Purchase Price and Seller Loan. The purchase price to be paid by Purchaser to Seller for the Property is Seven Hundred Ten Thousand Dollars ($710,000.00) (the "Purchase Price"), which is the current market value of the Property according to that certain Bender Rosenthal Incorporated appraisal, dated April 24, 2018. At close of escrow a credit of $6,000 shall be applied to the Purchase Price, which credit reimburses Developer for the $6,000 paid by Developer to acquire the Existing Building from the previous tenant. The Purchase Price shall

be financed by Seller, through a carry-back loan evidenced by a Promissory Note Secured by Deed of Trust ("Promissory Note") in the form attached hereto as **Exhibit C**, which carries market rate terms as described therein (the "Loan"). The Promissory Note shall be for a term of five (5) years at an annual interest rate of 4.25%, and be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("Deed of Trust"), recorded against the Property, in the form attached hereto as **Exhibit D**, which shall be not be subordinate to any monetary encumbrances. The Promissory Note and Deed of Trust are to be executed by Purchaser and submitted to Escrow Holder prior to Close of Escrow.

3. Escrow. Within three (3) business days following the full execution of this Agreement, an Escrow shall be opened with Debbie Yue, at Placer Title Company, located in Auburn, California ("Escrow Holder"), by Purchaser delivering a copy of this fully executed Agreement to Escrow Holder. This Agreement shall, to the extent possible, act as Escrow instructions. The Parties agree to execute all further Escrow instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement.

4. Closing. "Close of Escrow" is the date the grant deed, attached hereto and incorporated herein as **Exhibit E** ("Grant Deed"), conveying the Property from Seller to Purchaser is recorded in the Office of the Placer County Recorder, which shall occur on or before ninety (90) days from the Effective Date, or such other date as the Parties mutually agree in writing, subject to the terms of this Agreement.

5. Title. Within ten (10) days after the opening of Escrow, Seller shall provide Purchaser with a preliminary title report covering the Property issued by Escrow Holder (the "Preliminary Report"), with copies or a hyperlink to copies of all recorded documents shown as exceptions to title in the Preliminary Report, and a map containing any easement, rights-of-way, license, or other real property rights encumbering the Property to the extent available and requested by Purchaser. Purchaser shall approve or disapprove any exceptions to title shown on the Preliminary Report, in writing, within ten (10) days after receipt by Purchaser of the Preliminary Report and copies of the recorded documents, or any supplemental report issued prior to the Close of Escrow. Seller shall notify Purchaser of whether Seller is willing to remove the items disapproved by Purchaser within ten (10) days after receipt of Purchaser's title objections. If Seller does not agree to remove any one or more of such disapproved exceptions prior to the expiration of said 10-day period, or if any additional items appear which would show as exceptions to title insurance in the title policy, and Seller fails to agree to remove the same within ten (10) days after Purchaser's notification to Seller of the same, Purchaser shall have the choice of: (i) terminating this Agreement and the Escrow, in which event neither Seller nor Purchaser shall have any further rights or obligations under this Agreement; or (ii) waiving such objection and completing the purchase called for in this Agreement. Purchaser shall approve or disapprove any exceptions to title shown on any subsequent or supplemental title reports, in writing, within five (5) business days after receipt of such reports and copies of all recorded documents shown as exceptions to title on those reports.

6. As-Is Property Condition.

6.1 Purchaser acknowledges and agrees that except as otherwise expressly provided in this Agreement, to the maximum extent permitted by law, the sale of the Property is made on an "As Is," "Where Is" condition and basis with all faults, and that Seller has no obligation to make repairs, replacements, or improvements thereto. The Purchase Price and the terms and conditions set forth herein are the result of arms-length bargaining between entities familiar with transactions of this kind. Purchaser further acknowledges and agrees that,

except as otherwise expressly provided in this Agreement, Seller has not made, does not make, and specifically negates and disclaims, any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to: (a) the value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Purchaser may conduct thereon, including the possibilities for future development of the Property; (d) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (e) the manner, quality, state of repair or lack of repair of the Property; (f) the nature, quality or condition of the Property, including, without limitation, the water, soil and geology; (g) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (h) the manner or quality of the construction or materials, if any, incorporated into the Property; (i) compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements; (j) the presence or absence of Hazardous Materials, as defined in Section 6.4 below, at, on, under or adjacent to the Property; (k) the content, completeness or accuracy of any materials obtained by Purchaser in its investigation of the Property, including, without limitation, any title report issued by the Escrow Holder; (l) the conformity of any improvements on the Property, if any, to any plans or specifications of the Property, including any plans and specifications that may have been or may be provided to Purchaser; (m) the conformity of the Property to past, current or future applicable zoning or building requirements; (n) deficiency of any drainage; (o) the fact that all or a portion of the Property may be located on or near an earthquake fault line; (p) the land use status of the Property, zoning status, subdivision status under the California Subdivision Map Act or the subdivision ordinances of the Town, or the status of any other governmental entitlement; (q) any documents pertaining to the Property provided by Seller to Purchaser, except for the completeness of such documents; or (r) with respect to any other matter.

6.2 Purchaser acknowledges that Purchaser is conducting its own investigation of the Property, and (except for the express representations and warranties contained herein) Purchaser is relying solely on such investigations, inspections and evaluations of such Property in making its decision to consummate the transaction contemplated by this Agreement, and not on any information provided or to be provided by Seller. Purchaser hereby expressly acknowledges that Purchaser shall be solely responsible for determining the status and condition of the Property, including land use, zoning, building and other governmental regulations, and physical, geological and environmental conditions. Except as expressly provided for in this Agreement or any written amendment or supplement hereto executed and delivered by Seller, Seller shall not be liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee or any other person.

6.3 Release. Except as to Seller's obligations herein, Purchaser, on behalf of itself and its agents, heirs, successors and assigns, hereby waives, releases, acquits and forever discharges and releases Seller of and from any and all claims, actions, causes of actions, demands, rights, damages, costs, expenses or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Purchaser or any of Purchaser's heirs, successors, or assigns now has or which may arise in the future on account of or in any way related to or in connection with any past, present or future aspect, feature, characteristic, circumstance or condition arising out of or in connection with the Property (including, without limitation, the items listed in Section 6.1 and 6.2 above), and Purchaser specifically waives the provisions of California Civil Code section 1542 which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASE PARTY.

_____
PURCHASER'S INITIALS

6.4 "Hazardous Materials," means any hazardous or toxic substance, material or waste that is: (i) regulated by any local governmental authority, the State of California or the United States Government; (ii) defined as an "acutely hazardous waste," "extremely hazardous waste," "hazardous waste," or "waste" under Sections 25110.02, 25115, 25117 or 25124 or listed pursuant to Sections 25141 and 25141.5 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos; (vii) listed under Chapter 10 of Division 4.5 of Title 22 or defined as "hazardous" or "extremely hazardous" pursuant to Division 21.5 of Title 26 of the California Code of Regulations; (viii) designated as a "hazardous waste" pursuant to Section 6903 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. section 6901, et seq.; (ix) defined as a "hazardous substance" pursuant to Section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. section 9601, et seq.; (x) any flammable substances or explosive; or (xi) any radioactive material.

7. Property Inspection and Feasibility Period.

7.1 Property Documents. Within five (5) days after the Effective Date, Seller shall provide Purchaser copies of all documents relating to the Property that are in its possession or under its control, including, without limitation, the following: (i) relevant studies, documents, land surveys, soils reports, licenses, permits, maintenance contracts, utility contracts, management contracts, service contracts, warranties, ADA compliance, Field Act compliance, approvals, and other documents and/or contracts pertaining to the Property, together with any amendments or modifications; (ii) any and all information that the Seller has regarding environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to, Phase I and/or Phase II Environmental Assessments, wetlands, structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on, or about the Property; (iii) copies of leases and relative correspondence; (iv) copies of all building plans, including any "as-built" drawings; (v) copies of all building permits, licenses and inspections issued by governmental agencies; and (vi) any other documents materially relative to the condition and/or value of the Property and the Parties' rights and duties under the Agreement (collectively, "Property Documents"). Notwithstanding the foregoing, the Seller shall have no obligation to cause any of the Property Documents to be created or produced if such document does not already exist.

7.2 Feasibility Period. For a period of thirty (30) days from the Effective Date (the "Feasibility Period"), Purchaser may undertake at Purchaser's expense inspection and review of the Property, including, but not limited to, reasonable non-destructive inspections, investigations, tests, copies, verifications, assessments, surveys and studies as Purchaser considers reasonably necessary or desirable under the circumstances regarding the Property and their condition, which may include, without limitation, inspections regarding zoning, building codes and other governmental regulations; imposition of governmental obligations and assessments; architectural inspections; engineering tests; economic feasibility and marketing studies; availability of sewer, water, storm drain and other utilities; availability of roads, access and services; soils, seismic, engineering and geologic reports; environmental assessments, studies, tests and reports; structural and mechanical systems inspections; and availability of permits, land use entitlements, development rights and approvals and other governmental approvals. All inspections shall be made at Purchaser's sole cost and expense and shall not unreasonably interfere with the Seller's use of the Property. Any Phase II invasive testing shall be first approved by the Town in its reasonable discretion.

7.3 Access. Access to the Property, from the Effective Date through the earlier of Close of Escrow or termination of this Agreement, shall be given to Purchaser, its agents, employees, consultants, or contractors during normal business hours at reasonable times upon at least one (1) business days' notice to the Seller, at Purchaser's own cost and risk, for the purpose of conducting its due diligence investigation of the Property as set forth in Section 7.2. Purchaser shall restore the Property as a result of such investigations, and return the affected portion of the Property to their condition immediately prior to such investigation. Purchaser shall repair any damage to the Property caused by any of its inspections. Purchaser shall indemnify and defend the Seller against and hold the Seller harmless from all losses, costs, damages, liabilities, and expenses arising out of negligent or willful acts by Purchaser or its agents, employees, consultants, or contractors on the Property in connection with Purchaser's entry onto the Property or any activity thereon prior to the Close of Escrow except to the extent any such losses, costs, damages, liabilities, and expenses arise out of any negligent or willful act of the Seller or the Seller's agents, employees or contractors; provided however, Purchaser's discovery of or impact on an adverse condition or defect on or affecting the Property shall not trigger Purchaser's indemnification obligations. Purchaser's obligation to indemnify and defend the Seller shall survive closing or any other termination of this Agreement.

7.4 Insurance. Prior to its first entry onto the Property and at all times thereafter until Close of Escrow or earlier termination of this Agreement, Purchaser shall maintain commercial general liability insurance covering the activities of Purchaser on the Property. Such insurance shall have a per occurrence limit of at least One Million Dollars ($1,000,000) and an aggregate limit of at least Two Million Dollars ($2,000,000), shall name the Seller as additional insured, shall be primary and noncontributing with any other insurance available to Purchaser, and shall be issued on an occurrence basis. Prior to any entry on to the Property by Purchaser or its agents, employees, consultants, or contractors, Purchaser shall furnish the Seller with a certificate of such insurance in form and substance reasonably acceptable to the Seller.

7.5 Termination. Purchaser may either give the Seller written notice that Purchaser (i) approves the condition and suitability of the Property, or (ii) disapproves the condition or suitability of the Property for any reason or no reason, which notice must be received by the Seller no later than 5:00 p.m. on the last day of the Feasibility Period. In the event that Purchaser fails to timely approve the condition and suitability of the Property pursuant to (i) above, such failure shall be deemed to be a disapproval of the condition and suitability of the Property in accordance with (ii) above. In the event Purchaser disapproves or is deemed to

have disapproved the condition and suitability of the Property pursuant to this Section 7.5, this Agreement shall terminate automatically, and: (i) the Seller and Purchaser shall execute and deliver to Escrow Holder cancellation instructions and all other documents that are reasonably required by Escrow Holder and/or the Seller in order to cancel this Escrow and release any interest of Purchaser in and to the Property; (ii) Escrow Holder shall return all documents to the applicable Party, and (iii) neither Party shall have any rights or obligations arising out of this Agreement, except as otherwise set forth in this Agreement.

8. Use. Developer covenants and agrees for itself, its successors and assigns, that until the Project improvements are completed and the Loan is fully repaid, the Property shall only be used in accordance with the uses described in Developer's RFP proposal, and no other uses. Developer shall not use the Property or any improvements for any purpose that is in violation of any law, ordinance or regulation of any federal, state, county or local governmental agency, body or entity. In no event shall the Property be used for any purpose or use (nor shall any activity be carried on upon the Property) which in any manner causes, creates or results in a public or private nuisance.

9. Construction and Development.

9.1 Project Timeline for Approvals, Construction and Completion. Within Ninety (90) days of Close of Escrow, Developer shall submit to the Town a completed building permit application, including all plans, drawings and other required documents for development of Brewery, amphitheater, and grass park area. The Brewery shall be at least comparable in size and scope to the current Loomis Basin Brewery, and have manufacturing, tasting, and processing facilities on site, as well as provide on-site retail sales. Upon receipt of its building permit, Developer shall proceed with due diligence to complete the construction and renovation of the Project improvements within two (2) years of building permit receipt. Developer shall enter into a contract with one or more licensed and qualified general contractors for the construction of the improvements. All costs and expenses associated with the planning, design, development and construction of the improvements shall be borne solely by the Developer. A failure to timely complete all such improvements will be considered a material default of the this Agreement and the Deed of Trust.

9.2 Alteration of Improvements. Upon completion of the Project improvements and until the Loan is fully repaid, Developer shall not make or permit to be made any structural alteration or demolish all or any part of the Existing Building or other improvements without obtaining the prior written consent of Town.

9.3 Property Protection. Purchaser shall at all times provide such fences, warning devices, barricades and other protective devices as necessary to protect the public from death, physical injury, or property damage arising out of, or in any way connected with, Purchaser's construction on the Property.

9.4 Compliance with Laws. Developer shall comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Property, all buildings and improvements now or hereafter located thereon, or any activity or condition on or in the Property.

9.5 Compliance with Laws. Purchaser shall prosecute such construction work in accordance with all applicable laws and regulations, and any reasonable requirement of Seller.

9.6 Right to Observe and Inspect. During the period of construction, Seller or its agent may enter upon the Property for the purpose of observing the Property and the construction of the Project. Said entry and observation shall not unreasonably interfere with the course of construction. Seller shall have no responsibility to Purchaser or users of the Property for the quality or durability of construction materials and techniques, or for the design or construction techniques employed by Purchaser.

9.7 Fees, Taxes and Assessments.

9.7.1 Taxes and Assessments. Purchaser shall pay all required property taxes and assessments, including, but not limited to, any special taxes for the Property when due. Purchaser agrees that such taxes are the sole responsibility of Purchaser and the subsequent owners of the Project.

9.7.2 Fees. Purchaser shall pay when due all charges, expenses, costs, monetary exactions and any other monetary obligations imposed on Purchaser for required permits, entitlements, and Approvals, including but not limited to Town fees, and fees charged by any other public agency or regulatory body.

9.8 Prevailing Wages. The Town and Purchaser believe that under Labor Code section 1720(c)(2), the Project is not subject to prevailing wage laws. If, however, it is determined that the Project is a public project pursuant to California's prevailing wage laws, then Purchaser shall cause all work performed on the Project to be performed in compliance with state prevailing wage laws pursuant to Labor Code sections 1720, et seq., and the regulations pursuant thereto. In the event Purchaser fails to comply with applicable prevailing wage laws, Purchaser shall be liable for the payment of all penalties, wages and/or damages resulting therefrom, and shall defend, indemnify and hold the Seller harmless for any violations or alleged violations of prevailing wage laws.

9.9 Mechanic's liens. Purchaser shall not suffer or permit any mechanic's lien, lis pendens, or other lien to be filed against the Property, nor against Purchaser's interest in the Property, nor against the improvements on the Property. If any such lien is filed, Purchaser shall cause the same to be removed, or post a bond or other security, within thirty (30) days of notice of said lien, in a manner satisfactory to the Seller. The obligation and the right to defend these matters shall be with Purchaser in the first instance.

10. Insurance. During the Term of the Loan, Purchaser shall maintain the insurance specified in the Deed of Trust.

11. Environmental Condition of Property and Testing.

11.1 Testing. The Town has received a Phase I Environmental Site Assessment Report for the Property from Geocon Consultants, Inc. ("Geocon") dated February 2019 (the "ESA") which describes potential environmental contamination on the Property, and which has been provided to Developer. The potential contamination concerns are: (a) diesel-impacted soil and groundwater in the area of the former diesel aboveground storage tank in the area shown on the map attached hereto and incorporated herein as **Exhibit F**; (b) stained soil around the drum south of the former mill building shown on **Exhibit F**; (c) possible heavy metals associated with railroad ballast materials, embankment fill, and from metals in pesticides used for weed control on the railroad spur tracks existing on the Property; and (d) possible asbestos-containing materials and/or lead paint in some of the structures, given their age. The Town has entered

into a contract with Geocon to complete a Phase II Assessment on the Property to determine whether, and to what extent, there are hazardous materials located on the Property, which report is expected to be completed by the end of May 2019 (the "Phase II Report"). The Town will also have an asbestos and lead survey completed by that date. The Town will then obtain an estimate for the costs of the necessary remediation.

11.2 Town Remediation of Real Property/Reservation of Use. The Town agrees that it will remediate and pay for the remediation of those materials identified by Geocon described in Sections 11.1(a), (b), and (c) above and in the subsequent Phase II Report. Completion of the remediation shall be evidenced by a "No Further Action" letter or similar approval issued by the governing agency having jurisdiction.

11.3 Asbestos and Lead Remediation. Developer, as owner of the Existing Building, shall take full responsibility for, and complete at its sole cost and expense, any asbestos and lead abatement necessary in the structures, as identified by Geocon in Section 11.1(d) above and in the subsequent Phase II Report. Prior to renovation or demolition of any buildings on the Property, Developer must abate any asbestos and lead present, including asbestos and lead described in the survey being completed by the Town. Developer shall contract with qualified and licensed persons for all abatement work, which persons shall be subject to the reasonable approval of the Town. In addition, Developer shall be responsible for the costs of removing any and all debris in the Existing Building.

11.4 Town Access for Testing and Remediation.

11.4.1 Access During Remediation. Purchaser shall grant the Town a temporary license to allow the Town and its consultants to access the Property and complete its testing and remediation in the areas shown on **Exhibit F**, labeled "Diesel Impacted Soil" and "Stained Soil". The area will be fenced off by the Town, and the Town shall have exclusive access to those areas until all remediation is completed. Developer shall not enter and shall not have access to those areas until all remediation is completed and the fencing is removed. If the Phase II Report identifies other areas that need remediation, the Town will also fence those areas and shall have exclusive use of those areas until remediation is completed. Developer shall not enter or disturb those areas prior to remediation completion

11.4.2 Access Following Remediation. Following completion of remediation, the State of California may require periodic groundwater testing. If so, Purchaser shall grant the Town a temporary license to allow the Town and its consultants to access the Property to conduct such testing, which may include the installation of one or more groundwater monitoring wells. The Town will be solely responsible for any costs associated with these monitoring activities, and will use its reasonable best efforts to minimize disruption of Purchaser's use of the Property, consistent with the testing requirements of the State. Town will provide as much notice as possible prior to entering the Property for the purpose of conducting monitoring

11.4.3 Insurance and Indemnification. During the testing and remediation, Seller will maintain, and will ensure that its agents and representatives maintain, public liability and property damage insurance insuring against any liability arising out of any entry, tests or remediation of the Property pursuant to the provisions hereof. Such insurance maintained by Seller or its agents and representatives (as applicable) will be in the amount of $5,000,000.00 combined single limit for injury to or death of one or more persons in an occurrence, and for damage to tangible property (including loss of use) in an occurrence. The policy maintained by Seller will (1) name the Purchaser and its successors and assigns as additional insureds and (2)

contain a provision that the insurance provided by Seller hereunder will be primary and noncontributing with any other insurance available to Purchaser. Seller will provide Purchaser with evidence of such insurance coverage before any entry, tests, or remediation of the Property which occur after close of escrow. Seller shall indemnify, defend, protect and hold Purchaser harmless from and against all costs, damages, claims, actions, causes of action, liabilities and expenses (including the reasonable attorneys' fees of counsel chosen by Seller) arising out of Seller's tests and remediation of the Property, and the acts of Seller and its agents, employees and contractors while on the Property. It is the express intention of the parties hereto, that the indemnity provided for in this paragraph indemnifies the Purchaser for negligence on the part of the Seller or its authorized representatives, subcontractors, agents, or employees, whether that negligence is active or passive, or is the sole or a concurring cause of the injury, death or damage; provided that, (1) if Purchaser's negligence was a concurring cause of the injury, death or damage, said Seller's indemnity shall only be to the extent such injury, death or damage was caused by the acts of Seller's, its agents, employees and contractors and (2) shall in no event protect Purchaser from liability for death, injury or damage, arising out of the sole negligent or willful actions of Purchaser or its individual members. This indemnity survives termination or expiration of the Agreement and completion of the remediation activities.

12. Conditions of Closing.

12.1 Purchaser's Conditions of Closing. The obligations of Purchaser under this Agreement to purchase the Property and accept title from Seller are subject to the satisfaction of all of the conditions set forth in this Section 12.1. Purchaser may waive any or all of such conditions, in whole or in part, but any such waiver shall be effective only if made in writing. No such waiver shall constitute a waiver by Purchaser of any of its rights or remedies if Seller defaults in the performance of any covenant or agreement to be performed by Seller under this Agreement or if Seller breaches any representation or warranty made by Seller in this Agreement. If any condition set forth in this Section 12.1 is not fully satisfied or waived in writing by Purchaser, then Purchaser shall be released from all obligations to Seller under this Agreement.

12.1.1 Title. At Close of Escrow, Purchaser is conveyed good and marketable title to the Property, subject only to the exceptions permitted by Purchaser;

12.1.2 Other Deliveries into Escrow. Seller delivered into Escrow all other documents or instruments required by this Agreement;

12.1.3 Seller's Representations. Seller's representations and warranties are correct as of the date of this Agreement and as of the Close of Escrow;

12.1.4 Seller's Performance. Seller performs all obligations under this Agreement and the related documents executed, or to be executed, by Seller; and

12.1.5 Title Policy. Prior to Close of Escrow, Purchaser shall have received evidence that Escrow Holder's title insurer ("Title Company") is ready, willing, and able to issue, upon payment of Title Company's regularly scheduled premium, a CLTA or ALTA owner's policy of title insurance ("Title Policy"), to be determined by Purchaser prior to Close of Escrow, in the face amount of the Purchase Price with the endorsements Purchaser may require, showing title to the Property vested in Purchaser, subject only to exceptions permitted by Purchaser.

12.2 Seller's Conditions of Closing. The obligations of Seller under this Agreement to close the sale and convey the Property to Purchaser are subject to the satisfaction of all of the conditions set forth in this Section 12.2. Seller may waive any or all of such conditions, in whole or in part, but any such waiver shall be effective only if made in writing. No such waiver shall constitute a waiver by Seller of any of its rights or remedies if Purchaser defaults in the performance of any covenant or agreement to be performed by Purchaser under this Agreement or if Purchaser breaches any representation or warranty made by Purchaser in this Agreement. If any condition set forth in this Section 12.2 is not fully satisfied or waived in writing by Seller, then Seller shall be released from all obligations to Purchaser under this Agreement.

12.2.1 Note and Deed of Trust. Purchaser's delivery into Escrow of the original Promissory Note and Deed of Trust, together with all escrow and title costs and fees apportioned to Purchaser;

12.2.2 Insurance. Purchaser's delivery to Seller and Seller's approval of evidence of insurance in accordance with Section 10 herein;

12.2.3 Other Deliveries into Escrow. Purchaser delivered into Escrow all other documents or instruments required by this Agreement;

12.2.4 Purchaser's Representations. Purchaser's representations and warranties are correct as of the date of this Agreement and as of the Close of Escrow; and

12.2.5 Purchaser's Performance. Purchaser performs all obligations under this Agreement required to be performed prior to close of escrow and the related documents executed, or to be executed, by Purchaser.

13. Close of Escrow.

13.1 Seller's Deposits. Seller shall deposit with Escrow Holder the following:

13.1.1 Grant Deed for Property. An original executed and acknowledged Grant Deed conveying the Property to Purchaser; and

13.1.2 Additional Documents. Any other documents or funds required by Escrow Holder from Seller for the Close of Escrow in accordance with this Agreement.

13.2 Purchaser's Deposits. On or before the Close of Escrow, the following will be deposited with Escrow Holder:

13.2.1 Purchase Price. An original executed and acknowledged Promissory Note and Deed of Trust;

13.2.2 Closing Costs. Purchaser will deposit cash in the amount necessary to pay Purchaser's share of closing costs, as set forth in Section 13.3; and

13.2.3 Additional Documents. Purchaser will deposit any other documents or funds required of Purchaser to close Escrow in accordance with this Agreement.

13.3 Costs and Fees. Charges and expenses incurred in this transaction are to be borne by the Parties as follows:

13.3.1 The Parties shall equally divide the Escrow Holder's fees.

13.3.2 Seller shall pay the cost of the CLTA Title Policy, and Purchaser shall pay the cost of any endorsements, any additional costs for an ALTA Title Policy and any ALTA survey.

13.3.3 Seller shall pay city and county transfer taxes applicable to the transfer of title at Close of Escrow, if any.

13.3.4 Any miscellaneous costs shall be borne by the Parties according to custom in Placer County.

13.3.5 All other taxes, assessments, utility charges, and any other charges and credits with respect to the Property shall be paid by Purchaser.

13.3.6 In the event of any termination of this Agreement or the failure of Escrow to close due to a default of a Party, as provided herein, then the defaulting Party shall pay any cancellation costs imposed by the Escrow Holder.

13.4 At Close of Escrow, Escrow Holder shall:

13.4.1 Record the Grant Deed with the Placer County Recorder;

13.4.2 Record the Deed of Trust;

13.4.3 Issue the Title Policy; and

13.4.4 Disburse funds, including the Promissory Note, to Seller.

14. Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser that:

14.1 Authority of Seller. Seller is a California municipal corporation duly organized and validly existing and in good standing under the laws of the State of California and has the authority to own and convey the Property. This Agreement and all documents executed by Seller which are to be delivered to Purchaser at the Close of Escrow are, or at the time of Close of Escrow, will be duly authorized, executed and delivered by Seller. Seller has the legal right, power and authority to enter into this Agreement and to consummate this transaction.

14.2 Enforceability. This Agreement and all documents required to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms.

14.3 No Rights Granted. Except for the rights of Purchaser under this Agreement, Seller has not granted any options or rights of first refusal to purchase the Property to any person or entity.

14.4 No Litigation. To Seller's knowledge, there is no litigation, suit, action, arbitration, legal, administrative or other proceeding or inquiry pending against the Property, or any portion thereof.

14.5 Hazardous Materials. To the best of Seller's actual knowledge, except as otherwise disclosed in Section 11 herein or by the Property Documents, (i) there has been no production, storage or disposal at the Property of any Hazardous Materials (as defined in Section 6.4 herein) by Seller or, to the best of Seller's actual knowledge, by any previous owner or tenant of the Property; (ii) Hazardous Materials have not been dumped, buried, leaked, or otherwise released upon, in, or under the Property or allowed to pass on, under or through the Property at any time during or prior to Seller's ownership of the Property; (iii) Seller has not violated any laws, regulations, and ordinances relating to the use of all Hazardous Materials used on the Property; and (iv) there is no proceeding or inquiry by any federal, state or local governmental agency with respect to any Hazardous Materials on the Property.

15. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller that:

15.1 Purchaser's Authority. Purchaser is a California limited liability company, duly organized and validly existing and in good standing under the laws of the State of California and has the authority to purchase and accept the Property. This Agreement and all documents executed by Purchaser which are to be delivered to Seller at the Close of Escrow are, or at the time of Close of Escrow, will be duly authorized, executed and delivered by Purchaser. Purchaser has the legal right, power and authority to enter into this Agreement and to consummate this transaction.

15.2 Enforceability. This Agreement and all documents required to be executed by Purchaser are and shall be valid, legally binding obligations of and enforceable against Purchaser in accordance with their terms.

15.3 OFAC Compliance. Purchaser is currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the OFAC (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

16. Assignment. This Agreement may not be assigned or otherwise transferred by Purchaser without the prior written consent of Seller, in its sole discretion; provided that Purchaser may, without the prior consent of Seller, transfer and assign all of Purchaser's interest under this Agreement to a business entity now or hereafter organized in which Purchaser owns a controlling or equity interest of not less than fifty percent (50%). In addition, Purchaser's owners may not make any sale, transfer or assignment of their interests in Purchaser, nor may Purchaser take any other action, including, but not limited to, a sale or transfer of Purchaser's assets, that would result in Purchaser or its owners having control or an equity interest of less than fifty-one percent (51%). In the event of a transfer, the transferee shall assume in writing all of the transferor's obligations hereunder, but such transferor shall not be released from its obligations hereunder. No consent given by Seller to any transfer or assignment of Purchaser's rights or obligations hereunder shall be construed as a consent to any other transfer or assignment of Purchaser's rights or obligations hereunder. No transfer or assignment in violation of the provisions hereof shall be valid or enforceable. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties.

17. Transfer of Property. Prior to completion of the Project improvements by Purchaser, Purchaser shall not, either voluntarily or by operation of law, sell, assign or otherwise transfer the Property, or any interest therein, without the express written consent of Seller. Any attempted sale, assignment or other transfer in violation of this section shall be voidable at Seller's election and shall constitute a material default of the terms of this Agreement.

18. Remedies Upon Default.

18.1 Default by Seller. In the event Seller defaults in the performance of any of Seller's obligations under this Agreement, Purchaser's sole and exclusive remedies shall be either (i) terminate this Agreement, or (ii) pursue an action for specific performance. Seller shall not be in default under this Agreement unless Purchaser first provides to Seller written notice of default and Seller thereafter fails within five (5) days after receipt of such notice of default to either cure such default or, if such default cannot reasonably be cured within said 5-day period, diligently commence such actions reasonably necessary to cure such default within such five (5) day period, and thereafter, cures such default not later than ten (10) days after receipt of such notice of default.

18.2 Default by Purchaser Prior to Title Transfer. In the event Purchaser defaults in the performance of any of Purchaser's obligations under this Agreement, Seller's sole and exclusive remedies shall be either (i) terminate this Agreement, or (ii) pursue an action for specific performance. Purchaser shall not be in default under this Agreement unless Seller first provides to Purchaser written notice of default and Purchaser thereafter fails within five (5) days after receipt of such notice of default to either cure such default or, if such default cannot reasonably be cured within said 5-day period, diligently commence such actions reasonably necessary to cure such default within such five (5) day period, and thereafter, cures such default not later than ten (10) days after receipt of such notice of default.

18.3 Default by Purchaser After Title Transfer. Notwithstanding any other provision in this Agreement, in the event that after Close of Escrow Purchaser defaults under the terms of this Agreement by failing to timely submit building permit applications or timely begin or complete construction of the Project pursuant to the terms set forth herein, Seller shall have the right to reacquire the Property from Purchaser at the same Purchase Price paid by Purchaser by taking title and cancelling the Note. A memorandum of the foregoing right shall be recorded against the Property at Close of Escrow.

18.4 Institution of Judicial Action. In addition to any other rights or remedies, either Party may institute judicial action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy by law or equity, including the right of specific performance.

18.5 No Waiver. The failure or delay by either Party in asserting its rights or remedies as to any default, shall not operate as a waiver of any default or of any rights or remedies under this Agreement or deprive either Party of its right to institute and maintain any action or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

18.6 Right and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at

the same or different times of any other rights or remedies for the same default or any other default by the other Party.

19. Brokers' Fees. The Parties each hereby warrant to the other that no person or entity can properly claim a right to a commission, finder's fee or other compensation based upon contacts or understandings between such claimant and Purchaser or Seller with respect to the transaction contemplated by this Agreement. If any broker or finder makes any claim for a commission or finder's fee, the Party through which the broker or finder makes such claim shall indemnify, defend and hold the other Party harmless from all liabilities, expenses, losses, damages or claims (including the indemnified Party's reasonable attorneys' fees) arising out of such broker's or finder's claims.

20. Attorneys' Fees. Should any litigation be commenced between the Parties hereto concerning the Property, this Agreement, or the rights and duties of either in relation thereto, the prevailing Party in such litigation shall be entitled, in addition to such other relief as may be granted, to its costs, including attorneys' fees, and costs for such litigation and for executing upon or appealing any judgment.

21. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California. In the event of litigation arising under this Agreement, venue shall reside exclusively in the Superior Court of the County of Placer.

22. Notices. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this section, shall be addressed to the Parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered and received by the receiving Party (a) upon receipt when hand delivered, (b) upon receipt when sent by email to the address set forth below (provided that, the sender has in its possession a copy addressed to the correct email address to prove actual delivery), (c) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery), or (d) upon actual delivery if deposited with any commercially-recognized overnight carrier that routinely issues receipts (provided that, the sending Party receives a confirmation of actual delivery from the courier). The addresses of the Parties to receive notices are as follows:

If to Seller:
Town of Loomis
3665 Taylor Rd,
Loomis, CA 95650
Attn: Town Manager
Email: srabe@loomis.ca.gov

With copy to:
Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814
Attn: Jeffrey A. Mitchell
Email: jmitchell@kmtg.com

If to Purchaser: Loomis Mill Group, LLC
3750 Taylor Road
Loomis, CA 95650
Attn: Scott Paris
Email: scott@highhand.com

With copy to: Aronowitz Skidmore Lyon
200 Auburn Folsom Road, Suite 305
Auburn, CA 95603
Attn: Lawrence E. Skidmore
Email: lskidmore@asilaw.org

If any notice is refused, the notice shall be deemed to have been delivered upon such refusal. Any notice delivered after 5:00 p.m. (recipient's time) or on a non-business day shall be deemed delivered on the next business day. A Party may change or supplement the addresses given above, or designate additional addressees, for purposes of this section, by delivering to the other Party written notice in the manner set forth above.

23. Entire Agreement. This Agreement and the documents referenced herein contain the entire agreement between the Parties, and this Agreement shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors-in-interest.

24. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of final jurisdiction, it is the intent of the Parties that all the other provisions of this Agreement be construed to remain fully valid, enforceable and binding on the Parties.

25. Waivers. A waiver or breach of covenant or provision in this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act.

26. Construction. The section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the Parties to this Agreement. The section headings, captions, and arrangement of this instrument do not in any way affect, limit, amplify, or modify the terms and provisions of this Agreement. The singular form shall include plural, and vice versa. All exhibits referred to in this Agreement are attached to it and incorporated in it by this reference.

27. Survival; Merger. All of the terms, provisions, representations, warranties, and covenants of the Parties under this Agreement shall survive the Close of Escrow and shall not be merged in the Grant Deed or other documents.

28. Time of the Essence. Time is of the essence in this Agreement.

29. Successors. This Agreement shall inure to the benefit of and shall be binding upon the Parties to this Agreement and their respective successors.

30. Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the Parties and their respective successors and permitted assigns, any rights or remedies.

31. Further Assurances. Seller and Purchaser agree to execute such additional documents and take such additional actions which are consistent with, and as may be reasonable and necessary to carry out the provisions of this Agreement.

32. Joint Drafting. Purchaser and Seller acknowledge that this Agreement was negotiated at arm's length, that independent counsel has represented each Party and that this Agreement has been drafted by both Parties, and no one Party shall be construed as the draftsperson.

33. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same Agreement.

The Parties hereto have executed this Agreement as of the Effective Date.

SELLER:

Town of Loomis,
a California municipal corporation

By: _____
Sean Rabe, Town Manager

PURCHASER:

Loomis Mill Group, LLC
a California limited liability company

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

By: _____
Jeffrey A. Mitchell, Town Attorney

Exhibit A

(Legal Description of Property)

The land described herein is situated in the State of California, County of Placer, Town of Loomis, and is described as follows:

PARCEL ONE:

Beginning at a point on the Northwesterly boundary of the Victory Highway right of way near the Town of Loomis, Placer County, California, from which point the 1/4 Section Car. between Section 9 and 10, Township 11 North, Range 7 East, M.D.B.&M., bears South 83° 42' East a distance of 1,404.0 feet and running thence North 53°38' West 100.0 feet, thence South 36° 22' West 75.0 feet thence East 125.0 feet to the point of beginning, being the same land conveyed to the County of Placer November 8, 1923 in Book 211, Page 88, Official Records.

PARCEL TWO:

Beginning at a point on the Northwesterly boundary of the State Highway, from which point Engineer's Station 360-92.1 bears South 36° 38' West 187.12 feet, and running thence North 35° 57' East 72.7 feet; thence North 88° 45' East 43.8 feet to a point on the Northwesterly boundary of said Highway; thence South 55° 19' West 104.25 feet along said boundary of said Highway 10 the place of beginning; being further described as being a fractional part of the Northeast quarter of Section 9, Township 11 North, Range 7 EasJ M.D.B.&M., being the same land conveyed to the County of Placer, in deed recorded September 6, 1923 in Book 209, Page 449, Official Records.

PARCEL THREE:

That portion of State Highway right of way in Section 9, Township 11 North Range 7 East M.D.B.&M., described as follows:

Commencing at the point of intersection of the South line of a triangular parcel of land owned by the County of Placer with a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works' Survey between Loomis and Newcastle, Road 111-PLA-17- A, from which point Engineer's Equation Station 369+89.5 = 369+90.9 of said survey bears North 44° 56'30" East 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 1O' East 12.0 feet and South 83° 42' East 1,404.0 feet; thence, from a tangent that bears South 39° 45' 30" West along said concentric curve, to the right with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet; thence, South 64° 29' West 176.2 feet to the Southeasterly right of way line of the Southern Pacific Company; thence, along said Southeasterly line North 35° 45' East 166.8 feet to the most Westerly corner of said triangular parcel; thence, along the South line of said triangular parcel North 89°10' East 113.0 feet to the point of beginning; being the same land relinquished to the County of Placer by Instrument recorded November 29, 1937 in Book 375, Page 74, Official Records.

PARCEL FOUR:

All that portion of State Highway 40 as conveyed to the County of Placer from the State of California in that certain "Relinquishment of Superseded State Highway in the County of Placer, road III PLA 17-A", recorded June 30, 1960 in Volume 840 at Page 426, Official Records of Placer County that lies Northwesterly of the following described line:

Commencing at the most Easterly corner of the above described Parcel Two being on a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works Survey between Loomis and Newcastle, Road III PLA-17-A, from which point Engineers Equation Station 369+89.5 - 369+90.9 of said survey bears North 44° 56' 30" East, 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 10' East, 12.0 feet and South 83° 42' East 1,404.0 feet; thence from said point of commencement, along the Southeasterly line of said parcel from a tangent that bears South 39° 45' 30" West, along said concentric curve, to the right, with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet to the Southeast corner of said Parcel Two, the true point of beginning; thence continuing along the arc said concentric curve, with a radius of 4,960 feet, for a distance of 520 feet, more or less, to the Southeasterly right of way line of the Union Pacific Railroad (formally Southern Pacific Railroad).

EXCEPTING THEREFROM Parcels One, Two, Three and Four above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

APN: 044-133-003

PARCEL FIVE:

All of parcels 1, 2, 3, and 7 as described in the Quitclaim Deed to the Town of Loomis, and Parcel 4 as described in the Donation Quitclaim Deed to the Town of Loomis recorded on December 12, 2008, as Document No. 2008-0095584 and 2008-0095585 respectively, Placer County Official Records, and all that Real property described in the Quitclaim Deed to the Town of Loomis, recorded on December 28, 2000, Placer County Official Records, lying within the East half of Section 9, Township 11 North, Range 7 East, M.D.B. & M., in the County of Placer, State of California, described as follows:

Commencing at the Northeast corner of said Section 9, thence South 26° 13' 03" West 1,476.42 feet to the most Easterly corner of said Parcel 4, said point being the point of beginning; thence along the Southeasterly line of said Parcel 4, South 36° 09' 53" West 2,059.80 feet to a point on the Northerly right of way line of Taylor Road (80 feet in width); said point being the beginning of a non-tangent curve concave to the Northwest, having a radius of 4,960.00 feet, and a radial bearing of South 42° 16' 10" East; thence along said Northerly right of way line, 387.99 feet Southwesterly along said curve through a central angle of 04° 28' 55"; thence continuing along said Northerly right of way line, South 52° 12' 45" West 361.96 feet to the most Southerly corner of said Parcel 7; thence leaving said Northerly right of way line, North 39° 45' 45" West 69.15 feet to the most Westerly corner of said Parcel 7; thence along the Westerly, Northeasterly, and Southeasterly lines of said Parcels 7, 3, 2, 1 and said real property to the Town of Loomis the following five courses:

1. North 51° 49' 22" East 11.19 feet to the beginning of a curve to the left, having a radius of 2,874.84 feet;

2. 785.65 feet North along said curve through a central angle of 15° 39' 29";

3. North 36° 09' 53" East 2,539.39 feet;

4. South 54° 09' 57" East 150.00 feet;

5. South 36° 09' 53" West 559.41 feet to the point of beginning, as described on Boundary Line Adjustment recorded January 11, 2011, Instrument No 2011-0003828, Official Records.

EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

ALSO EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris, et ux. in Deed recorded February 27, 2015, as Instrument No. 2015-0014060-00, Official Records.

APN: 044-080-063 & 044-120-074

Exhibit B

(See Attached RFP Response)

Exhibit C

(See Attached Promissory Note Secured by Deed of Trust)

PROMISSORY NOTE SECURED BY DEED OF TRUST

$710,000.00 Loomis, California
_____, 2019

FOR VALUE RECEIVED, **Loomis Mill Group, LLC**, a California limited liability company ("Borrower"), hereby promises to pay to the order of the **Town of Loomis**, a California municipal corporation ("Lender"), at 3665 Taylor Rd, Loomis, CA 95650, or such other place as Lender may direct, the principal sum of Seven Hundred Four Thousand Dollars ($704,000.00), together with interest thereon from and after the date of disbursement hereunder, to be paid in lawful money of the United States of America, as set forth below (the "Loan"):

1. Interest Rate. Interest will be charged on unpaid principal amount of this Promissory Note Secured by Deed of Trust ("Note") until the full amount of Loan has been paid. The interest rate per annum to be applied to the unpaid principal balance of this Note is four and one-quarter percent (4.25%). Under no circumstances shall the interest rate on this Note be more than the maximum rate allowed by applicable law.

2. Loan Maturity. The Loan term shall be five (5) years, maturing on _____, 2024 (the "Maturity Date").

3. Payments. Payments under this Note shall be paid as follows:

3.1 No Principal or Interest Payments until Maturity. Interest will begin accruing on the date of execution of this Note, however, no principal or interest payments shall be due until the Maturity Date. The entire outstanding principal balance, and all accrued, but unpaid interest on this Note, shall be due and payable in full on the Maturity Date.

3.2 Application of Payments. Unless otherwise agreed to, in writing, or otherwise required by applicable law, all payments and prepayments received by Lender hereof, shall be applied in the following manner: first, to accrued, but unpaid interest; second, to the payment of all unpaid collection costs and late charges and fees, if any; and third, to the payment of principal.

4. Collateral. This Note is secured by a Deed of Trust of even date herewith by Borrower, as trustor, for the benefit of Lender, as beneficiary, covering real property situated in Placer County, California, as more specifically described therein ("Property").

5. Prepayment. Borrower may prepay the outstanding principal balance of the Loan, in whole or in part, at any time and from time-to-time, without any fee or penalty. Prepayments shall not, however, unless otherwise agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments in the amount and at the times set forth in Section, but rather shall reduce the principal balance of this Note and may result in Borrower making fewer payments under this Note.

6. Default and Remedies.

6.1 Defaults. Each of the following shall constitute an event of default ("Event of Default") under this Note:

6.1.1 Payment Default. Borrower fails to make any payment within five (5) days when due under this Note.

6.1.2 Abandonment of Failure to Operate. Borrower abandons the Property, or fails to conduct operations on the Property, for more than sixty (60) consecutive days.

6.1.3 Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

6.2 Acceleration. In the event of: (i) any Event of Default by Borrower in the payment of any installment when due hereunder, or in the performance of Borrower's obligations as set forth above, (ii) the breach of any representation or warranty contained in this Note or any other instrument securing repayment of this Note, (iii) the sale, conveyance or transfer of title to the Collateral, or any part thereof, or any right, title or interest therein, or agreement to do so without the prior written consent of Lender, whether voluntary or involuntary and whether legal or equitable, including a sale, conveyance or transfer by outright sale, installment sale contract, or any other method of conveyance of personal property interests, (iv) the filing of any petition by or against Borrower in any court, whether or not pursuant to any statute of the United States or of any state, in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, and Borrower shall thereafter be adjudicated bankrupt, or such petition be approved by the court, or the court assumes jurisdiction of the subject matter, and such proceedings not be dismissed within ninety (90) days after the institution of the same, (v) the appointment of a receiver or trustee in any proceeding for all or any portion of the Property, or property owned by Borrower, and such receivership or trusteeship not be vacated within ninety (90) days after the appointment of the same, (vi) an assignment by Borrower for the benefit of his creditors, or (vii) the foreclosure upon all or any portion of the Property, or property owned by Borrower, or the condemnation, seizure, attachment or appropriation thereof, then in such event the entire indebtedness hereunder shall be immediately due and payable at the option of Lender.

6.3 Default Rate. Upon the occurrence and during the continuation of an Event of Default, including the failure to pay upon final maturity, the interest rate on this Note shall be increased by five (5.0) percentage points on the outstanding principal balance hereunder, and all accrued, but unpaid interest thereon.

6.4 Late Charge. If Borrower fails to make a payment within five (5) days of its due date, Borrower agrees to pay a late charge of One Hundred Dollars ($100.00) as liquidated damages for the additional expense of handling such delinquent payment.

7. Notices. Notices provided for herein shall be delivered as set forth in the Notice provision of the Deed of Trust and at the addresses set forth in the Deed of Trust.

8. Miscellaneous.

8.1 No Waiver. Lender's acceptance of interest at the Default Rate, and collection of a late charge hereunder, shall not have the effect of curing any Event of Default and shall not prejudice the right of Lender to collect any other amounts required to be paid or to declare a default hereunder. No waiver of any default or failure, or delay to exercise any right or remedy by Lender shall operate as a waiver of any other default, or of the same default in the future, or as a waiver of any right or remedy with respect to the same, or any other occurrence.

8.2 Assignment. Borrower covenants that it shall not assign or transfer its rights or obligations under this Note or the Deed of Trust without the prior written consent of Lender, which consent may be given or denied in Lender's sole and absolute discretion.

8.3 Binding on Heirs, Successors and Assigns. Subject to the restrictions on assignment and transfer contained in Section 8.2, this Note shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of Lender and Borrower.

8.4 Severability. Every provision of this Note is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable, and this Note shall be construed as if such illegal, invalid or unenforceable provision had not been contained herein.

8.5 Choice of Law; Venue. This Note shall be governed by and construed in accordance with the substantive and procedural laws of the State of California. This Note is entered into and is to be performed in Placer County, California, with venue in the County of Placer.

8.6 Enforcement Costs. In the event of: (a) any action or proceeding that involves the protection, preservation or enforcement of Lender's rights or Borrower's obligations under this Note (including, but not limited to, Lender's defense of any action by Borrower in connection with the Loan), (b) Lender's collection or enforcement without institution of litigation proceedings, or (c) Lender's participation in any proceeding which is authorized under the terms of this Note, the prevailing party shall be entitled to payment, upon demand, from the non-prevailing party of all costs and expenses associated therewith, including reasonable attorneys' fees and litigation expenses. Borrower will pay Lender, upon demand, all reasonable attorneys' fees and expenses incurred in the representation of Lender in any aspect of any bankruptcy or insolvency proceeding initiated by or on behalf of Borrower that concerns any of its obligations to Lender under this Note.

8.7 Due on Sale. The obligations of the undersigned under this Note are subject to the terms of the Deed of Trust of even date herewith. The Deed of Trust contains the following due on sale provision:

> **DUE ON SALE - CONSENT BY BENEFICIARY.** Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Trustor's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of Property or any right, title or interest in the Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of an interest in the Property. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Trustor.

IN WITNESS WHEREOF, Borrower has executed this Note as of the year and date first set forth above.

BORROWER:

Loomis Mill Group, LLC
a California limited liability company

By: _____
Name: _____
Title: _____

Exhibit D

(See Attached Deed of Trust)

DEED OF TRUST

No Recording Fee Required Pursuant to Government Code Section 27383

Recording Requested by and When Recorded Return to:

Town of Loomis
3665 Taylor Rd,
Loomis, CA 95650
Attn: Town Manager

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

DEED OF TRUST
ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made _____, 20__, between **Loomis Mill Group, LLC**, a California limited liability company ("Trustor"), **Placer Title Company** ("Trustee"), and the **Town of Loomis**, a California municipal corporation ("Beneficiary").

Trustor is the owner of three parcels of real property totaling approximately 4.08 acres and containing an existing building ("Existing Building") and parking lot located at 3800 Taylor Road, in Loomis, California, as legally described in **Exhibit A**, attached hereto and incorporated herein (the "Property").

In August 2018, the Town released a Request for Proposals to solicit developer proposals for the redevelopment of the Property. At the completion of the proposal period, the Town chose the Developer's submittal.

Trustor will rehabilitate the Existing Building into a new brewery and beer manufacturing building, as well as a new distillery and barrel house, bakery, charcuterie, an outside community amphitheater with beer gardens, grass park area, and additional parking for visitors (collectively, "Improvements").

Trustor intends to grant Beneficiary this Deed of Trust encumbering its fee interest in the Property as security for a loan made by Beneficiary to Trustor to be used for the purchase of the Property pursuant to a Purchase and Sale Agreement and Joint Escrow Instructions, dated _____, 2019, by and between Beneficiary and Trustor (the "Agreement"), and for the covenants contained therein. Trustor will construct the Improvements in accordance with the terms and conditions of the Purchase Agreement.

Trustor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which

that agreement is modified, amended, extended, or renewed without the prior written consent of Beneficiary. Trustor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Beneficiary.

Trustor, in consideration of the indebtedness referred to below, irrevocably grants, transfers, conveys, and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale, the Property.

TOGETHER WITH:

(a) all right, title and interest (including any claim or demand in law or equity) which Trustor now has or may hereafter acquire in or to such property; all development rights or credits and air rights; all water and water rights (whether or not appurtenant to such property) and shares of stock pertaining to such water or water rights, ownership of which affects such property; Trustor's interest in all minerals, oil, gas, and other hydrocarbon substances and rights thereto in, on, under, or upon such property and all royalties and profits from any such rights or shares of stock; and all adjacent lands within enclosures or occupied by buildings partly situated on such property;

(b) all buildings, structures, improvements, fixtures and appurtenances now and hereafter placed on such property, including, without limitation, all apparatus and equipment, whether or not physically affixed to the land or any building, used to provide or supply air-cooling, air conditioning, heat, gas, water, light, power, refrigeration, ventilation, laundry, drying, dish washing, garbage disposal or other services; and all elevators, escalators and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, partitions, ducts, compressors, plumbing, ovens, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, pools and spas and pool and spa operation and maintenance equipment and apparatus, trees and plants located on such property, all of which, including replacements and additions thereto, shall conclusively be deemed to be affixed to and be part of the real property conveyed to Trustee hereunder.

(c) all intangible property and rights related to the aforesaid property or the operation thereof or used in connection therewith including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, deposits for utility services installations, refunds due Trustor, trade names, trademarks and service marks.

(d) all rents, issues, profits and other income from the property, including, but not limited to, all proceeds of sale or lease of the property.

(e) the personal property collateral described in **Exhibit B**.

Trustor agrees to execute and deliver, from time to time, such further instruments, including but not limited to, security agreements, assignments, and UCC Financing Statements, as may be requested by Beneficiary to confirm the lien of this Deed of Trust on any of the aforementioned property.

All Property, both real and personal, conveyed to Trustee hereunder shall be referred to herein as the "Property".

This Deed of Trust secures the following obligations:

(a) Promissory Note Secured by Deed of Trust entered into by Trustor as Borrower, of even date herewith (and any and all renewals or extensions thereof) in the amount of Seven Hundred Four Thousand Dollars ($704,000.00), with interest thereon according to the terms of said note ("Note"), which Trustor covenants and agrees to pay.

(b) Performance of every obligation, covenant and promise contained in the Agreement.

(c) Payment and performance of every obligation, covenant, promise and/or agreement contained in this Deed of Trust.

(d) Payment and performance of every obligation, covenant, promise and agreement contained in any other written instrument executed by Trustor in favor of Beneficiary if, but only if, the written instrument expressly states that the instrument is secured by this Deed of Trust.

(e) For the purposes of this Deed of Trust, any reference to a Note contained herein shall be deemed to refer to each and every note secured by this Deed of Trust, and any default under any note secured by this Deed of Trust shall constitute a default under every other note so secured, and shall additionally constitute a default under this Deed of Trust.

For the purpose of protecting and preserving the security of this Deed of Trust, Trustor promises and agrees:

1. Obligations of Trustor. Trustor shall promptly pay when due, all installments, payments, charges or other obligations due under the Note; and all other monetary obligations secured by this Deed of Trust.

2. Repair and Maintenance of the Property. Trustor will: (a) keep the Property in good condition and repair; (b) not substantially alter, remove or demolish the Property or any building or other improvements thereon, except (i) when permitted by the Agreement; or (ii) when incident to the replacement of fixtures, equipment, machinery or appliances with items of like kind; (c) restore and repair to the equivalent of its original condition, all or any part of the Property which may be damaged or destroyed, including, but not limited to, damage from termites and dry rot, soil subsidence and construction defects, whether or not insurance proceeds are available to cover any part of the cost of such restoration and repair; (d) pay when due all claims for labor performed and materials furnished in connection with the Property and not permit any mechanic's or materialman's lien to arise against the Property or furnish loss or liability under such mechanic's lien claims; (e) comply with all laws affecting the Property or requiring that any alterations, repairs, replacements, or improvements be made thereon; (f) not commit or permit waste on or to the Property, or commit, suffer or permit any act or violation of law to occur upon the Property; (g) not abandon the Property; (h) cultivate, irrigate, fertilize, fumigate and prune; (i) if required by Beneficiary, provide for the management satisfactory to Beneficiary under a management contract approved by Beneficiary; (j) notify the Beneficiary in writing of any condition at or on the Property which may have a significant and measurable effect on its market value; and (k) if the Property is rental Property, generally operate and maintain the Property in such manner as to realize the maximum rental potential thereof and do all other things which the character or use of

the Property may reasonably render necessary to maintain the Property in the same condition (reasonable wear and tear expected) as it was at the date of this Deed of Trust.

3. Insurance.

3.1 Property Insurance. Trustor shall provide and maintain insurance as required below covering all buildings, structures and improvements now situated or which hereafter may be erected or placed upon said Property, against loss or damage by fire and other casualties (special broad-form perils) with the valuation clause reflecting replacement costs basis and to carry such and, in the event said Property or any part thereof now lies or hereafter lies in an area designated by the Federal Emergency Management Agency as located within a flood insurance rate map or flood hazard boundary map, or which is designated by the Department of Housing and Urban Development as a flood zone, to carry flood insurance; all as required below or as the Beneficiary may from time to time require. All such insurance shall be in forms, and with companies and in sums (not less than sufficient to avoid any claim on the part of the insurers for co-insurance or other penalties for insufficient limits) satisfactory to the Beneficiary. All insurance policies shall be held by and be for the benefit of Beneficiary, and shall name Beneficiary as loss payee. Beneficiary shall accept as satisfying the requirements of this Section 3.1 any insurance policy in the amount of the replacement cost of buildings, structures, and improvements located on said Property. At least fifteen (15) days before the expiration of each such policy, Trustor shall deliver to the Beneficiary a new and sufficient policy to take the place of the one so expiring. In the event of a loss, the amount collected, under any policy of insurance on said Property may, at the sole option of the Beneficiary (1) except to the extent expressly limited or prohibited by statutory or case law in effect as of the date of this Deed of Trust, be applied by Beneficiary upon any indebtedness and/or obligation secured hereby whether the same be then matured or unmatured, and in such order as Beneficiary may determine; (2) be used in replacing or restoring the improvements partially or totally destroyed to a condition satisfactory to said Beneficiary; (3) be used by the Beneficiary to fulfill any of the covenants contained herein as the Beneficiary may determine; or (4) be released to the Trustor. In any of the foregoing events neither the Trustee nor the Beneficiary shall be obligated to see to the prior application thereof, nor shall the amount so released or used under clauses (2), (3), or (4) above be deemed a payment on any indebtedness secured hereby. Such application, use, and/or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. The Trustor hereby irrevocably appoints the Beneficiary as its attorney in fact to assign each such policy in the event of the foreclosure of this Deed of Trust or other transfer of the title to the granted Property in extinguishment, in whole or in part, of the debt secured hereby. No insurance shall be required hereunder in excess of that allowed by Civil Code Section 2955.5.

3.2 General Liability Insurance. Trustor shall purchase and continuously maintain comprehensive general liability with terms and conditions that are at least as broad as the Insurance Service Office (ISO) Form 00 01 and with limits not less than $5,000,000 each occurrence. Such insurance shall include the Beneficiary as an additional insured arising out of the named insured's ongoing and completed operations. Such insurance shall have an endorsement stating that for any claims related to this Property, the Trustor's insurance shall be primary insurance as respects the Beneficiary to the extent the Beneficiary is an additional insured. Such insurance shall also state

that any insurance or self-insurance maintained by the Beneficiary shall be in excess of the Trustor's insurance and shall not contribute with it. The Trustor's insurance shall also provide that the Beneficiary shall receive at least thirty (30) days' written notice prior to cancellation, non-renewal, or modification thereof during this Deed of Trust term. Such insurance policies as are required by this Section 3.2 shall be approved and held by Beneficiary.

4. Defense of Deed of Trust; Litigation. Trustor will give Beneficiary immediate written notice of any action or judicial proceeding (including, with limitation, any judicial or non-judicial proceeding to foreclose the lien of a junior or senior mortgage or deed of trust) affecting or purporting to affect the Property, this Deed of Trust, Beneficiary's security for the performance of Trustor's obligations under the Note, or the rights or powers of Beneficiary or Trustee under the Note or this Deed of Trust. Notwithstanding any other provision of this Deed of Trust, Trustor hereby agrees that Beneficiary or Trustee may (but neither is obligated to) commence, appear in, prosecute, defend, compromise and settle, in Beneficiary's or Trustor's name, and as attorney-in-fact for Trustor, any action or proceeding, whether judicial or non-judicial, reasonably necessary to preserve or protect, or affecting or purporting to affect, the Property, this Deed of Trust, Beneficiary's security for the performance of Trustor's obligations under the Note, or this Deed of Trust. If neither Beneficiary nor Trustee elects to do so, Trustor will commence, appear in, prosecute and defend any such action or proceeding. Beneficiary may incur necessary costs and expenses including attorneys' fees, in any such action. Trustor will pay all costs and expenses of Beneficiary and Trustee, including costs of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which Beneficiary or Trustee may appear or for which legal counsel is sought, whether by virtue of being made a party defendant or otherwise; and whether or not the interest of Beneficiary or Trustee in the Property is directly questioned in such action or proceeding, including, without limitation, any action of the condemnation or partition of all or any portion of the Property and any action brought by Beneficiary to foreclose this Deed of Trust or to enforce any of its terms or provisions.

5. Use of Property. Unless otherwise required by applicable law or unless Beneficiary otherwise consents in writing, Trustor will not allow changes in the use of the Property from that which is contemplated by Trustor and Beneficiary at the time of execution of this Deed of Trust, as specified in the Agreement and other documents executed by Trustor in connection with obtaining the loan secured hereby. Trustor will not initiate or acquiesce in a change in the zoning classification of the Property without Beneficiary's prior written consent.

6. Taxes and Assessments. Trustor agrees (a) to pay all taxes and assessments affecting the Property, including assessments on appurtenant water stock, and any accrued interest, cost and/or penalty thereon and submit receipts therefor to the Beneficiary, at least ten (10) days before default or delinquency; (b) to pay when due all encumbrances (including any debt secured by deed of trust), ground rents, liens, and/or charges, with interest, on said Property or any part thereof which appear to be prior or superior hereto, and to pay immediately and in full all such encumbrances, liens and/or charges, if any, which may now be due or payable; (c) to pay when due all costs, fees and expenses of these trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of a declaration of default.

7. Assessment Bonds. Trustor agrees to pay any and all assessments against said Property at least ten (10) days before any bond or bonds could or would be issued in connection therewith, unless Beneficiary determines in its sole discretion that its security would not be impaired if the assessments were not paid in full.

8. Assessments on Water Bonds. Trustor agrees to pay before delinquency all assessments upon the stock of any water company which stock may be used in connection with said Property, and all rents, assessments or charges for water appurtenant to or used in connection with said Property and/or for the flumes, ditches, pipes or aqueducts in which such water may be furnished or delivered; and all such stock is hereby expressly made a part of the security hereof.

9. Reimbursement of Beneficiary's Expenses. Trustor agrees to pay immediately upon demand after expenditure, all sums expended or expense incurred by Trustee and/or Beneficiary, including reasonable attorney's fees, under any of the terms of this Deed of Trust, with interest from date of demand at the rate of ten per cent (10%) per annum. Without in any way limiting the foregoing, Trustor shall pay to or reimburse Beneficiary for any costs, fees and expenses (including without limitation reasonable attorneys' fees and any administrative fees or overhead or other indirect costs and expenses) incurred or charged by Beneficiary in protecting its security hereunder or the Property or Beneficiary's interest under this instrument, or in responding, processing, reviewing or reviewing or otherwise dealing with the demands or claims or requests of Trustor or third parties who claim an interest in the Property or an interest adverse to Beneficiary's interests under this instrument.

10. Beneficiary Statement. Trustor agrees to pay to the Beneficiary any reasonable amount charged by the Beneficiary, not to exceed the maximum allowed by law, for any statement regarding the obligation secured hereby furnished by the Beneficiary upon demand by the Trustor, the charge for each such statement to be payable immediately upon furnishing of the statement.

11. Assignment of Rents and Leases.

11.1 Trustor does hereby immediately and absolutely assign, transfer and set over to the Beneficiary all the rents, issues, proceeds and profits which may be or may become due or to which the Trustor may now or hereafter become entitled, arising or issuing out of, under or by virtue of any and all leases and/or rental agreements, and any and all extensions or renewals thereof, now or hereafter entered into for the parking structure located on the Property or any part thereof, or for any improvements located thereon, and all other rents, issues, proceeds and profits due or accruing from the Property or any part thereof or the improvements located thereon. Trustor hereby gives to and confers upon Beneficiary the right, power and authority to collect such rents, issues, proceeds and profits. The assignment herein contained and all rights provided to Beneficiary by this Section are granted without regard to the adequacy of the Property as security for payment of the indebtedness secured by this Deed of Trust. This assignment is delivered as a present, immediate and absolute assignment of the rights contained herein; provided, however, that so long as no default shall exist under this Deed of Trust or the indebtedness secured hereby, the Trustor shall have the right to manage and operate the Property and all improvements thereon, and to collect, receive and apply for its own account all rents, issues and proceeds accruing by virtue of any lease or rental agreement and to execute and deliver proper receipts thereof.

Immediately upon the occurrence of any default under this Deed of Trust or the indebtedness secured hereby, and until such default shall have been cured, the right of the Trustor to manage and operate the Property and to collect and receive rents shall cease and terminate and in such event the Beneficiary is hereby expressly and irrevocably authorized to enter into and take possession of the Property and the improvements located thereon by actual physical possession, or by appointment of a receiver or by a competent court or by written notice served personally upon or sent by registered mail to the Trustor, as the Beneficiary may elect, or by any other legal means, and to exclude the Trustor and all other persons therefrom. Following such entry and taking of possession the Beneficiary may operate and manage the Property and rent and lease the same and collect any and all rents, issues, income and profits therefrom, and from time to time apply same or accumulate same for application, in such order and manner as Beneficiary, in its sole discretion shall consider advisable. Beneficiary may apply such amounts to (i) the necessary and proper costs of upkeep, maintenance, repair and/or operation of the Property; (ii) the repayment of any sums theretofore or thereafter advanced pursuant to the terms of this Deed of Trust; (iii) the interest then due or next to become due upon said indebtedness; (iv) the taxes and assessments upon the Property then due or next to become due; (v) the unpaid principal of said indebtedness; and (vi) any other obligations secured by this Deed of Trust. The collection and/or receipt of rents, issues, income and/or profits from the Property by Beneficiary after declaration of default and election to cause the Property to be sold pursuant to the terms of this Deed of Trust shall not affect or impair such default or declaration of default or election to cause the Property to be sold or any sale proceeding predicated thereon, but such proceedings may be conducted and sale effected notwithstanding the receipt and/or collection of any such rents, issues, income and/or profits. Any such rents, issues, income and/or profits in the possession of said Beneficiary at the time of sale and not theretofore applied as herein provided, shall be applied in the same manner and for the same purposes as the proceeds of the sale. In addition to Beneficiary's rights under this Section, Beneficiary shall have all of the rights and remedies to which Beneficiary is entitled under California Civil Code Section 2938, and nothing contained in this Section 11 shall be construed as a limitation or waiver of any such rights or remedies.

11.2 Trustor agrees to assign to the Beneficiary, upon request, as security for the indebtedness secured hereby, the Trustor's interests in any or all leases, and the Trustor's interests in all agreements, contracts, licenses and permits affecting said property, such assignments to be made by instruments in form reasonably satisfactory to the Beneficiary; but no such assignment shall be construed as a consent by the Beneficiary to any lease, agreement, contract, license or permit so assigned, or to impose upon the Beneficiary any obligations with respect thereto.

12. Modification and Termination of Leases and Rent Pre-payment. Except in the ordinary course of business, Trustor agrees not to cancel any of the leases assigned or subject to assignment to Beneficiary pursuant to Section 11.2 hereof, nor terminate or accept a surrender thereof (except in accordance with the terms of the assignment) or reduce the payment of the rent thereunder or modify any of said leases (except in accordance with the terms of the assignment) or accept any prepayment of rent therein without first obtaining, on each occasion, the written approval of the Beneficiary.

13. Performance of Leases. Trustor agrees to faithfully keep and perform all of the obligations of the landlord under all of the leases assigned or subject to assignment to

the Beneficiary pursuant to Section 11 above and not to permit to accrue to any tenant under any such lease any right to prepaid rent pursuant to the terms of any lease other than the usual prepayment of rent as would result from the acceptance by the landlord on the first day of each month for the rent for the ensuing month, according to the terms of the various leases.

14. Rent Roll. Trustor agrees to deliver to Beneficiary within ninety days after the expiration of each calendar year, a rent roll of the Property showing the name and street address of all tenants in occupancy, the rent currently owed, the respective lease commencement and expiration dates, the amount of common area or expense contribution, if any, for each tenant, as well as whether there are any concessions, free rent periods or rebates.

15. Use. Trustor agrees to operate such Property at all times in the manner permitted by the Agreement.

16. Prohibition of Sale or Encumbrances.

16.1 DUE ON SALE - CONSENT BY BENEFICIARY. Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Trustor's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of Property or any right, title or interest in the Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of an interest in the Property. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Trustor.

16.2 Upon the occurrence of any such transaction with Beneficiary's consent, or without Beneficiary's consent if Beneficiary elects not to exercise its rights and remedies in the event of default (including, but not limited to, acceleration of the indebtedness secured hereby), Beneficiary (i) may charge a processing fee pursuant to Section 9 in connection with the change, and (ii) shall not be obligated to release Trustor from any liability hereunder or under the Notes or under any of the other documents evidencing or securing the Notes secured hereby. Consent to any such transaction shall not be deemed to be consent, or a waiver of the requirement of consent, to any other transaction.

17. Licenses. As of the date of this Deed of Trust and at all times thereafter during the term of the loan Trustor shall have and maintain in full force and effect such certificates, consents, licenses, approvals and permits from the proper authorities as are required to operate the Property for the purpose(s) set forth in Section 15 above. A failure on the part of the Trustor or any subsequent owner to maintain any such required certificate, consent, license, approval, or permit in effect or a failure to obtain renewal thereof prior to expiration, shall constitute a default under the terms of this Deed of Trust for which the Beneficiary shall have the right, as its option, upon the expiration of any

cure periods, to declare the entire indebtedness evidenced by said Note and hereby secured to be immediately due and payable.

18. Security Interest in Personal Property. Trustor hereby grants to Beneficiary a security interest in and to all personal Property described as the Collateral in Exhibit B. This Deed of Trust constitutes a security agreement with respect to all of the Collateral, and Beneficiary shall have all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor hereby agrees to execute, acknowledge and deliver on demand, and hereby irrevocably appoints Beneficiary as its attorney-in-fact, with full power of substitution, to execute, acknowledge, deliver and, if appropriate file with the appropriate filing officer or office, such security agreements, financing statements, continuation statements or other instruments as Beneficiary may reasonably require in order to impose, perfect or continue the perfection of, the lien or security interest created hereby. The above power of attorney is coupled with an interest and shall survive the death or incapacity of Trustor. Trustor shall pay all costs and expenses in connection with any such documents or of any record searches for financing statements that Beneficiary may require.

19. Fixture Filing. This Deed of Trust constitutes a financing statement filed as a fixture filing in the real estate records of the county in which the Real Property is located with respect to any and all fixtures now or hereafter owned by Trustor and used in connection with the operation, occupancy and maintenance of the Property described in this Deed of Trust and with respect to any goods or other personal property owned by Trustor that may now be or hereafter become such fixtures.

20. Foreclosure on Collateral. Without limiting any other rights or remedies which Beneficiary or Trustee may have hereunder or under applicable law, including the right to conduct a unified foreclosure sale of real and personal Property, upon any default not cured within applicable cure periods Beneficiary or Trustee may conduct a public or private sale of the Collateral under the California Uniform Commercial Code pursuant to this Deed of Trust, and Trustor, upon demand by Beneficiary, shall assemble the Collateral and make it available to Beneficiary at the Property, a place which is hereby deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary shall give Trustor at least twenty (20) days prior written notice of the time and place of any public sale or other disposition of the Collateral, or of the time of or after which any private sale or other disposition of the Collateral is to be made; if such notice is sent to Trustor in accordance with the procedures for the mailing of notices set forth in the last Section of this instrument, it is hereby deemed that such notice shall be and is reasonable notice to Trustor.

21. Maintenance of Fixtures and Collateral. At all times during the term hereof Trustor shall maintain a sufficient level of fixtures and Collateral to properly operate the said Property, which shall in any event not be materially less than that existing on the date hereof. Notwithstanding anything to the contrary in this Deed of Trust, during any time when not in default hereunder, Trustor shall have the right, subject to the prior concurrent satisfaction of the conditions set forth in the next sentence, to substitute and replace Collateral and fixtures in the ordinary course of business. To the extent the replacement Collateral and fixtures are of the same general type and are of at least the same value and upon acquisition of the substitute Collateral and fixtures by Trustor and

placement thereof on the said real Property, the replaced Collateral and fixtures shall be deemed released from the lien hereof.

22. Maps and Restrictions. Trustor agrees that it will not without the consent of Beneficiary after the date hereof file or cause to be filed any subdivision or condominium map or plan, or any deed, plan or agreement for cooperative ownership of the Property, or any other covenants or restrictions affecting the Property.

23. Environmental Covenants. Trustor will at all times comply with the following requirements:

23.1 No Use, Disposal or Storage. Trustor shall not cause, permit or suffer any Hazardous Material (as defined in Section 24.3 to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, about or beneath the Property or any portion thereof by Trustor, its agents, employees, contractors, invitees, tenants, or any other person, except to the extent commonly used in the day to day operation of the Property and then only so long as in compliance with all Environmental Requirements (as defined in Section 24.2).

23.2 Compliance with Environmental Requirements. Trustor shall not cause, permit or suffer the existence or the commission by Trustor, its agents, employees, or contractors of a violation of any Environmental Requirements upon, about or beneath the Property or any portion thereof and Trustor shall use its best efforts to prevent any such violation of any Environmental Requirements by any invitees, tenants or any other person. Trustor shall notify Beneficiary in writing of any release of Hazardous Materials at, on, under or within the Property in violation of any Environmental Requirements, or of the presence of Hazardous Materials at the Property in violation of any Environmental Requirements, promptly upon discovery of such release or presence.

23.3 Environmental Liens. Trustor shall not create or suffer to exist with respect to the Property, or permit any of its agents to create or suffer to exist any lien, security interest or other charge or encumbrance of any kind, including without limitation, any lien imposed pursuant to Section 107(f) of the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. Section 9607(1)) or any similar state statute, and Trustor shall use its best efforts to prevent the creation of any such lien, security interest, charge or encumbrance by any of its tenants and shall not permit any of such tenants to suffer to exist any of such items.

23.4 Mitigation. Notwithstanding the obligation of Trustor to indemnify pursuant to Section 25 Trustor shall, at its sole cost and expense, promptly take all actions required by any federal, state or local governmental agency or political subdivision or which are otherwise reasonably necessary in the sole reasonable discretion of Beneficiary to mitigate Environmental Damages (as defined in Section 24.1) arising from the presence upon, about or beneath the Property of a Hazardous Material, or from a violation of Environmental Requirements. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Property, the preparation of any feasibility studies, reports or remedial plans, and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or restoration work, whether on or off of the Property. Trustor shall take all actions necessary to restore the Property to the condition existing prior to the introduction of Hazardous Material upon, about or beneath the Property, notwithstanding any lesser

standard of remediation allowable under applicable law or governmental policies. Trustor shall proceed continuously and diligently with such investigatory and remedial actions, provided that in all cases such actions shall be in accordance with all applicable requirements of governmental entities. Any such actions shall be performed in a good, safe and workmanlike manner and shall minimize any impact on the business conducted at the Property. Trustor shall pay all costs in connection with such investigatory and remedial activities, including but not limited to all power and utility costs, and any and all taxes or fees that may be applicable to such activities. Trustor shall promptly provide to Beneficiary copies of testing results and reports that are generated in connection with the above activities. Promptly upon completion of such investigation and remediation, Trustor shall permanently seal or cap all monitoring wells and test holes to industrial standards in compliance with applicable federal, state and local laws and regulations, remove all associated equipment, and restore the Property to the maximum extent possible, which shall include, without limitation, the repair of any surface damage, including paving, caused by such investigation or remediation hereunder.

23.5 Notice of Environmental Risks. If Trustor shall become aware of or receive notice or other communication concerning any actual, alleged, suspected or threatened violation of Environmental Requirements, or liability of Trustor for Environmental Damages in connection with the Property or past or present activities of any person thereon, including but not limited to notice or other communication concerning any actual or threatened investigation, inquiry, lawsuit, claim, citation, directive, summons, proceeding, complaint, notice, order, writ, or injunction, relating to same, and including without limitation any notice or other communication from any tenant, then Trustor shall deliver to Beneficiary, within ten (10) days of the receipt of such notice of communication by Trustor, a written description of said violation, liability, correcting information or actual or threatened event or condition, together with copies of any documents evidencing same. Receipt of such notice shall not be deemed to create any obligation on the part of beneficiary to defend or otherwise respond to any such notification.

23.6 Notice of Test Results. Trustor shall promptly provide to Beneficiary the results of any tests and copies of all registration permits regarding any underground storage tanks located on the Property and Trustor shall comply with the same.

23.7 Right to Enter and Inspect. In the event Beneficiary reasonably believes that there has been a release or threatened release of a Hazardous Material on the Property or a breach of an Environmental Requirement or in the event of any default under this Deed of Trust or under the Note, Beneficiary shall have the right in its sole and absolute discretion, but not the duty, to enter upon the Property at any reasonable time, at the expense of Trustor, to conduct an inspection of the Property, including invasive tests, to determine compliance with all Environmental Requirements and the existence of any Environmental Damages as a result of the condition of the Property or any surrounding properties and activities thereon. Trustor hereby grants to Beneficiary, and the agents, employees, consultants and contractors of Beneficiary, the right to enter upon the Property and to perform such tests on the Property as are necessary to conduct such reviews and investigations in accordance with the preceding sentence. Beneficiary shall use its best efforts to minimize interference with the business of Trustor and to restore the condition of the Property, but Beneficiary shall not be liable for any interference caused thereby or failure to restore if Beneficiary determines in its sole discretion that it is not economically practicable. Beneficiary shall reimburse Trustor for

the cost of repair of any physical injury to the Property caused by the entry and inspection to the extent required by Civil Code Section 2929.5(c).

23.8 Reimbursement of Beneficiary. In the event of any default under this Deed of Trust or under the Note, Trustor shall promptly reimburse Beneficiary for any environmental studies or tests which Beneficiary deems necessary to ascertain the presence and/or level of any Hazardous Materials on the Property.

24. Definitions of Environmental Terms. For the purposes of this Deed of Trust, the following terms shall have the following meanings:

24.1 "Environmental Damages" means all claims, judgments, damages (including without limitation, punitive damages), losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs and expenses of investigation and defense of any claim, whether or not such is ultimately defeated, and of any settlement or judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time as a result of the existence of Hazardous Material upon, about, beneath the Property or migrating or threatening to migrate to or from the Property, or the existence of a violation of Environmental Requirements pertaining to the Property regardless of whether the existence of such Hazardous Material or the violation of Environmental Requirements arose prior to the present ownership or operation of the Property, and including, without limitation:

24.1.1 damages for personal injury, or injury to Property or natural resources occurring upon or off the Property, foreseeable or unforeseeable, including, without limitation, lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties including but not limited to claims brought by or on behalf of employees of Trustor, with respect to which Trustor waives, for the benefit of Beneficiary only, any immunity to which it may be entitled under any industrial or worker's compensation laws;

24.1.2 fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other costs incurred in connection with the investigation, cleanup or remediation of such Hazardous Materials or violation of Environmental Requirements including but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remedial, removal, abatement, containment, closure, restoration or monitoring work required by any federal state or local governmental agency or political subdivision, or reasonably necessary to make full economic use of the Property or any other Property or otherwise expended in connection with such conditions, and including without limitation any attorneys' fees, costs and expenses incurred in enforcing this Deed of Trust or collecting any sums due hereunder; and

24.1.3 liability to any person or entity to indemnify such person or entity for costs expended in connection with the items referenced in sub-Section 24 hereof.

24.2 "Environmental Requirements" means all applicable present and future statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises and similar items, of all governmental

agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial and administrative and regulatory decrees, judgments and orders relating to the protection of human health or the environment, including, without limitation:

24.2.1 all requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Materials, chemical substances, pollutants, contaminants or hazardous or toxic substances, materials or wastes whether solid, liquid or gaseous in nature, into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, pollutants, contaminants or hazardous or toxic substances, materials, or wastes, whether solid, liquid or gaseous in nature; and

24.2.2 all requirements pertaining to the protection of the health and safety of employees or the public.

24.3 "Hazardous Materials" means any substance:

24.3.1 the presence of which requires investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action or policy; or

24.3.2 which is or becomes defined as a "hazardous waste" or "hazardous substance" or "pollutant" or "contaminant" under any federal, state or local statute, regulation, rule, or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.) or the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.); or

24.3.3 which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any State of the United States, or any political subdivision thereof; or

24.3.4 the presence of which on the Property causes or threatens to cause a nuisance upon the Property or to adjacent properties or poses or threatens to pose a hazard to the Property or to the health or safety of persons on or about the Property; or

24.3.5 which contains volatile organic compounds such as gasoline, diesel fuel or other petroleum hydrocarbons; or

24.3.6 which contains polychlorinated biphenyls (PCBs) or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

24.3.7 radon gas.

25. Environmental Indemnity. Trustor agrees to indemnify, reimburse, defend, exonerate, pay and hold harmless (a) Beneficiary, its affiliates and their respective successors and assigns who acquire all or any portion of the loan secured by this Deed

of Trust or the Property in any manner, including but not limited to, purchase at a foreclosure sale, acceptance of a deed in lieu thereof or otherwise through the exercise of the rights and remedies of Beneficiary under this Deed of trust and (b) the directors, officers, shareholders, employees, successors, assigns, agents, contractors, subcontractors, experts, licensees, affiliates, lessees, mortgagees, trustees, and invitees of Beneficiary and such other persons or entities, from and against any and all Environmental Damages arising from the presence of Hazardous Materials upon, about or beneath the Property or migrating to or from the Property, or arising in any manner whatsoever out of the violation of any Environmental Requirements pertaining to the Property and the activities thereon, or the breach of any warranty or covenant or the inaccuracy of any representation of Trustor contained in this Deed of Trust unless and to the extent such Environmental Damages exist solely as a result of the gross negligence or willful misconduct of Beneficiary. This obligation shall include, but not be limited to, the burden and expense of defending all claims, suits and administrative proceedings (with counsel chosen by Trustor and reasonably approved by the indemnified parties), even if such claims, suits or proceedings are groundless, false or fraudulent, and conducting all negotiations of any description, and paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against such indemnified persons. Trustor's obligations hereunder shall not apply with respect to Environmental Damages caused after Beneficiary has purchased the Property at a foreclosure sale unless caused by Trustor, either solely or jointly with others, including Beneficiary.

26. Environmental Remedies. Notwithstanding anything to the contrary in this Deed of Trust, the rights of Beneficiary and the obligations of Trustor created under the foregoing Sections 23, 24, and 25 shall be in addition to those other rights and obligations, respectively, created or imposed by statutory, common or case law.

27. Provisional Remedies on Default. Should Trustor fail or refuse to make any payment or do any act which it is obligated hereunder to make or do, at the time and in the manner herein provided, or if any representation of Trustor in this Deed of Trust, or other document referred to herein is incorrect, then Trustee and/or Beneficiary, each in its sole discretion, may, without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof:

27.1 Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, either Trustee or Beneficiary being authorized to enter upon and take possession of said Property for such purposes;

27.2 Commence, appear in and/or defend any action or proceedings purporting to affect the security hereof, and/or any additional or other security therefor, the interest, rights, powers and/or duties of Trustee and/or Beneficiary hereunder, whether brought by or against Trustor, Trustee or Beneficiary;

27.3 Pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of either may affect or appear to affect the security of this Deed of Trust, the interest of Beneficiary or the rights, powers and/or duties of Trustee and/or Beneficiary hereunder;

27.4 Enter into and upon and take and hold possession of any or all Property covered hereby and exclude the Trustor and all other persons therefrom;

27.5 Operate, and manage the said Property and rent and lease the same and collect any and all rents, issues, income and profits therefrom, the same being hereby assigned and transferred to Beneficiary, and from time to time apply same and/or accumulate same for application, in such order and manner as Beneficiary in its sole discretion shall consider advisable, to or upon the following: The necessary and proper costs of upkeep, maintenance, repair, and/or operation of said Property, the repayment of any sums theretofore or thereafter advanced pursuant to the terms of this Deed of Trust, the interest then due or next to become due upon said indebtedness, the taxes and assessments upon said Property then due or next to become due, the unpaid principal of said indebtedness, or any other obligation secured by this Deed of Trust.

27.6 The collection and/or receipt of rents, issues, income and/or profits from said Property by Beneficiary after declaration of default and election to cause said Property to be sold under and pursuant to the terms of this Deed of Trust shall not affect or impair such default or declaration of default or election to cause said Property to be sold or any sale proceedings predicated thereon, but such proceedings may be conducted and sale effected notwithstanding the receipt and/or collection of any such rents, issues, income and/or profits. Any such rents, issues, income and/or profits in the possession of said Beneficiary at the time of sale and not theretofore applied as herein provided, shall be applied in the same manner and for the same purposes as the proceeds of the sale.

27.7 Neither Trustee nor Beneficiary shall be under any obligation to make any of the payments or do any of the acts above mentioned, but, upon election of either or both so to do, employment of an attorney is authorized and payment of such reasonable attorneys' fees and of all other necessary expenditures is hereby secured.

28. Condemnation. All moneys and awards payable as damages and/or compensation for the taking of title to or possession of, or for damage to, any portion of the Property subject to this Deed of Trust by reason of any condemnation, eminent domain or other similar proceeding shall be paid to Beneficiary, and such moneys and awards are hereby assigned to Beneficiary, and judgment therefor shall be entered in favor of Beneficiary, and when paid, may, at the option of the Beneficiary, (a) be applied, in whole or in part, by Beneficiary upon any indebtedness or obligation secured hereby, whether the same be matured or unmatured, and in such order as Beneficiary may determine, (b) be used in whole or in part to replace or restore the Property to a condition satisfactory to the Beneficiary, (c) be used in whole or in part to fulfill any of the covenants contained herein as the Beneficiary may determine, or (d) be released to the Trustor; and the Trustor hereby covenants and agrees, upon request by the Beneficiary, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid moneys and awards to the Beneficiary free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

29. Acceptance of Late Payments. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its rights either to require prompt payment when due of all other sums so secured or to declare default as herein provided for failure so to pay.

30. Waivers and Authorizations. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note or Notes secured hereby for endorsement, and without

affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said Property, Trustee may reconvey any part of said Property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustor, for itself and its successors and assigns (including without limitation any subsequent or other junior creditor of any part or all of the Property), waives any right to object to such reconveyance, mapping, easement or agreement with respect to such Property and waives any right to require that the value of such Property be applied upon the debt secured hereby (other than the amount, if any, actually received by Beneficiary in connection with any such transaction).

31. Release, Modification and Reconveyance, Waiver of Marshalling. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any property not then or theretofore released as security, for the full amount of all unpaid obligations, Beneficiary may from time to time, and without notice release any person so liable, extend the maturity or alter any of the terms of any such obligation, or grant other indulgences, release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel or portion or all of the Real Property described herein, take or release any other or additional security for any obligation herein mentioned, and/or make composition or other arrangements with debtors in relation thereto. Trustor waives any right to object to the release or reconveyance of such Property and waives any right to require that the value of any Property so released or reconveyed be applied upon the debt secured hereby (other than the amount, if any, actually received by Beneficiary in connection with any such release). Trustor agrees that if the Beneficiary at any time holds any additional security for any obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same at its option, either before or concurrently therewith or after a sale is made hereunder.

32. Substitution of Trustee. Beneficiary hereunder may, from time to time, appoint another trustee or trustees to execute the trusts hereby created; and upon the recordation of such appointment in the Office of the County Recorder of the County where such Property is situated, the new trustee or trustees shall be vested with all the title, interest, powers, duties, and trusts in the premises hereby vested in the Trustee first above named.

33. Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender to Trustee of this Deed of Trust and the Note or Notes secured hereby for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled hereto."

34. Right of Entry. The Beneficiary is authorized by itself, its agents or workmen, to enter at any time upon any part of said Property and the improvements thereon situated for the purpose of inspecting the same, and for the purpose of performing any of the acts it is authorized to perform under the terms of this Deed of Trust. Beneficiary shall reimburse Trustor for the cost of repair of any physical injury to the Property caused by

Beneficiary's gross negligence or willful misconduct during the entry, inspection, and acting on the Property pursuant to this Section.

35. Default, Acceleration and Private Sale.

35.1 Notice of Default. Should breach or default be made by Trustor in payment of any indebtedness secured hereby or in performance of any obligations, covenant, promise or agreement hereunder which breach or default is not cured within and applicable cure periods set forth below, or any representation of Trustor in this Deed of Trust, or other document referred to herein is incorrect, Beneficiary may declare all sums secured hereby immediately due and payable, and in such case, shall execute and deliver to Trustee a written declaration of default and demand for sale and written notice of default and election to cause to be sold said Property, and shall surrender to Trustee this Deed of Trust, the Note or Notes secured hereby and all documents evidencing any expenditures hereunder. Thereafter such notice of default and election to cause said Property to be sold to satisfy the obligations hereof shall be duly filed for recordation. The applicable cure periods for breach or default shall be as follows: (i) if a breach or default results from Trustor's non-payment of any sums due to Beneficiary, Trustor shall cure the breach or default within ten (10) days following receipt of notice of default from Beneficiary, and (ii) for any other default, Trustor shall cure the default within thirty (30) days following receipt of notice of default from Beneficiary; provided, that if the default cannot reasonably be cured within said thirty (30) day period, Trustor shall commence curing the default within said period and complete curing the default within the time period reasonably necessary to cure said default, not to exceed ninety (90) days, unless extended by Beneficiary in its sole discretion.

35.2 Right to Rescind. Beneficiary, from time to time before Trustee's sale, may rescind any such notice of breach or default and of election to cause to be sold said Property by executing and delivering to Trustee a written notice of such rescission, which notice, when recorded, shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other declarations of default and demand for sale, and notices of breach or default, and of election to cause to be sold said Property to satisfy the obligations hereof, nor otherwise affect any provision, covenant or condition of said Note or Notes and/or of this Deed of Trust or any of the rights, obligations, or remedies of the parties thereunder.

35.3 Private Sale. At least three (3) months having elapsed after recordation of notice of default, without demand on Trustor, said Trustee, having first given notice of sale as then required by law, shall sell said Property at the time and place of sale fixed by it in the notice of sale at public auction to the highest bidder for cash, payable at time of sale. The whole of the trust estate shall be sold in a single lot or parcel and as an entirety unless the Beneficiary shall, in writing, direct the Trustee to sell said trust estate in separate parcels and shall direct the Trustee as to the parcels into which the trust estate shall be divided for purposes of sale and the order in which said parcels shall be offered for sale. Trustor, for itself and its successors and assigns (including without limitation any subsequent or other junior creditor of any part or all of the Property), waives any right to marshalling of assets or any right to require any part of the Property to be sold prior to any other part of the Property or any right to require the Property to be sold in parcels rather than as a whole. Trustee may postpone sale of all or any portion

of said Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Without further notice Trustee may make such sale at the time to which same shall be so postponed. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied, and the recitals in such deed or deeds of any matters or facts affecting the regularity or validity of said sale shall be conclusive (except as against the parties hereto) proof of the truthfulness thereof; also such deed or deeds shall be conclusive (except as against the parties hereto) against all persons as to all matters or facts therein recited. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

35.4 Application of Sale Proceeds. Trustee shall apply the proceeds of any such sale to payment of:

35.4.1 All costs, fees, charges and expenses of Trustee and of these trusts, reasonable fees of any attorneys employed by Trustee and/or Beneficiary pursuant to the provisions hereof, Trustee's fees in connection with sale, and all expenses of sale, including cost of procuring guarantee or evidence of title in connection with the sale proceedings and other costs associated with the Trustee's Deed;

35.4.2 All other sums then secured hereby, including indebtedness described herein, all sums advanced or expended under the terms hereof and not then repaid, the interest on each of the foregoing items, all in such manner and order of priority or preference as the Beneficiary may in its sole and absolute discretion determine;

35.4.3 The remainder, if any, to the person or persons legally entitled thereto, upon proof satisfactory to the Trustee of such right.

36. Successors and Assigns. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder, including Pledgees, of the Note secured hereby, whether or not named as Beneficiary herein.

37. Severability. If any provision hereof should be held unenforceable or void, then such provision shall be deemed separable from the remaining provisions and shall in no way affect the validity of this Deed of Trust.

38. Acceptance by Trustee. Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

39. No Notice by Trustee. Trustee shall be under no obligation to notify any party hereto of any action or proceeding of any kind in which Trustor, Beneficiary and/or Trustee shall be a party, unless brought by Trustee, or of any pending sale under any other Deed of Trust.

40. Number and Gender. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

41. Waiver of Statute of Limitations. The right to plead any and all statutes of limitations as a defense to any demand secured by this Deed of Trust is hereby waived to the full extent permissible by law.

42. Trust Irrevocable. The Trust created hereby is irrevocable by the Trustor.

43. Interpretation. The term "and/or" as used herein means one or the other or both, or any one or all, of the things or persons in connection with which the words are used. Section headings are for reference only and shall not be considered in the interpretation of this Deed of Trust.

44. Maximum Interest Rate. Notwithstanding any provision herein or in said Note, the total liability for payments in the nature of interest shall not exceed the limits now imposed by the usury laws of the State of California.

45. Request for Notice of Default. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the following address:

Trustor: Loomis Mill Group, LLC
3750 Taylor Road
Loomis, CA 95650
Attn: Scott Paris

46. Materiality. Each and every provision, covenant, term and condition, representation and warranty herein contained is agreed to be a material provision hereof, and any breach thereof shall constitute a sufficient ground for acceleration of the due date of the indebtedness secured hereby and a sufficient ground for foreclosure in the event of failure of Trustor either to cure said breach within the time periods, if any, herein provided or to pay in full the indebtedness hereby secured.

TRUSTOR:

Loomis Mill Group, LLC
a California limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of the Property

The land described herein is situated in the State of California, County of Placer, Town of Loomis, described as follows:

PARCEL ONE:

Beginning at a point on the Northwesterly boundary of the Victory Highway right of way near the Town of Loomis, Placer County, California, from which point the 1/4 Section Car. between Section 9 and 10, Township 11 North, Range 7 East, M.D.B.&M., bears South 83° 42' East a distance of 1,404.0 feet and running thence North 53°38' West 100.0 feet, thence South 36° 22' West 75.0 feet thence East 125.0 feet to the point of beginning, being the same land conveyed to the County of Placer November 8, 1923 in Book 211, Page 88, Official Records.

PARCEL TWO:

Beginning at a point on the Northwesterly boundary of the State Highway, from which point Engineer's Station 360-92.1 bears South 36° 38' West 187.12 feet, and running thence North 35° 57' East 72.7 feet; thence North 88° 45' East 43.8 feet to a point on the Northwesterly boundary of said Highway; thence South 55° 19' West 104.25 feet along said boundary of said Highway 10 the place of beginning; being further described as being a fractional part of the Northeast quarter of Section 9, Township 11 North, Range 7 EasJ M.D.B.&M., being the same land conveyed to the County of Placer, in deed recorded September 6, 1923 in Book 209, Page 449, Official Records.

PARCEL THREE:

That portion of State Highway right of way in Section 9, Township 11 North Range 7 East M.D.B.&M., described as follows:

Commencing at the point of intersection of the South line of a triangular parcel of land owned by the County of Placer with a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works' Survey between Loomis and Newcastle, Road 111-PLA-17- A, from which point Engineer's Equation Station 369+89.5 = 369+90.9 of said survey bears North 44° 56'30" East 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 1O' East 12.0 feet and South 83° 42' East 1,404.0 feet; thence, from a tangent that bears South 39° 45' 30" West along said concentric curve, to the right with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet; thence, South 64° 29' West 176.2 feet to the Southeasterly right of way line of the Southern Pacific Company; thence, along said Southeasterly line North 35° 45' East 166.8 feet to the most Westerly corner of said triangular parcel; thence, along the South line of said triangular parcel North 89°10' East 113.0 feet to the point of beginning; being the same land relinquished to the County of Placer by Instrument recorded November 29, 1937 in Book 375, Page 74, Official Records.

PARCEL FOUR:

All that portion of State Highway 40 as conveyed to the County of Placer from the State of California in that certain "Relinquishment of Superseded State Highway in the County of Placer, road III PLA 17-A", recorded June 30, 1960 in Volume 840 at Page 426, Official Records of Placer County that lies Northwesterly of the following described line:

Commencing at the most Easterly corner of the above described Parcel Two being on a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works Survey between Loomis and Newcastle, Road III PLA-17-A, from which point Engineers Equation Station 369+89.5 - 369+90.9 of said survey bears North 44° 56' 30" East, 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 10' East, 12.0 feet and South 83° 42' East 1,404.0 feet; thence from said point of commencement, along the Southeasterly line of said parcel from a tangent that bears South 39° 45' 30" West, along said concentric curve, to the right, with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet to the Southeast corner of said Parcel Two, the true point of beginning; thence continuing along the arc said concentric curve, with a radius of 4,960 feet, for a distance of 520 feet, more or less, to the Southeasterly right of way line of the Union Pacific Railroad (formally Southern Pacific Railroad).

EXCEPTING THEREFROM Parcels One, Two, Three and Four above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

APN: 044-133-003

PARCEL FIVE:

All of parcels 1, 2, 3, and 7 as described in the Quitclaim Deed to the Town of Loomis, and Parcel 4 as described in the Donation Quitclaim Deed to the Town of Loomis recorded on December 12, 2008, as Document No. 2008-0095584 and 2008-0095585 respectively, Placer County Official Records, and all that Real property described in the Quitclaim Deed to the Town of Loomis, recorded on December 28, 2000, Placer County Official Records, lying within the East half of Section 9, Township 11 North, Range 7 East, M.D.B. & M., in the County of Placer, State of California, described as follows:

Commencing at the Northeast corner of said Section 9, thence South 26° 13' 03" West 1,476.42 feet to the most Easterly corner of said Parcel 4, said point being the point of beginning; thence along the Southeasterly line of said Parcel 4, South 36° 09' 53" West 2,059.80 feet to a point on the Northerly right of way line of Taylor Road (80 feet in width); said point being the beginning of a non-tangent curve concave to the Northwest, having a radius of 4,960.00 feet, and a radial bearing of South 42° 16' 10" East; thence along said Northerly right of way line, 387.99 feet Southwesterly along said curve through a central angle of 04° 28' 55"; thence continuing along said Northerly right of way line, South 52° 12' 45" West 361.96 feet to the most Southerly corner of said Parcel 7; thence leaving said Northerly right of way line, North 39° 45' 45" West 69.15 feet to the most Westerly corner of said Parcel 7; thence along the Westerly, Northeasterly, and Southeasterly lines of said Parcels 7, 3, 2, 1 and said real property to the Town of Loomis the following five courses:

1. North 51° 49' 22" East 11.19 feet to the beginning of a curve to the left, having a radius of 2,874.84 feet;

2. 785.65 feet North along said curve through a central angle of 15° 39' 29";

3. North 36° 09' 53" East 2,539.39 feet;

4. South 54° 09' 57" East 150.00 feet;

5. South 36° 09' 53" West 559.41 feet to the point of beginning, as described on Boundary Line Adjustment recorded January 11, 2011, Instrument No 2011-0003828, Official Records.

EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

ALSO EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris, et ux. in Deed recorded February 27, 2015, as Instrument No. 2015-0014060-00, Official Records.

APN: 044-080-063 & 044-120-074

EXHIBIT B

PERSONAL PROPERTY COLLATERAL

PAGE 1 OF 2

The Property which is covered by this Deed of Trust specified in Exhibit "A" and the Collateral are together sometimes referred to in this instrument as the "Property".

The Collateral shall consist of:

1. All Trustor's interest in and to all existing and future goods located on or about the real property described above in Exhibit "A" (the "Real Property") which are used in the operation or occupancy of the Real Property or in any development of or construction on the Real Property, including but not limited to all apparatus, fixtures and articles of personal property now or any time hereafter attached to, placed in or upon or used in any way in connection with the Real Property, and including but not limited to all furniture, refrigerators, freezers, stoves, ovens, ranges, hoods, vents and fans, disposals, dishwashers, washing machines, dryers, air conditioners, cabinets, carpeting, drapes, screens, awnings, storm windows and doors, window shades, blinds, floor coverings, boilers, tanks, furnaces, radiators, fire alarm and other security systems, music systems, machinery, motors, compressors, and all heating lighting, plumbing, gas electric, ventilating refrigerating, air-conditioning, sprinkler and incinerating equipment, transformers, water wells, storage tanks, landscaping, pool equipment and furniture, dumpsters (or, to the extent leased, Trustor's leasehold interest therein) and parking lot and other common area sweeping and cleaning equipment, and equipment and furnishings in or for the recreation room, halls, entry rooms and all other common areas; and including inventory, construction tools and equipment, appliances, furniture and furnishings, building service equipment, and building materials, supplies and equipment of any kind.

2. All general intangibles, chattel paper, instruments, documents and accounts owned by Trustor and relating to the development, use or occupancy of or construction on the Real Property, including but not limited to all governmental licenses, map rights, approvals and permits, all materials prepared for filing or filed with any public or quasi-public governmental entities or any public utilities and all of Trustor's rights under any contract whether or not otherwise specifically assigned to Beneficiary.

3. All of the right, title and interest of Trustor in and to (i) all sales contracts applicable to any portion of the Real Property, together with any and all modifications thereof, and also together with all deposits or other payments made in connection therewith; (ii) all refundable or returnable fees, bonds, securities or other Property held by any public or quasi-public governmental entities, utility companies or others; (iii) all leases of any part or all of the Real Property now or hereafter entered into and all right, title and interest of Trustor thereunder, including (to the extent permitted by law) but not limited to cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of said leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of said terms; (iv) all advance payments of insurance premiums made by Trustor with respect to any part of the Real Property and claims or demands relating to insurance;

(v) all advance payments by Trustor of any kind for the benefit of the Real Property including but not limited to those under maintenance or service contracts, property taxes, advertising expenses and commissions; (vi) all funds deposited by Trustor with Beneficiary under the Note and the Agreement; and (vii) all take out or similar agreements or commitments in connection with the loan to Trustor or the Real Property.

4. All rights of Trustor in and to all furniture, furnishings, fixtures and equipment now or hereafter located upon or used in connection with the above-described Real Property.

5. All refunds, proceeds of financing and other payments, and all rights thereto, received by Trustor or to which it is entitled as a result of any assessment bonds issued in connection with the secured Property or property adjacent thereto.

6. The products and proceeds of all of the above.

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

ACKNOWLEDGMENT

State of California)
County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

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

State of California)
County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit E

GRANT DEED

NO FEE DOCUMENT
Government Code § 6103 & § 27383

Recording Requested By and When Recorded, Mail This Document and Tax Statements To:

Loomis Mill Group, LLC
3750 Taylor Road
Loomis, CA 95650
Attention: Scott Paris

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned Grantor(s) declare(s):

Documentary transfer tax is: _____
(x) computed on full value of property conveyed, or
( ) computed on full value less value of liens and encumbrances remaining at time of sale.
( ) Unincorporated area (x) Town of Loomis.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Town of Loomis, a California municipal corporation, the Grantor hereby

GRANT(s) to

Loomis Mill Group, LLC, a California limited liability company, the Grantee,

the following described real property located in the Town of Loomis, County of Placer, State of California:

[See **Exhibit A** attached hereto]

Dated: _____, 20__.

GRANTOR:

Town of Loomis,
a California municipal corporation

By: _____
Sean Rabe, Town Manager

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

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)ss
COUNTY OF _____)

On _____, 20__, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A to Grant Deed

(Legal Description of Property)

The land described herein is situated in the State of California, County of Placer, Town of Loomis, and is described as follows:

PARCEL ONE:

Beginning at a point on the Northwesterly boundary of the Victory Highway right of way near the Town of Loomis, Placer County, California, from which point the 1/4 Section Car. between Section 9 and 10, Township 11 North, Range 7 East, M.D.B.&M., bears South 83° 42' East a distance of 1,404.0 feet and running thence North 53°38' West 100.0 feet, thence South 36° 22' West 75.0 feet thence East 125.0 feet to the point of beginning, being the same land conveyed to the County of Placer November 8, 1923 in Book 211, Page 88, Official Records.

PARCEL TWO:

Beginning at a point on the Northwesterly boundary of the State Highway, from which point Engineer's Station 360-92.1 bears South 36° 38' West 187.12 feet, and running thence North 35° 57' East 72.7 feet; thence North 88° 45' East 43.8 feet to a point on the Northwesterly boundary of said Highway; thence South 55° 19' West 104.25 feet along said boundary of said Highway 10 the place of beginning; being further described as being a fractional part of the Northeast quarter of Section 9, Township 11 North, Range 7 EasJ M.D.B.&M., being the same land conveyed to the County of Placer, in deed recorded September 6, 1923 in Book 209, Page 449, Official Records.

PARCEL THREE:

That portion of State Highway right of way in Section 9, Township 11 North Range 7 East M.D.B.&M., described as follows:

Commencing at the point of intersection of the South line of a triangular parcel of land owned by the County of Placer with a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works' Survey between Loomis and Newcastle, Road 111-PLA-17- A, from which point Engineer's Equation Station 369+89.5 = 369+90.9 of said survey bears North 44° 56'30" East 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 1O' East 12.0 feet and South 83° 42' East 1,404.0 feet; thence, from a tangent that bears South 39° 45' 30" West along said concentric curve, to the right with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet; thence, South 64° 29' West 176.2 feet to the Southeasterly right of way line of the Southern Pacific Company; thence, along said Southeasterly line North 35° 45' East 166.8 feet to the most Westerly corner of said triangular parcel; thence, along the South line of said triangular parcel North 89°10' East 113.0 feet to the point of beginning; being the same land relinquished to the County of Placer by Instrument recorded November 29, 1937 in Book 375, Page 74, Official Records.

PARCEL FOUR:

All that portion of State Highway 40 as conveyed to the County of Placer from the State of California in that certain "Relinquishment of Superseded State Highway in the County of Placer, road III PLA 17-A", recorded June 30, 1960 in Volume 840 at Page 426, Official Records of Placer County that lies Northwesterly of the following described line:

Commencing at the most Easterly corner of the above described Parcel Two being on a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works Survey between Loomis and Newcastle, Road III PLA-17-A, from which point Engineers Equation Station 369+89.5 - 369+90.9 of said survey bears North 44° 56' 30" East, 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 10' East, 12.0 feet and South 83° 42' East 1,404.0 feet; thence from said point of commencement, along the Southeasterly line of said parcel from a tangent that bears South 39° 45' 30" West, along said concentric curve, to the right, with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet to the Southeast corner of said Parcel Two, the true point of beginning; thence continuing along the arc said concentric curve, with a radius of 4,960 feet, for a distance of 520 feet, more or less, to the Southeasterly right of way line of the Union Pacific Railroad (formally Southern Pacific Railroad).

EXCEPTING THEREFROM Parcels One, Two, Three and Four above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

APN: 044-133-003

PARCEL FIVE:

All of parcels 1, 2, 3, and 7 as described in the Quitclaim Deed to the Town of Loomis, and Parcel 4 as described in the Donation Quitclaim Deed to the Town of Loomis recorded on December 12, 2008, as Document No. 2008-0095584 and 2008-0095585 respectively, Placer County Official Records, and all that Real property described in the Quitclaim Deed to the Town of Loomis, recorded on December 28, 2000, Placer County Official Records, lying within the East half of Section 9, Township 11 North, Range 7 East, M.D.B. & M., in the County of Placer, State of California, described as follows:

Commencing at the Northeast corner of said Section 9, thence South 26° 13' 03" West 1,476.42 feet to the most Easterly corner of said Parcel 4, said point being the point of beginning; thence along the Southeasterly line of said Parcel 4, South 36° 09' 53" West 2,059.80 feet to a point on the Northerly right of way line of Taylor Road (80 feet in width); said point being the beginning of a non-tangent curve concave to the Northwest, having a radius of 4,960.00 feet, and a radial bearing of South 42° 16' 1O" East; thence along said Northerly right of way line, 387.99 feet Southwesterly along said curve through a central angle of 04° 28' 55"; thence continuing along said Northerly right of way line, South 52° 12' 45" West 361.96 feet to the most Southerly corner of said Parcel 7; thence leaving said Northerly right of way line, North 39° 45' 45" West 69.15 feet to the most Westerly corner of said Parcel 7; thence along the Westerly, Northeasterly, and Southeasterly lines of said Parcels 7, 3, 2, 1 and said real property to the Town of Loomis the following five courses:

1. North 51° 49' 22" East 11.19 feet to the beginning of a curve to the left, having a radius of 2,874.84 feet;

2. 785.65 feet North along said curve through a central angle of 15° 39' 29";

3. North 36° 09' 53" East 2,539.39 feet;

4. South 54° 09' 57" East 150.00 feet;

5. South 36° 09' 53" West 559.41 feet to the point of beginning, as described on Boundary Line Adjustment recorded January 11, 2011, Instrument No 2011-0003828, Official Records.

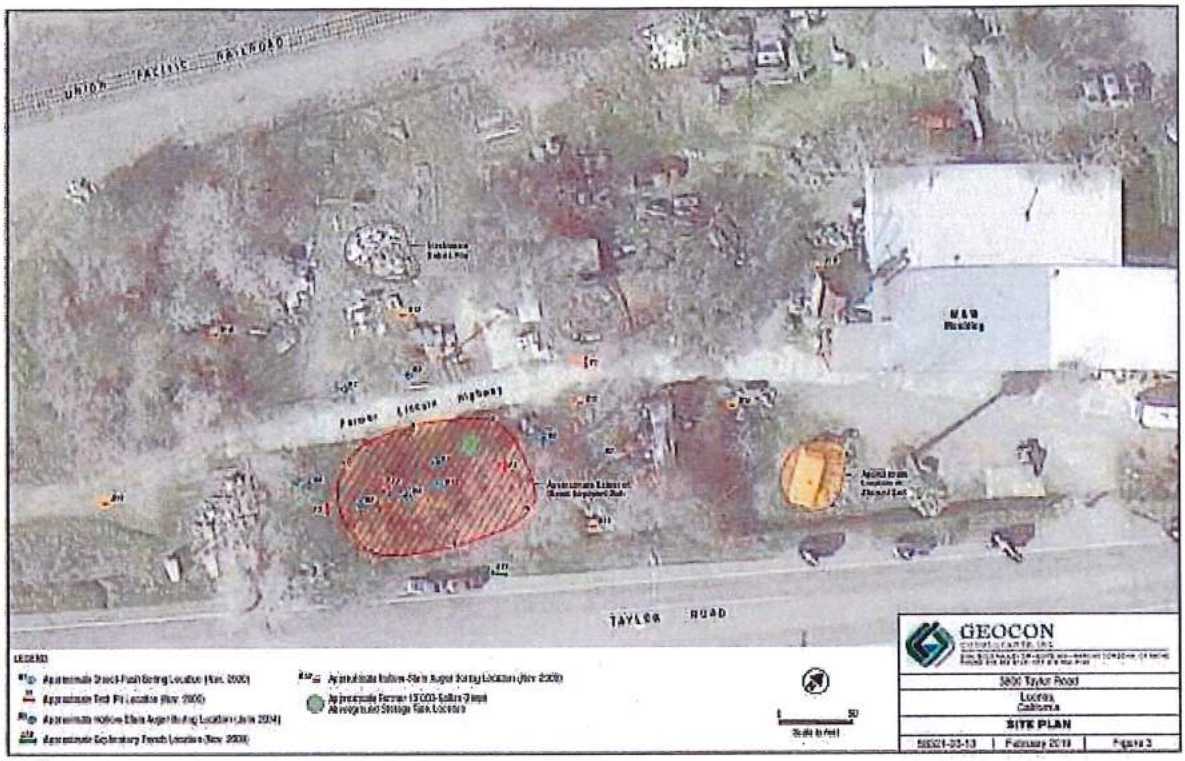
EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

ALSO EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris, et ux. in Deed recorded February 27, 2015, as Instrument No. 2015-0014060-00, Official Records.

APN: 044-080-063 & 044-120-074

Exhibit F

Restricted Access Map



TOWN OF LOOMIS

July 24, 2019

SUMMARY REPORT PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 52201 FOR THE PROPOSED DISPOSITION BY SALE OF REAL PROPERTY LOCATED AT 3800 TAYLOR ROAD, LOOMIS, CALIFORNIA PURSUANT TO AN AGREEMENT BETWEEN THE TOWN OF LOOMIS AND LOOMIS MILL GROUP, LLC

The Town of Loomis (the "Town"), has prepared a summary report (the "Summary Report") as required by Section 52201 of the Government Code, with regards to the Town's proposed execution of a Purchase and Sale Agreement ("PSA") by and between the Town and Loomis Mill Group, LLC (the "Developer") for the sale of specified parcels of real property (the "Property") to the Developer.

Government Code Section 52201 authorizes the Town to sell or lease property to which it holds title for the purpose of creating economic opportunity. The Town must first secure approval of the proposed sale from the Town Council after a public hearing. A copy of the proposed PSA and a summary report that describes and contains specific financing elements of the proposed transaction is required to be available for public inspection prior to the public hearing.

The subject property is a 4.08-acre site located at 3800 Taylor Road, Loomis, California, and currently identified as Assessor's Parcel Nos. 044-121-074, 044-080-063, AND 044-133-003. The Town acquired the subject property from Union Pacific Railroad in 2008 as part of a multi-parcel purchase of properties from the subject property up through the parcel of land now containing Blue Anchor Park.

The Property previously housed the closed WW Moulding Mill, which has not been in operation for several years. The Property's previous tenant created a significant health and safety issue on the Property, which has been cleaned up. The Town will be remediating a diesel-and-oil impacted soil area on the Property. The estimated cost of remediation is $121,043.

52201(B)(i): The cost of the agreement to the city, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the city, plus the expected interest on any loans or bonds to finance the agreements.

With the exception of the remediation costs identified above and escrow, closing, and broker costs, there will be no cost to the Town associated with this Agreement. In 2008, the City acquired the subject property from Union Pacific Railroad in 2008 as part of a multi-parcel purchase of properties from the subject property up through the parcel of land now containing Blue Anchor Park. The purchase price of all of those parcels was $1,343,390.00. The purchase contract for that transaction does not break out the price paid for each individual parcel; however, the proposed purchase Agreement specifies the Property will be sold to the Developer at the appraised value of $710,000.00 (based on an April 2018 appraisal commissioned by the Town), minus a credit of $6,000 to be applied to the Purchase Price. This credit reimburses the

P.O. Box 1330, Loomis, CA 95650
Phone: 916-652-1840 Fax: 916-652-1847

Developer for the $6,000 paid by Developer to acquire the Existing Building from the previous tenant.

The Town will finance the purchase of the Property through a carry-back loan evidenced by a Promissory Note. The salient terms of that loan are as follows:

- Term is five years
- The interest rate per annum to be applied to the unpaid principal balance of this Note is four and one-quarter percent (4.25%).
- Loan is secured through a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing
- Interest will begin accruing on the date of execution of Agreement, however, no principal or interest payments will be due until the Maturity Date. The entire outstanding principal balance, and all accrued, but unpaid interest on Agreement, will be due and payable in full on the Maturity Date
- Default: In the event of an uncured default on terms of Agreement, the Town will follow terms of default as prescribed in Agreement

52201(B)(ii): The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the general plan or zoning.

The purchase price to be paid by Developer is Seven Hundred Ten Thousand Dollars ($710,000.00) (the "Purchase Price"), which is the current market value of the Property according to that certain Bender Rosenthal Incorporated appraisal, dated April 24, 2018. This price represents the value of the Property at its highest and best use. At close of escrow a credit of $6,000 will be applied to the Purchase Price, which credit reimburses Developer for the $6,000 paid by Developer to acquire the Existing Building from the previous tenant.

52201(B)(iii): The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease ["Reuse Value"]. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use, then the city, will provide as part of the summary an explanation of the reasons for the difference.

The Reuse Value is no greater than the Purchase Price (which is Fair Market Value). Pursuant to the Agreement, the Developer will pay an estimated $150,875 in interest. Interest is calculated at 4.25 percent per annum for five years on the $710,000 purchase price.

52201(B)(iv): An explanation of why the sale or lease of the property will assist in the creation of economic opportunity, with reference to all supporting facts and materials relied upon in making this explanation.

The Developer has indicated that it intends to use the Property for a brewery, amphitheater, and grass park area. The Agreement specifies that the Brewery will be at least comparable in size and scope to the current Loomis Basin Brewery, and have manufacturing, tasting, and processing facilities on site, as well as provide on-site retail sales. A full description of the proposed uses is contained in the Developer's October 7, 2018 response to the Town's Request For Proposals for redevelopment of the site, issued in August 2018. The Developer's proposal, for the Loomis Cannery, is attached to this summary report for reference.

P.O. Box 1327, Loomis, CA 95650
Phone: 916-652-1840 Fax:916-652-1847

The redevelopment of the Property is expected to result in the creation of additional jobs and the generation of additional sales tax to the Town. The subject Property has been publicly owned and has not produced sales tax for the Town for several years and has not generated any property taxes during this time. The sale of the Property to the Developer will result in the Property being put back on the tax rolls and an increase of total property tax resulting from the project at full implementation when compared to when the property was acquired by the Town. The renewed use of the Property by the Developer for a brewery, bakery, "provisions" store and amphitheater will also result in the generation of additional sales tax revenues to the Town and the creation of additional jobs, without any additional investment in the Property by the Town.

P.O. Box 1327, Loomis, CA 95650
Phone: 916-652-1840 Fax:916-652-1847

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") is made July ___, 2019 ("Effective Date"), by the **Town of Loomis**, a California municipal corporation ("Seller" or "Town"), and **Loomis Mill Group, LLC**, a California limited liability company (the "Purchaser" or "Developer"). Seller and Purchaser are hereafter referred to individually as a "Party," or collectively, as the "Parties."

RECITALS

A. The Town is the owner of three parcels of real property totaling approximately 4.08 acres and containing an existing building ("Existing Building") and parking lot located at 3800 Taylor Road, in Loomis, California, as legally described in **Exhibit A**, attached hereto and incorporated herein (collectively, the "Property"). The Existing Building was owned by the previous tenant and was sold to the Developer in connection with Developer's leasing of the Property. The Existing Building was originally built and used by "WW Moulding," but is in poor physical condition and is uninhabitable.

B. In August 2018, the Town released a Request for Proposals ("RFP") to solicit developer proposals for the redevelopment of the Property. At the completion of the proposal period, the Town chose the Developer's submittal, a copy of which is attached hereto and incorporated herein as **Exhibit B** ("RFP Response").

C. Developer plans to repurpose and redevelop the Property with a new brewery and beer manufacturing building ("Brewery"), and a new distillery and barrel house, bakery, charcuterie, an outside community amphitheater with beer gardens, grass park area, and additional parking for visitors (collectively, the "Project").

D. Purchaser desires to purchase all of Seller's rights, title and interest in the Property from Seller, and Seller intends to sell all of its rights, title and interest in the Property to Purchaser for development of the Project, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and for other good and valuable consideration moving between the Parties, Seller and Purchaser agree as follows:

AGREEMENT

1. Sale of Property. Seller agrees to sell and convey the Property to Purchaser and Purchaser agrees to purchase the Property from Seller, subject to the terms and conditions set forth in this Agreement. For purposes hereof, the "Property" shall mean and include all buildings, structures, improvements, and fixtures located on the Property.

2. Purchase Price and Seller Loan. The purchase price to be paid by Purchaser to Seller for the Property is Seven Hundred Ten Thousand Dollars ($710,000.00) (the "Purchase Price"), which is the current market value of the Property according to that certain Bender Rosenthal Incorporated appraisal, dated April 24, 2018. At close of escrow a credit of $6,000 shall be applied to the Purchase Price, which credit reimburses Developer for the $6,000 paid by Developer to acquire the Existing Building from the previous tenant. The Purchase Price shall

be financed by Seller, through a carry-back loan evidenced by a Promissory Note Secured by Deed of Trust ("Promissory Note") in the form attached hereto as **Exhibit C**, which carries market rate terms as described therein (the "Loan"). The Promissory Note shall be for a term of five (5) years at an annual interest rate of 4.25%, and be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("Deed of Trust"), recorded against the Property, in the form attached hereto as **Exhibit D**, which shall be not be subordinate to any monetary encumbrances. The Promissory Note and Deed of Trust are to be executed by Purchaser and submitted to Escrow Holder prior to Close of Escrow.

3. Escrow. Within three (3) business days following the full execution of this Agreement, an Escrow shall be opened with Debbie Yue, at Placer Title Company, located in Auburn, California ("Escrow Holder"), by Purchaser delivering a copy of this fully executed Agreement to Escrow Holder. This Agreement shall, to the extent possible, act as Escrow instructions. The Parties agree to execute all further Escrow instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement.

4. Closing. "Close of Escrow" is the date the grant deed, attached hereto and incorporated herein as **Exhibit E** ("Grant Deed"), conveying the Property from Seller to Purchaser is recorded in the Office of the Placer County Recorder, which shall occur on or before ninety (90) days from the Effective Date, or such other date as the Parties mutually agree in writing, subject to the terms of this Agreement.

5. Title. Within ten (10) days after the opening of Escrow, Seller shall provide Purchaser with a preliminary title report covering the Property issued by Escrow Holder (the "Preliminary Report"), with copies or a hyperlink to copies of all recorded documents shown as exceptions to title in the Preliminary Report, and a map containing any easement, rights-of-way, license, or other real property rights encumbering the Property to the extent available and requested by Purchaser. Purchaser shall approve or disapprove any exceptions to title shown on the Preliminary Report, in writing, within ten (10) days after receipt by Purchaser of the Preliminary Report and copies of the recorded documents, or any supplemental report issued prior to the Close of Escrow. Seller shall notify Purchaser of whether Seller is willing to remove the items disapproved by Purchaser within ten (10) days after receipt of Purchaser's title objections. If Seller does not agree to remove any one or more of such disapproved exceptions prior to the expiration of said 10-day period, or if any additional items appear which would show as exceptions to title insurance in the title policy, and Seller fails to agree to remove the same within ten (10) days after Purchaser's notification to Seller of the same, Purchaser shall have the choice of: (i) terminating this Agreement and the Escrow, in which event neither Seller nor Purchaser shall have any further rights or obligations under this Agreement; or (ii) waiving such objection and completing the purchase called for in this Agreement. Purchaser shall approve or disapprove any exceptions to title shown on any subsequent or supplemental title reports, in writing, within five (5) business days after receipt of such reports and copies of all recorded documents shown as exceptions to title on those reports.

6. As-Is Property Condition.

6.1 Purchaser acknowledges and agrees that except as otherwise expressly provided in this Agreement, to the maximum extent permitted by law, the sale of the Property is made on an "As Is," "Where Is" condition and basis with all faults, and that Seller has no obligation to make repairs, replacements, or improvements thereto. The Purchase Price and the terms and conditions set forth herein are the result of arms-length bargaining between entities familiar with transactions of this kind. Purchaser further acknowledges and agrees that,

except as otherwise expressly provided in this Agreement, Seller has not made, does not make, and specifically negates and disclaims, any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to: (a) the value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Purchaser may conduct thereon, including the possibilities for future development of the Property; (d) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (e) the manner, quality, state of repair or lack of repair of the Property; (f) the nature, quality or condition of the Property, including, without limitation, the water, soil and geology; (g) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (h) the manner or quality of the construction or materials, if any, incorporated into the Property; (i) compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements; (j) the presence or absence of Hazardous Materials, as defined in Section 6.4 below, at, on, under or adjacent to the Property; (k) the content, completeness or accuracy of any materials obtained by Purchaser in its investigation of the Property, including, without limitation, any title report issued by the Escrow Holder; (l) the conformity of any improvements on the Property, if any, to any plans or specifications of the Property, including any plans and specifications that may have been or may be provided to Purchaser; (m) the conformity of the Property to past, current or future applicable zoning or building requirements; (n) deficiency of any drainage; (o) the fact that all or a portion of the Property may be located on or near an earthquake fault line; (p) the land use status of the Property, zoning status, subdivision status under the California Subdivision Map Act or the subdivision ordinances of the Town, or the status of any other governmental entitlement; (q) any documents pertaining to the Property provided by Seller to Purchaser, except for the completeness of such documents; or (r) with respect to any other matter.

6.2 Purchaser acknowledges that Purchaser is conducting its own investigation of the Property, and (except for the express representations and warranties contained herein) Purchaser is relying solely on such investigations, inspections and evaluations of such Property in making its decision to consummate the transaction contemplated by this Agreement, and not on any information provided or to be provided by Seller. Purchaser hereby expressly acknowledges that Purchaser shall be solely responsible for determining the status and condition of the Property, including land use, zoning, building and other governmental regulations, and physical, geological and environmental conditions. Except as expressly provided for in this Agreement or any written amendment or supplement hereto executed and delivered by Seller, Seller shall not be liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee or any other person.

6.3 Release. Except as to Seller's obligations herein, Purchaser, on behalf of itself and its agents, heirs, successors and assigns, hereby waives, releases, acquits and forever discharges and releases Seller of and from any and all claims, actions, causes of actions, demands, rights, damages, costs, expenses or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Purchaser or any of Purchaser's heirs, successors, or assigns now has or which may arise in the future on account of or in any way related to or in connection with any past, present or future aspect, feature, characteristic, circumstance or condition arising out of or in connection with the Property (including, without limitation, the items listed in Section 6.1 and 6.2 above), and Purchaser specifically waives the provisions of California Civil Code section 1542 which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASE PARTY.

PURCHASER'S INITIALS

6.4 "Hazardous Materials," means any hazardous or toxic substance, material or waste that is: (i) regulated by any local governmental authority, the State of California or the United States Government; (ii) defined as an "acutely hazardous waste," "extremely hazardous waste," "hazardous waste," or "waste" under Sections 25110.02, 25115, 25117 or 25124 or listed pursuant to Sections 25141 and 25141.5 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos; (vii) listed under Chapter 10 of Division 4.5 of Title 22 or defined as "hazardous" or "extremely hazardous" pursuant to Division 21.5 of Title 26 of the California Code of Regulations; (viii) designated as a "hazardous waste" pursuant to Section 6903 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. section 6901, et seq.; (ix) defined as a "hazardous substance" pursuant to Section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. section 9601, et seq.; (x) any flammable substances or explosive; or (xi) any radioactive material.

7. Property Inspection and Feasibility Period.

7.1 Property Documents. Within five (5) days after the Effective Date, Seller shall provide Purchaser copies of all documents relating to the Property that are in its possession or under its control, including, without limitation, the following: (i) relevant studies, documents, land surveys, soils reports, licenses, permits, maintenance contracts, utility contracts, management contracts, service contracts, warranties, ADA compliance, Field Act compliance, approvals, and other documents and/or contracts pertaining to the Property, together with any amendments or modifications; (ii) any and all information that the Seller has regarding environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to, Phase I and/or Phase II Environmental Assessments, wetlands, structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on, or about the Property; (iii) copies of leases and relative correspondence; (iv) copies of all building plans, including any "as-built" drawings; (v) copies of all building permits, licenses and inspections issued by governmental agencies; and (vi) any other documents materially relative to the condition and/or value of the Property and the Parties' rights and duties under the Agreement (collectively, "Property Documents"). Notwithstanding the foregoing, the Seller shall have no obligation to cause any of the Property Documents to be created or produced if such document does not already exist.

7.2 Feasibility Period. For a period of thirty (30) days from the Effective Date (the "Feasibility Period"), Purchaser may undertake at Purchaser's expense inspection and review of the Property, including, but not limited to, reasonable non-destructive inspections, investigations, tests, copies, verifications, assessments, surveys and studies as Purchaser considers reasonably necessary or desirable under the circumstances regarding the Property and their condition, which may include, without limitation, inspections regarding zoning, building codes and other governmental regulations; imposition of governmental obligations and assessments; architectural inspections; engineering tests; economic feasibility and marketing studies; availability of sewer, water, storm drain and other utilities; availability of roads, access and services; soils, seismic, engineering and geologic reports; environmental assessments, studies, tests and reports; structural and mechanical systems inspections; and availability of permits, land use entitlements, development rights and approvals and other governmental approvals. All inspections shall be made at Purchaser's sole cost and expense and shall not unreasonably interfere with the Seller's use of the Property. Any Phase II invasive testing shall be first approved by the Town in its reasonable discretion.

7.3 Access. Access to the Property, from the Effective Date through the earlier of Close of Escrow or termination of this Agreement, shall be given to Purchaser, its agents, employees, consultants, or contractors during normal business hours at reasonable times upon at least one (1) business days' notice to the Seller, at Purchaser's own cost and risk, for the purpose of conducting its due diligence investigation of the Property as set forth in Section 7.2. Purchaser shall restore the Property as a result of such investigations, and return the affected portion of the Property to their condition immediately prior to such investigation. Purchaser shall repair any damage to the Property caused by any of its inspections. Purchaser shall indemnify and defend the Seller against and hold the Seller harmless from all losses, costs, damages, liabilities, and expenses arising out of negligent or willful acts by Purchaser or its agents, employees, consultants, or contractors on the Property in connection with Purchaser's entry onto the Property or any activity thereon prior to the Close of Escrow except to the extent any such losses, costs, damages, liabilities, and expenses arise out of any negligent or willful act of the Seller or the Seller's agents, employees or contractors; provided however, Purchaser's discovery of or impact on an adverse condition or defect on or affecting the Property shall not trigger Purchaser's indemnification obligations. Purchaser's obligation to indemnify and defend the Seller shall survive closing or any other termination of this Agreement.

7.4 Insurance. Prior to its first entry onto the Property and at all times thereafter until Close of Escrow or earlier termination of this Agreement, Purchaser shall maintain commercial general liability insurance covering the activities of Purchaser on the Property. Such insurance shall have a per occurrence limit of at least One Million Dollars ($1,000,000) and an aggregate limit of at least Two Million Dollars ($2,000,000), shall name the Seller as additional insured, shall be primary and noncontributing with any other insurance available to Purchaser, and shall be issued on an occurrence basis. Prior to any entry on to the Property by Purchaser or its agents, employees, consultants, or contractors, Purchaser shall furnish the Seller with a certificate of such insurance in form and substance reasonably acceptable to the Seller.

7.5 Termination. Purchaser may either give the Seller written notice that Purchaser (i) approves the condition and suitability of the Property, or (ii) disapproves the condition or suitability of the Property for any reason or no reason, which notice must be received by the Seller no later than 5:00 p.m. on the last day of the Feasibility Period. In the event that Purchaser fails to timely approve the condition and suitability of the Property pursuant to (i) above, such failure shall be deemed to be a disapproval of the condition and suitability of the Property in accordance with (ii) above. In the event Purchaser disapproves or is deemed to

have disapproved the condition and suitability of the Property pursuant to this Section 7.5, this Agreement shall terminate automatically, and: (i) the Seller and Purchaser shall execute and deliver to Escrow Holder cancellation instructions and all other documents that are reasonably required by Escrow Holder and/or the Seller in order to cancel this Escrow and release any interest of Purchaser in and to the Property; (ii) Escrow Holder shall return all documents to the applicable Party, and (iii) neither Party shall have any rights or obligations arising out of this Agreement, except as otherwise set forth in this Agreement.

8. Use. Developer covenants and agrees for itself, its successors and assigns, that until the Project improvements are completed and the Loan is fully repaid, the Property shall only be used in accordance with the uses described in Developer's RFP proposal, and no other uses. Developer shall not use the Property or any improvements for any purpose that is in violation of any law, ordinance or regulation of any federal, state, county or local governmental agency, body or entity. In no event shall the Property be used for any purpose or use (nor shall any activity be carried on upon the Property) which in any manner causes, creates or results in a public or private nuisance.

9. Construction and Development.

9.1 Project Timeline for Approvals, Construction and Completion. Within Ninety (90) days of Close of Escrow, Developer shall submit to the Town a completed building permit application, including all plans, drawings and other required documents for development of Brewery, amphitheater, and grass park area. The Brewery shall be at least comparable in size and scope to the current Loomis Basin Brewery, and have manufacturing, tasting, and processing facilities on site, as well as provide on-site retail sales. Upon receipt of its building permit, Developer shall proceed with due diligence to complete the construction and renovation of the Project improvements within two (2) years of building permit receipt. Developer shall enter into a contract with one or more licensed and qualified general contractors for the construction of the improvements. All costs and expenses associated with the planning, design, development and construction of the improvements shall be borne solely by the Developer. A failure to timely complete all such improvements will be considered a material default of the this Agreement and the Deed of Trust.

9.2 Alteration of Improvements. Upon completion of the Project improvements and until the Loan is fully repaid, Developer shall not make or permit to be made any structural alteration or demolish all or any part of the Existing Building or other improvements without obtaining the prior written consent of Town.

9.3 Property Protection. Purchaser shall at all times provide such fences, warning devices, barricades and other protective devices as necessary to protect the public from death, physical injury, or property damage arising out of, or in any way connected with, Purchaser's construction on the Property.

9.4 Compliance with Laws. Developer shall comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Property, all buildings and improvements now or hereafter located thereon, or any activity or condition on or in the Property.

9.5 Compliance with Laws. Purchaser shall prosecute such construction work in accordance with all applicable laws and regulations, and any reasonable requirement of Seller.

9.6 Right to Observe and Inspect. During the period of construction, Seller or its agent may enter upon the Property for the purpose of observing the Property and the construction of the Project. Said entry and observation shall not unreasonably interfere with the course of construction. Seller shall have no responsibility to Purchaser or users of the Property for the quality or durability of construction materials and techniques, or for the design or construction techniques employed by Purchaser.

9.7 Fees, Taxes and Assessments.

9.7.1 Taxes and Assessments. Purchaser shall pay all required property taxes and assessments, including, but not limited to, any special taxes for the Property when due. Purchaser agrees that such taxes are the sole responsibility of Purchaser and the subsequent owners of the Project.

9.7.2 Fees. Purchaser shall pay when due all charges, expenses, costs, monetary exactions and any other monetary obligations imposed on Purchaser for required permits, entitlements, and Approvals, including but not limited to Town fees, and fees charged by any other public agency or regulatory body.

9.8 Prevailing Wages. The Town and Purchaser believe that under Labor Code section 1720(c)(2), the Project is not subject to prevailing wage laws. If, however, it is determined that the Project is a public project pursuant to California's prevailing wage laws, then Purchaser shall cause all work performed on the Project to be performed in compliance with state prevailing wage laws pursuant to Labor Code sections 1720, et seq., and the regulations pursuant thereto. In the event Purchaser fails to comply with applicable prevailing wage laws, Purchaser shall be liable for the payment of all penalties, wages and/or damages resulting therefrom, and shall defend, indemnify and hold the Seller harmless for any violations or alleged violations of prevailing wage laws.

9.9 Mechanic's liens. Purchaser shall not suffer or permit any mechanic's lien, lis pendens, or other lien to be filed against the Property, nor against Purchaser's interest in the Property, nor against the improvements on the Property. If any such lien is filed, Purchaser shall cause the same to be removed, or post a bond or other security, within thirty (30) days of notice of said lien, in a manner satisfactory to the Seller. The obligation and the right to defend these matters shall be with Purchaser in the first instance.

10. Insurance. During the Term of the Loan, Purchaser shall maintain the insurance specified in the Deed of Trust.

11. Environmental Condition of Property and Testing.

11.1 Testing. The Town has received a Phase I Environmental Site Assessment Report for the Property from Geocon Consultants, Inc. ("Geocon") dated February 2019 (the "ESA") which describes potential environmental contamination on the Property, and which has been provided to Developer. The potential contamination concerns are: (a) diesel-impacted soil and groundwater in the area of the former diesel aboveground storage tank in the area shown on the map attached hereto and incorporated herein as **Exhibit F**; (b) stained soil around the drum south of the former mill building shown on **Exhibit F**; (c) possible heavy metals associated with railroad ballast materials, embankment fill, and from metals in pesticides used for weed control on the railroad spur tracks existing on the Property; and (d) possible asbestos-containing materials and/or lead paint in some of the structures, given their age. The Town has entered

into a contract with Geocon to complete a Phase II Assessment on the Property to determine whether, and to what extent, there are hazardous materials located on the Property, which report is expected to be completed by the end of May 2019 (the "Phase II Report"). The Town will also have an asbestos and lead survey completed by that date. The Town will then obtain an estimate for the costs of the necessary remediation.

11.2 Town Remediation of Real Property/Reservation of Use. The Town agrees that it will remediate and pay for the remediation of those materials identified by Geocon described in Sections 11.1(a), (b), and (c) above and in the subsequent Phase II Report. Completion of the remediation shall be evidenced by a "No Further Action" letter or similar approval issued by the governing agency having jurisdiction.

11.3 Asbestos and Lead Remediation. Developer, as owner of the Existing Building, shall take full responsibility for, and complete at its sole cost and expense, any asbestos and lead abatement necessary in the structures, as identified by Geocon in Section 11.1(d) above and in the subsequent Phase II Report. Prior to renovation or demolition of any buildings on the Property, Developer must abate any asbestos and lead present, including asbestos and lead described in the survey being completed by the Town. Developer shall contract with qualified and licensed persons for all abatement work, which persons shall be subject to the reasonable approval of the Town. In addition, Developer shall be responsible for the costs of removing any and all debris in the Existing Building.

11.4 Town Access for Testing and Remediation.

11.4.1 Access During Remediation. Purchaser shall grant the Town a temporary license to allow the Town and its consultants to access the Property and complete its testing and remediation in the areas shown on **Exhibit F**, labeled "Diesel Impacted Soil" and "Stained Soil". The area will be fenced off by the Town, and the Town shall have exclusive access to those areas until all remediation is completed. Developer shall not enter and shall not have access to those areas until all remediation is completed and the fencing is removed. If the Phase II Report identifies other areas that need remediation, the Town will also fence those areas and shall have exclusive use of those areas until remediation is completed. Developer shall not enter or disturb those areas prior to remediation completion

11.4.2 Access Following Remediation. Following completion of remediation, the State of California may require periodic groundwater testing. If so, Purchaser shall grant the Town a temporary license to allow the Town and its consultants to access the Property to conduct such testing, which may include the installation of one or more groundwater monitoring wells. The Town will be solely responsible for any costs associated with these monitoring activities, and will use its reasonable best efforts to minimize disruption of Purchaser's use of the Property, consistent with the testing requirements of the State. Town will provide as much notice as possible prior to entering the Property for the purpose of conducting monitoring

11.4.3 Insurance and Indemnification. During the testing and remediation, Seller will maintain, and will ensure that its agents and representatives maintain, public liability and property damage insurance insuring against any liability arising out of any entry, tests or remediation of the Property pursuant to the provisions hereof. Such insurance maintained by Seller or its agents and representatives (as applicable) will be in the amount of $5,000,000.00 combined single limit for injury to or death of one or more persons in an occurrence, and for damage to tangible property (including loss of use) in an occurrence. The policy maintained by Seller will (1) name the Purchaser and its successors and assigns as additional insureds and (2)

contain a provision that the insurance provided by Seller hereunder will be primary and noncontributing with any other insurance available to Purchaser. Seller will provide Purchaser with evidence of such insurance coverage before any entry, tests, or remediation of the Property which occur after close of escrow. Seller shall indemnify, defend, protect and hold Purchaser harmless from and against all costs, damages, claims, actions, causes of action, liabilities and expenses (including the reasonable attorneys' fees of counsel chosen by Seller) arising out of Seller's tests and remediation of the Property, and the acts of Seller and its agents, employees and contractors while on the Property. It is the express intention of the parties hereto, that the indemnity provided for in this paragraph indemnifies the Purchaser for negligence on the part of the Seller or its authorized representatives, subcontractors, agents, or employees, whether that negligence is active or passive, or is the sole or a concurring cause of the injury, death or damage; provided that, (1) if Purchaser's negligence was a concurring cause of the injury, death or damage, said Seller's indemnity shall only be to the extent such injury, death or damage was caused by the acts of Seller's, its agents, employees and contractors and (2) shall in no event protect Purchaser from liability for death, injury or damage, arising out of the sole negligent or willful actions of Purchaser or its individual members. This indemnity survives termination or expiration of the Agreement and completion of the remediation activities.

12. Conditions of Closing.

12.1 Purchaser's Conditions of Closing. The obligations of Purchaser under this Agreement to purchase the Property and accept title from Seller are subject to the satisfaction of all of the conditions set forth in this Section 12.1. Purchaser may waive any or all of such conditions, in whole or in part, but any such waiver shall be effective only if made in writing. No such waiver shall constitute a waiver by Purchaser of any of its rights or remedies if Seller defaults in the performance of any covenant or agreement to be performed by Seller under this Agreement or if Seller breaches any representation or warranty made by Seller in this Agreement. If any condition set forth in this Section 12.1 is not fully satisfied or waived in writing by Purchaser, then Purchaser shall be released from all obligations to Seller under this Agreement.

12.1.1 Title. At Close of Escrow, Purchaser is conveyed good and marketable title to the Property, subject only to the exceptions permitted by Purchaser;

12.1.2 Other Deliveries into Escrow. Seller delivered into Escrow all other documents or instruments required by this Agreement;

12.1.3 Seller's Representations. Seller's representations and warranties are correct as of the date of this Agreement and as of the Close of Escrow;

12.1.4 Seller's Performance. Seller performs all obligations under this Agreement and the related documents executed, or to be executed, by Seller; and

12.1.5 Title Policy. Prior to Close of Escrow, Purchaser shall have received evidence that Escrow Holder's title insurer ("Title Company") is ready, willing, and able to issue, upon payment of Title Company's regularly scheduled premium, a CLTA or ALTA owner's policy of title insurance ("Title Policy"), to be determined by Purchaser prior to Close of Escrow, in the face amount of the Purchase Price with the endorsements Purchaser may require, showing title to the Property vested in Purchaser, subject only to exceptions permitted by Purchaser.

12.2 Seller's Conditions of Closing. The obligations of Seller under this Agreement to close the sale and convey the Property to Purchaser are subject to the satisfaction of all of the conditions set forth in this Section 12.2. Seller may waive any or all of such conditions, in whole or in part, but any such waiver shall be effective only if made in writing. No such waiver shall constitute a waiver by Seller of any of its rights or remedies if Purchaser defaults in the performance of any covenant or agreement to be performed by Purchaser under this Agreement or if Purchaser breaches any representation or warranty made by Purchaser in this Agreement. If any condition set forth in this Section 12.2 is not fully satisfied or waived in writing by Seller, then Seller shall be released from all obligations to Purchaser under this Agreement.

12.2.1 Note and Deed of Trust. Purchaser's delivery into Escrow of the original Promissory Note and Deed of Trust, together with all escrow and title costs and fees apportioned to Purchaser;

12.2.2 Insurance. Purchaser's delivery to Seller and Seller's approval of evidence of insurance in accordance with Section 10 herein;

12.2.3 Other Deliveries into Escrow. Purchaser delivered into Escrow all other documents or instruments required by this Agreement;

12.2.4 Purchaser's Representations. Purchaser's representations and warranties are correct as of the date of this Agreement and as of the Close of Escrow; and

12.2.5 Purchaser's Performance. Purchaser performs all obligations under this Agreement required to be performed prior to close of escrow and the related documents executed, or to be executed, by Purchaser.

13. Close of Escrow.

13.1 Seller's Deposits. Seller shall deposit with Escrow Holder the following:

13.1.1 Grant Deed for Property. An original executed and acknowledged Grant Deed conveying the Property to Purchaser; and

13.1.2 Additional Documents. Any other documents or funds required by Escrow Holder from Seller for the Close of Escrow in accordance with this Agreement.

13.2 Purchaser's Deposits. On or before the Close of Escrow, the following will be deposited with Escrow Holder:

13.2.1 Purchase Price. An original executed and acknowledged Promissory Note and Deed of Trust;

13.2.2 Closing Costs. Purchaser will deposit cash in the amount necessary to pay Purchaser's share of closing costs, as set forth in Section 13.3; and

13.2.3 Additional Documents. Purchaser will deposit any other documents or funds required of Purchaser to close Escrow in accordance with this Agreement.

13.3 Costs and Fees. Charges and expenses incurred in this transaction are to be borne by the Parties as follows:

13.3.1 The Parties shall equally divide the Escrow Holder's fees.

13.3.2 Seller shall pay the cost of the CLTA Title Policy, and Purchaser shall pay the cost of any endorsements, any additional costs for an ALTA Title Policy and any ALTA survey.

13.3.3 Seller shall pay city and county transfer taxes applicable to the transfer of title at Close of Escrow, if any.

13.3.4 Any miscellaneous costs shall be borne by the Parties according to custom in Placer County.

13.3.5 All other taxes, assessments, utility charges, and any other charges and credits with respect to the Property shall be paid by Purchaser.

13.3.6 In the event of any termination of this Agreement or the failure of Escrow to close due to a default of a Party, as provided herein, then the defaulting Party shall pay any cancellation costs imposed by the Escrow Holder.

13.4 At Close of Escrow, Escrow Holder shall:

13.4.1 Record the Grant Deed with the Placer County Recorder;

13.4.2 Record the Deed of Trust;

13.4.3 Issue the Title Policy; and

13.4.4 Disburse funds, including the Promissory Note, to Seller.

14. Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser that:

14.1 Authority of Seller. Seller is a California municipal corporation duly organized and validly existing and in good standing under the laws of the State of California and has the authority to own and convey the Property. This Agreement and all documents executed by Seller which are to be delivered to Purchaser at the Close of Escrow are, or at the time of Close of Escrow, will be duly authorized, executed and delivered by Seller. Seller has the legal right, power and authority to enter into this Agreement and to consummate this transaction.

14.2 Enforceability. This Agreement and all documents required to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms.

14.3 No Rights Granted. Except for the rights of Purchaser under this Agreement, Seller has not granted any options or rights of first refusal to purchase the Property to any person or entity.

14.4 No Litigation. To Seller's knowledge, there is no litigation, suit, action, arbitration, legal, administrative or other proceeding or inquiry pending against the Property, or any portion thereof.

14.5 Hazardous Materials. To the best of Seller's actual knowledge, except as otherwise disclosed in Section 11 herein or by the Property Documents, (i) there has been no production, storage or disposal at the Property of any Hazardous Materials (as defined in Section 6.4 herein) by Seller or, to the best of Seller's actual knowledge, by any previous owner or tenant of the Property; (ii) Hazardous Materials have not been dumped, buried, leaked, or otherwise released upon, in, or under the Property or allowed to pass on, under or through the Property at any time during or prior to Seller's ownership of the Property; (iii) Seller has not violated any laws, regulations, and ordinances relating to the use of all Hazardous Materials used on the Property; and (iv) there is no proceeding or inquiry by any federal, state or local governmental agency with respect to any Hazardous Materials on the Property.

15. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller that:

15.1 Purchaser's Authority. Purchaser is a California limited liability company, duly organized and validly existing and in good standing under the laws of the State of California and has the authority to purchase and accept the Property. This Agreement and all documents executed by Purchaser which are to be delivered to Seller at the Close of Escrow are, or at the time of Close of Escrow, will be duly authorized, executed and delivered by Purchaser. Purchaser has the legal right, power and authority to enter into this Agreement and to consummate this transaction.

15.2 Enforceability. This Agreement and all documents required to be executed by Purchaser are and shall be valid, legally binding obligations of and enforceable against Purchaser in accordance with their terms.

15.3 OFAC Compliance. Purchaser is currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the OFAC (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

16. Assignment. This Agreement may not be assigned or otherwise transferred by Purchaser without the prior written consent of Seller, in its sole discretion; provided that Purchaser may, without the prior consent of Seller, transfer and assign all of Purchaser's interest under this Agreement to a business entity now or hereafter organized in which Purchaser owns a controlling or equity interest of not less than fifty percent (50%). In addition, Purchaser's owners may not make any sale, transfer or assignment of their interests in Purchaser, nor may Purchaser take any other action, including, but not limited to, a sale or transfer of Purchaser's assets, that would result in Purchaser or its owners having control or an equity interest of less than fifty-one percent (51%). In the event of a transfer, the transferee shall assume in writing all of the transferor's obligations hereunder, but such transferor shall not be released from its obligations hereunder. No consent given by Seller to any transfer or assignment of Purchaser's rights or obligations hereunder shall be construed as a consent to any other transfer or assignment of Purchaser's rights or obligations hereunder. No transfer or assignment in violation of the provisions hereof shall be valid or enforceable. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties.

17. Transfer of Property. Prior to completion of the Project improvements by Purchaser, Purchaser shall not, either voluntarily or by operation of law, sell, assign or otherwise transfer the Property, or any interest therein, without the express written consent of Seller. Any attempted sale, assignment or other transfer in violation of this section shall be voidable at Seller's election and shall constitute a material default of the terms of this Agreement.

18. Remedies Upon Default.

18.1 Default by Seller. In the event Seller defaults in the performance of any of Seller's obligations under this Agreement, Purchaser's sole and exclusive remedies shall be either (i) terminate this Agreement, or (ii) pursue an action for specific performance. Seller shall not be in default under this Agreement unless Purchaser first provides to Seller written notice of default and Seller thereafter fails within five (5) days after receipt of such notice of default to either cure such default or, if such default cannot reasonably be cured within said 5-day period, diligently commence such actions reasonably necessary to cure such default within such five (5) day period, and thereafter, cures such default not later than ten (10) days after receipt of such notice of default.

18.2 Default by Purchaser Prior to Title Transfer. In the event Purchaser defaults in the performance of any of Purchaser's obligations under this Agreement, Seller's sole and exclusive remedies shall be either (i) terminate this Agreement, or (ii) pursue an action for specific performance. Purchaser shall not be in default under this Agreement unless Seller first provides to Purchaser written notice of default and Purchaser thereafter fails within five (5) days after receipt of such notice of default to either cure such default or, if such default cannot reasonably be cured within said 5-day period, diligently commence such actions reasonably necessary to cure such default within such five (5) day period, and thereafter, cures such default not later than ten (10) days after receipt of such notice of default.

18.3 Default by Purchaser After Title Transfer. Notwithstanding any other provision in this Agreement, in the event that after Close of Escrow Purchaser defaults under the terms of this Agreement by failing to timely submit building permit applications or timely begin or complete construction of the Project pursuant to the terms set forth herein, Seller shall have the right to reacquire the Property from Purchaser at the same Purchase Price paid by Purchaser by taking title and cancelling the Note. A memorandum of the foregoing right shall be recorded against the Property at Close of Escrow.

18.4 Institution of Judicial Action. In addition to any other rights or remedies, either Party may institute judicial action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy by law or equity, including the right of specific performance.

18.5 No Waiver. The failure or delay by either Party in asserting its rights or remedies as to any default, shall not operate as a waiver of any default or of any rights or remedies under this Agreement or deprive either Party of its right to institute and maintain any action or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

18.6 Right and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at

the same or different times of any other rights or remedies for the same default or any other default by the other Party.

19. Brokers' Fees. The Parties each hereby warrant to the other that no person or entity can properly claim a right to a commission, finder's fee or other compensation based upon contacts or understandings between such claimant and Purchaser or Seller with respect to the transaction contemplated by this Agreement. If any broker or finder makes any claim for a commission or finder's fee, the Party through which the broker or finder makes such claim shall indemnify, defend and hold the other Party harmless from all liabilities, expenses, losses, damages or claims (including the indemnified Party's reasonable attorneys' fees) arising out of such broker's or finder's claims.

20. Attorneys' Fees. Should any litigation be commenced between the Parties hereto concerning the Property, this Agreement, or the rights and duties of either in relation thereto, the prevailing Party in such litigation shall be entitled, in addition to such other relief as may be granted, to its costs, including attorneys' fees, and costs for such litigation and for executing upon or appealing any judgment.

21. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California. In the event of litigation arising under this Agreement, venue shall reside exclusively in the Superior Court of the County of Placer.

22. Notices. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this section, shall be addressed to the Parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered and received by the receiving Party (a) upon receipt when hand delivered, (b) upon receipt when sent by email to the address set forth below (provided that, the sender has in its possession a copy addressed to the correct email address to prove actual delivery), (c) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery), or (d) upon actual delivery if deposited with any commercially-recognized overnight carrier that routinely issues receipts (provided that, the sending Party receives a confirmation of actual delivery from the courier). The addresses of the Parties to receive notices are as follows:

If to Seller:
Town of Loomis
3665 Taylor Rd,
Loomis, CA 95650
Attn: Town Manager
Email: srabe@loomis.ca.gov

With copy to:
Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814
Attn: Jeffrey A. Mitchell
Email: jmitchell@kmtg.com

If to Purchaser:	Loomis Mill Group, LLC 3750 Taylor Road Loomis, CA 95650 Attn: Scott Paris Email: scott@highhand.com
With copy to:	Aronowitz Skidmore Lyon 200 Auburn Folsom Road, Suite 305 Auburn, CA 95603 Attn: Lawrence E. Skidmore Email: lskidmore@asilaw.org

If any notice is refused, the notice shall be deemed to have been delivered upon such refusal. Any notice delivered after 5:00 p.m. (recipient's time) or on a non-business day shall be deemed delivered on the next business day. A Party may change or supplement the addresses given above, or designate additional addressees, for purposes of this section, by delivering to the other Party written notice in the manner set forth above.

23. Entire Agreement. This Agreement and the documents referenced herein contain the entire agreement between the Parties, and this Agreement shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors-in-interest.

24. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of final jurisdiction, it is the intent of the Parties that all the other provisions of this Agreement be construed to remain fully valid, enforceable and binding on the Parties.

25. Waivers. A waiver or breach of covenant or provision in this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act.

26. Construction. The section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the Parties to this Agreement. The section headings, captions, and arrangement of this instrument do not in any way affect, limit, amplify, or modify the terms and provisions of this Agreement. The singular form shall include plural, and vice versa. All exhibits referred to in this Agreement are attached to it and incorporated in it by this reference.

27. Survival; Merger. All of the terms, provisions, representations, warranties, and covenants of the Parties under this Agreement shall survive the Close of Escrow and shall not be merged in the Grant Deed or other documents.

28. Time of the Essence. Time is of the essence in this Agreement.

29. Successors. This Agreement shall inure to the benefit of and shall be binding upon the Parties to this Agreement and their respective successors.

30. Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the Parties and their respective successors and permitted assigns, any rights or remedies.

31. Further Assurances. Seller and Purchaser agree to execute such additional documents and take such additional actions which are consistent with, and as may be reasonable and necessary to carry out the provisions of this Agreement.

32. Joint Drafting. Purchaser and Seller acknowledge that this Agreement was negotiated at arm's length, that independent counsel has represented each Party and that this Agreement has been drafted by both Parties, and no one Party shall be construed as the draftsperson.

33. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same Agreement.

The Parties hereto have executed this Agreement as of the Effective Date.

SELLER:

Town of Loomis,
a California municipal corporation

By: _____
Sean Rabe, Town Manager

PURCHASER:

Loomis Mill Group, LLC
a California limited liability company

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

By: _____
Jeffrey A. Mitchell, Town Attorney

Exhibit A

(Legal Description of Property)

The land described herein is situated in the State of California, County of Placer, Town of Loomis, and is described as follows:

PARCEL ONE:

Beginning at a point on the Northwesterly boundary of the Victory Highway right of way near the Town of Loomis, Placer County, California, from which point the 1/4 Section Car. between Section 9 and 10, Township 11 North, Range 7 East, M.D.B.&M., bears South 83° 42' East a distance of 1,404.0 feet and running thence North 53°38' West 100.0 feet, thence South 36° 22' West 75.0 feet thence East 125.0 feet to the point of beginning, being the same land conveyed to the County of Placer November 8, 1923 in Book 211, Page 88, Official Records.

PARCEL TWO:

Beginning at a point on the Northwesterly boundary of the State Highway, from which point Engineer's Station 360-92.1 bears South 36° 38' West 187.12 feet, and running thence North 35° 57' East 72.7 feet; thence North 88° 45' East 43.8 feet to a point on the Northwesterly boundary of said Highway; thence South 55° 19' West 104.25 feet along said boundary of said Highway 10 the place of beginning; being further described as being a fractional part of the Northeast quarter of Section 9, Township 11 North, Range 7 EasJ M.D.B.&M., being the same land conveyed to the County of Placer, in deed recorded September 6, 1923 in Book 209, Page 449, Official Records.

PARCEL THREE:

That portion of State Highway right of way in Section 9, Township 11 North Range 7 East M.D.B.&M., described as follows:

Commencing at the point of intersection of the South line of a triangular parcel of land owned by the County of Placer with a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works' Survey between Loomis and Newcastle, Road 111-PLA-17- A, from which point Engineer's Equation Station 369+89.5 = 369+90.9 of said survey bears North 44° 56'30" East 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 1O' East 12.0 feet and South 83° 42' East 1,404.0 feet; thence, from a tangent that bears South 39° 45' 30" West along said concentric curve, to the right with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet; thence, South 64° 29' West 176.2 feet to the Southeasterly right of way line of the Southern Pacific Company; thence, along said Southeasterly line North 35° 45' East 166.8 feet to the most Westerly corner of said triangular parcel; thence, along the South line of said triangular parcel North 89°10' East 113.0 feet to the point of beginning; being the same land relinquished to the County of Placer by Instrument recorded November 29, 1937 in Book 375, Page 74, Official Records.

PARCEL FOUR:

All that portion of State Highway 40 as conveyed to the County of Placer from the State of California in that certain "Relinquishment of Superseded State Highway in the County of Placer, road III PLA 17-A", recorded June 30, 1960 in Volume 840 at Page 426, Official Records of Placer County that lies Northwesterly of the following described line:

Commencing at the most Easterly corner of the above described Parcel Two being on a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works Survey between Loomis and Newcastle, Road III PLA-17-A, from which point Engineers Equation Station 369+89.5 - 369+90.9 of said survey bears North 44° 56' 30" East, 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 10' East, 12.0 feet and South 83° 42' East 1,404.0 feet; thence from said point of commencement, along the Southeasterly line of said parcel from a tangent that bears South 39° 45' 30" West, along said concentric curve, to the right, with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet to the Southeast corner of said Parcel Two, the true point of beginning; thence continuing along the arc said concentric curve, with a radius of 4,960 feet, for a distance of 520 feet, more or less, to the Southeasterly right of way line of the Union Pacific Railroad (formally Southern Pacific Railroad).

EXCEPTING THEREFROM Parcels One, Two, Three and Four above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

APN: 044-133-003

PARCEL FIVE:

All of parcels 1, 2, 3, and 7 as described in the Quitclaim Deed to the Town of Loomis, and Parcel 4 as described in the Donation Quitclaim Deed to the Town of Loomis recorded on December 12, 2008, as Document No. 2008-0095584 and 2008-0095585 respectively, Placer County Official Records, and all that Real property described in the Quitclaim Deed to the Town of Loomis, recorded on December 28, 2000, Placer County Official Records, lying within the East half of Section 9, Township 11 North, Range 7 East, M.D.B. & M., in the County of Placer, State of California, described as follows:

Commencing at the Northeast corner of said Section 9, thence South 26° 13' 03" West 1,476.42 feet to the most Easterly corner of said Parcel 4, said point being the point of beginning; thence along the Southeasterly line of said Parcel 4, South 36° 09' 53" West 2,059.80 feet to a point on the Northerly right of way line of Taylor Road (80 feet in width); said point being the beginning of a non-tangent curve concave to the Northwest, having a radius of 4,960.00 feet, and a radial bearing of South 42° 16' 1O" East; thence along said Northerly right of way line, 387.99 feet Southwesterly along said curve through a central angle of 04° 28' 55"; thence continuing along said Northerly right of way line, South 52° 12' 45" West 361.96 feet to the most Southerly corner of said Parcel 7; thence leaving said Northerly right of way line, North 39° 45' 45" West 69.15 feet to the most Westerly corner of said Parcel 7; thence along the Westerly, Northeasterly, and Southeasterly lines of said Parcels 7, 3, 2, 1 and said real property to the Town of Loomis the following five courses:

1. North 51° 49' 22" East 11.19 feet to the beginning of a curve to the left, having a radius of 2,874.84 feet;

2. 785.65 feet North along said curve through a central angle of 15° 39' 29";

3. North 36° 09' 53" East 2,539.39 feet;

4. South 54° 09' 57" East 150.00 feet;

5. South 36° 09' 53" West 559.41 feet to the point of beginning, as described on Boundary Line Adjustment recorded January 11, 2011, Instrument No 2011-0003828, Official Records.

EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

ALSO EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris, et ux. in Deed recorded February 27, 2015, as Instrument No. 2015-0014060-00, Official Records.

APN: 044-080-063 & 044-120-074

Exhibit B

(See Attached RFP Response)

Exhibit C

(See Attached Promissory Note Secured by Deed of Trust)

PROMISSORY NOTE SECURED BY DEED OF TRUST

$710,000.00 Loomis, California
_____, 2019

FOR VALUE RECEIVED, **Loomis Mill Group, LLC**, a California limited liability company ("Borrower"), hereby promises to pay to the order of the **Town of Loomis**, a California municipal corporation ("Lender"), at 3665 Taylor Rd, Loomis, CA 95650, or such other place as Lender may direct, the principal sum of Seven Hundred Four Thousand Dollars ($704,000.00), together with interest thereon from and after the date of disbursement hereunder, to be paid in lawful money of the United States of America, as set forth below (the "Loan"):

1. Interest Rate. Interest will be charged on unpaid principal amount of this Promissory Note Secured by Deed of Trust ("Note") until the full amount of Loan has been paid. The interest rate per annum to be applied to the unpaid principal balance of this Note is four and one-quarter percent (4.25%). Under no circumstances shall the interest rate on this Note be more than the maximum rate allowed by applicable law.

2. Loan Maturity. The Loan term shall be five (5) years, maturing on _____, 2024 (the "Maturity Date").

3. Payments. Payments under this Note shall be paid as follows:

3.1 No Principal or Interest Payments until Maturity. Interest will begin accruing on the date of execution of this Note, however, no principal or interest payments shall be due until the Maturity Date. The entire outstanding principal balance, and all accrued, but unpaid interest on this Note, shall be due and payable in full on the Maturity Date.

3.2 Application of Payments. Unless otherwise agreed to, in writing, or otherwise required by applicable law, all payments and prepayments received by Lender hereof, shall be applied in the following manner: first, to accrued, but unpaid interest; second, to the payment of all unpaid collection costs and late charges and fees, if any; and third, to the payment of principal.

4. Collateral. This Note is secured by a Deed of Trust of even date herewith by Borrower, as trustor, for the benefit of Lender, as beneficiary, covering real property situated in Placer County, California, as more specifically described therein ("Property").

5. Prepayment. Borrower may prepay the outstanding principal balance of the Loan, in whole or in part, at any time and from time-to-time, without any fee or penalty. Prepayments shall not, however, unless otherwise agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments in the amount and at the times set forth in Section, but rather shall reduce the principal balance of this Note and may result in Borrower making fewer payments under this Note.

6. Default and Remedies.

6.1 Defaults. Each of the following shall constitute an event of default ("Event of Default") under this Note:

6.1.1 Payment Default. Borrower fails to make any payment within five (5) days when due under this Note.

6.1.2 Abandonment of Failure to Operate. Borrower abandons the Property, or fails to conduct operations on the Property, for more than sixty (60) consecutive days.

6.1.3 Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

6.2 Acceleration. In the event of: (i) any Event of Default by Borrower in the payment of any installment when due hereunder, or in the performance of Borrower's obligations as set forth above, (ii) the breach of any representation or warranty contained in this Note or any other instrument securing repayment of this Note, (iii) the sale, conveyance or transfer of title to the Collateral, or any part thereof, or any right, title or interest therein, or agreement to do so without the prior written consent of Lender, whether voluntary or involuntary and whether legal or equitable, including a sale, conveyance or transfer by outright sale, installment sale contract, or any other method of conveyance of personal property interests, (iv) the filing of any petition by or against Borrower in any court, whether or not pursuant to any statute of the United States or of any state, in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, and Borrower shall thereafter be adjudicated bankrupt, or such petition be approved by the court, or the court assumes jurisdiction of the subject matter, and such proceedings not be dismissed within ninety (90) days after the institution of the same, (v) the appointment of a receiver or trustee in any proceeding for all or any portion of the Property, or property owned by Borrower, and such receivership or trusteeship not be vacated within ninety (90) days after the appointment of the same, (vi) an assignment by Borrower for the benefit of his creditors, or (vii) the foreclosure upon all or any portion of the Property, or property owned by Borrower, or the condemnation, seizure, attachment or appropriation thereof, then in such event the entire indebtedness hereunder shall be immediately due and payable at the option of Lender.

6.3 Default Rate. Upon the occurrence and during the continuation of an Event of Default, including the failure to pay upon final maturity, the interest rate on this Note shall be increased by five (5.0) percentage points on the outstanding principal balance hereunder, and all accrued, but unpaid interest thereon.

6.4 Late Charge. If Borrower fails to make a payment within five (5) days of its due date, Borrower agrees to pay a late charge of One Hundred Dollars ($100.00) as liquidated damages for the additional expense of handling such delinquent payment.

7. Notices. Notices provided for herein shall be delivered as set forth in the Notice provision of the Deed of Trust and at the addresses set forth in the Deed of Trust.

8. Miscellaneous.

8.1 No Waiver. Lender's acceptance of interest at the Default Rate, and collection of a late charge hereunder, shall not have the effect of curing any Event of Default and shall not prejudice the right of Lender to collect any other amounts required to be paid or to declare a default hereunder. No waiver of any default or failure, or delay to exercise any right or remedy by Lender shall operate as a waiver of any other default, or of the same default in the future, or as a waiver of any right or remedy with respect to the same, or any other occurrence.

8.2 Assignment. Borrower covenants that it shall not assign or transfer its rights or obligations under this Note or the Deed of Trust without the prior written consent of Lender, which consent may be given or denied in Lender's sole and absolute discretion.

8.3 Binding on Heirs, Successors and Assigns. Subject to the restrictions on assignment and transfer contained in Section 8.2, this Note shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of Lender and Borrower.

8.4 Severability. Every provision of this Note is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable, and this Note shall be construed as if such illegal, invalid or unenforceable provision had not been contained herein.

8.5 Choice of Law; Venue. This Note shall be governed by and construed in accordance with the substantive and procedural laws of the State of California. This Note is entered into and is to be performed in Placer County, California, with venue in the County of Placer.

8.6 Enforcement Costs. In the event of: (a) any action or proceeding that involves the protection, preservation or enforcement of Lender's rights or Borrower's obligations under this Note (including, but not limited to, Lender's defense of any action by Borrower in connection with the Loan), (b) Lender's collection or enforcement without institution of litigation proceedings, or (c) Lender's participation in any proceeding which is authorized under the terms of this Note, the prevailing party shall be entitled to payment, upon demand, from the non-prevailing party of all costs and expenses associated therewith, including reasonable attorneys' fees and litigation expenses. Borrower will pay Lender, upon demand, all reasonable attorneys' fees and expenses incurred in the representation of Lender in any aspect of any bankruptcy or insolvency proceeding initiated by or on behalf of Borrower that concerns any of its obligations to Lender under this Note.

8.7 Due on Sale. The obligations of the undersigned under this Note are subject to the terms of the Deed of Trust of even date herewith. The Deed of Trust contains the following due on sale provision:

> **DUE ON SALE - CONSENT BY BENEFICIARY.** Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Trustor's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of Property or any right, title or interest in the Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of an interest in the Property. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Trustor.

IN WITNESS WHEREOF, Borrower has executed this Note as of the year and date first set forth above.

BORROWER:

Loomis Mill Group, LLC
a California limited liability company

By: _____
Name: _____
Title: _____

Exhibit D

(See Attached Deed of Trust)

DEED OF TRUST

No Recording Fee Required Pursuant to Government Code Section 27383

Recording Requested by and When Recorded Return to:

Town of Loomis
3665 Taylor Rd,
Loomis, CA 95650
Attn: Town Manager

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

DEED OF TRUST
ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made _____, 20__, between **Loomis Mill Group, LLC**, a California limited liability company ("Trustor"), **Placer Title Company** ("Trustee"), and the **Town of Loomis**, a California municipal corporation ("Beneficiary").

Trustor is the owner of three parcels of real property totaling approximately 4.08 acres and containing an existing building ("Existing Building") and parking lot located at 3800 Taylor Road, in Loomis, California, as legally described in **Exhibit A**, attached hereto and incorporated herein (the "Property").

In August 2018, the Town released a Request for Proposals to solicit developer proposals for the redevelopment of the Property. At the completion of the proposal period, the Town chose the Developer's submittal.

Trustor will rehabilitate the Existing Building into a new brewery and beer manufacturing building, as well as a new distillery and barrel house, bakery, charcuterie, an outside community amphitheater with beer gardens, grass park area, and additional parking for visitors (collectively, "Improvements").

Trustor intends to grant Beneficiary this Deed of Trust encumbering its fee interest in the Property as security for a loan made by Beneficiary to Trustor to be used for the purchase of the Property pursuant to a Purchase and Sale Agreement and Joint Escrow Instructions, dated _____, 2019, by and between Beneficiary and Trustor (the "Agreement"), and for the covenants contained therein. Trustor will construct the Improvements in accordance with the terms and conditions of the Purchase Agreement.

Trustor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which

that agreement is modified, amended, extended, or renewed without the prior written consent of Beneficiary. Trustor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Beneficiary.

Trustor, in consideration of the indebtedness referred to below, irrevocably grants, transfers, conveys, and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale, the Property.

TOGETHER WITH:

(a) all right, title and interest (including any claim or demand in law or equity) which Trustor now has or may hereafter acquire in or to such property; all development rights or credits and air rights; all water and water rights (whether or not appurtenant to such property) and shares of stock pertaining to such water or water rights, ownership of which affects such property; Trustor's interest in all minerals, oil, gas, and other hydrocarbon substances and rights thereto in, on, under, or upon such property and all royalties and profits from any such rights or shares of stock; and all adjacent lands within enclosures or occupied by buildings partly situated on such property;

(b) all buildings, structures, improvements, fixtures and appurtenances now and hereafter placed on such property, including, without limitation, all apparatus and equipment, whether or not physically affixed to the land or any building, used to provide or supply air-cooling, air conditioning, heat, gas, water, light, power, refrigeration, ventilation, laundry, drying, dish washing, garbage disposal or other services; and all elevators, escalators and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, partitions, ducts, compressors, plumbing, ovens, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, pools and spas and pool and spa operation and maintenance equipment and apparatus, trees and plants located on such property, all of which, including replacements and additions thereto, shall conclusively be deemed to be affixed to and be part of the real property conveyed to Trustee hereunder.

(c) all intangible property and rights related to the aforesaid property or the operation thereof or used in connection therewith including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, deposits for utility services installations, refunds due Trustor, trade names, trademarks and service marks.

(d) all rents, issues, profits and other income from the property, including, but not limited to, all proceeds of sale or lease of the property.

(e) the personal property collateral described in **Exhibit B**.

Trustor agrees to execute and deliver, from time to time, such further instruments, including but not limited to, security agreements, assignments, and UCC Financing Statements, as may be requested by Beneficiary to confirm the lien of this Deed of Trust on any of the aforementioned property.

All Property, both real and personal, conveyed to Trustee hereunder shall be referred to herein as the "Property".

This Deed of Trust secures the following obligations:

(a) Promissory Note Secured by Deed of Trust entered into by Trustor as Borrower, of even date herewith (and any and all renewals or extensions thereof) in the amount of Seven Hundred Four Thousand Dollars ($704,000.00), with interest thereon according to the terms of said note ("Note"), which Trustor covenants and agrees to pay.

(b) Performance of every obligation, covenant and promise contained in the Agreement.

(c) Payment and performance of every obligation, covenant, promise and/or agreement contained in this Deed of Trust.

(d) Payment and performance of every obligation, covenant, promise and agreement contained in any other written instrument executed by Trustor in favor of Beneficiary if, but only if, the written instrument expressly states that the instrument is secured by this Deed of Trust.

(e) For the purposes of this Deed of Trust, any reference to a Note contained herein shall be deemed to refer to each and every note secured by this Deed of Trust, and any default under any note secured by this Deed of Trust shall constitute a default under every other note so secured, and shall additionally constitute a default under this Deed of Trust.

For the purpose of protecting and preserving the security of this Deed of Trust, Trustor promises and agrees:

1. Obligations of Trustor. Trustor shall promptly pay when due, all installments, payments, charges or other obligations due under the Note; and all other monetary obligations secured by this Deed of Trust.

2. Repair and Maintenance of the Property. Trustor will: (a) keep the Property in good condition and repair; (b) not substantially alter, remove or demolish the Property or any building or other improvements thereon, except (i) when permitted by the Agreement; or (ii) when incident to the replacement of fixtures, equipment, machinery or appliances with items of like kind; (c) restore and repair to the equivalent of its original condition, all or any part of the Property which may be damaged or destroyed, including, but not limited to, damage from termites and dry rot, soil subsidence and construction defects, whether or not insurance proceeds are available to cover any part of the cost of such restoration and repair; (d) pay when due all claims for labor performed and materials furnished in connection with the Property and not permit any mechanic's or materialman's lien to arise against the Property or furnish loss or liability under such mechanic's lien claims; (e) comply with all laws affecting the Property or requiring that any alterations, repairs, replacements, or improvements be made thereon; (f) not commit or permit waste on or to the Property, or commit, suffer or permit any act or violation of law to occur upon the Property; (g) not abandon the Property; (h) cultivate, irrigate, fertilize, fumigate and prune; (i) if required by Beneficiary, provide for the management satisfactory to Beneficiary under a management contract approved by Beneficiary; (j) notify the Beneficiary in writing of any condition at or on the Property which may have a significant and measurable effect on its market value; and (k) if the Property is rental Property, generally operate and maintain the Property in such manner as to realize the maximum rental potential thereof and do all other things which the character or use of

the Property may reasonably render necessary to maintain the Property in the same condition (reasonable wear and tear expected) as it was at the date of this Deed of Trust.

3. Insurance.

3.1 Property Insurance. Trustor shall provide and maintain insurance as required below covering all buildings, structures and improvements now situated or which hereafter may be erected or placed upon said Property, against loss or damage by fire and other casualties (special broad-form perils) with the valuation clause reflecting replacement costs basis and to carry such and, in the event said Property or any part thereof now lies or hereafter lies in an area designated by the Federal Emergency Management Agency as located within a flood insurance rate map or flood hazard boundary map, or which is designated by the Department of Housing and Urban Development as a flood zone, to carry flood insurance; all as required below or as the Beneficiary may from time to time require. All such insurance shall be in forms, and with companies and in sums (not less than sufficient to avoid any claim on the part of the insurers for co-insurance or other penalties for insufficient limits) satisfactory to the Beneficiary. All insurance policies shall be held by and be for the benefit of Beneficiary, and shall name Beneficiary as loss payee. Beneficiary shall accept as satisfying the requirements of this Section 3.1 any insurance policy in the amount of the replacement cost of buildings, structures, and improvements located on said Property. At least fifteen (15) days before the expiration of each such policy, Trustor shall deliver to the Beneficiary a new and sufficient policy to take the place of the one so expiring. In the event of a loss, the amount collected, under any policy of insurance on said Property may, at the sole option of the Beneficiary (1) except to the extent expressly limited or prohibited by statutory or case law in effect as of the date of this Deed of Trust, be applied by Beneficiary upon any indebtedness and/or obligation secured hereby whether the same be then matured or unmatured, and in such order as Beneficiary may determine; (2) be used in replacing or restoring the improvements partially or totally destroyed to a condition satisfactory to said Beneficiary; (3) be used by the Beneficiary to fulfill any of the covenants contained herein as the Beneficiary may determine; or (4) be released to the Trustor. In any of the foregoing events neither the Trustee nor the Beneficiary shall be obligated to see to the prior application thereof, nor shall the amount so released or used under clauses (2), (3), or (4) above be deemed a payment on any indebtedness secured hereby. Such application, use, and/or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. The Trustor hereby irrevocably appoints the Beneficiary as its attorney in fact to assign each such policy in the event of the foreclosure of this Deed of Trust or other transfer of the title to the granted Property in extinguishment, in whole or in part, of the debt secured hereby. No insurance shall be required hereunder in excess of that allowed by Civil Code Section 2955.5.

3.2 General Liability Insurance. Trustor shall purchase and continuously maintain comprehensive general liability with terms and conditions that are at least as broad as the Insurance Service Office (ISO) Form 00 01 and with limits not less than $5,000,000 each occurrence. Such insurance shall include the Beneficiary as an additional insured arising out of the named insured's ongoing and completed operations. Such insurance shall have an endorsement stating that for any claims related to this Property, the Trustor's insurance shall be primary insurance as respects the Beneficiary to the extent the Beneficiary is an additional insured. Such insurance shall also state

that any insurance or self-insurance maintained by the Beneficiary shall be in excess of the Trustor's insurance and shall not contribute with it. The Trustor's insurance shall also provide that the Beneficiary shall receive at least thirty (30) days' written notice prior to cancellation, non-renewal, or modification thereof during this Deed of Trust term. Such insurance policies as are required by this Section 3.2 shall be approved and held by Beneficiary.

4. Defense of Deed of Trust; Litigation. Trustor will give Beneficiary immediate written notice of any action or judicial proceeding (including, with limitation, any judicial or non-judicial proceeding to foreclose the lien of a junior or senior mortgage or deed of trust) affecting or purporting to affect the Property, this Deed of Trust, Beneficiary's security for the performance of Trustor's obligations under the Note, or the rights or powers of Beneficiary or Trustee under the Note or this Deed of Trust. Notwithstanding any other provision of this Deed of Trust, Trustor hereby agrees that Beneficiary or Trustee may (but neither is obligated to) commence, appear in, prosecute, defend, compromise and settle, in Beneficiary's or Trustor's name, and as attorney-in-fact for Trustor, any action or proceeding, whether judicial or non-judicial, reasonably necessary to preserve or protect, or affecting or purporting to affect, the Property, this Deed of Trust, Beneficiary's security for the performance of Trustor's obligations under the Note, or this Deed of Trust. If neither Beneficiary nor Trustee elects to do so, Trustor will commence, appear in, prosecute and defend any such action or proceeding. Beneficiary may incur necessary costs and expenses including attorneys' fees, in any such action. Trustor will pay all costs and expenses of Beneficiary and Trustee, including costs of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which Beneficiary or Trustee may appear or for which legal counsel is sought, whether by virtue of being made a party defendant or otherwise; and whether or not the interest of Beneficiary or Trustee in the Property is directly questioned in such action or proceeding, including, without limitation, any action of the condemnation or partition of all or any portion of the Property and any action brought by Beneficiary to foreclose this Deed of Trust or to enforce any of its terms or provisions.

5. Use of Property. Unless otherwise required by applicable law or unless Beneficiary otherwise consents in writing, Trustor will not allow changes in the use of the Property from that which is contemplated by Trustor and Beneficiary at the time of execution of this Deed of Trust, as specified in the Agreement and other documents executed by Trustor in connection with obtaining the loan secured hereby. Trustor will not initiate or acquiesce in a change in the zoning classification of the Property without Beneficiary's prior written consent.

6. Taxes and Assessments. Trustor agrees (a) to pay all taxes and assessments affecting the Property, including assessments on appurtenant water stock, and any accrued interest, cost and/or penalty thereon and submit receipts therefor to the Beneficiary, at least ten (10) days before default or delinquency; (b) to pay when due all encumbrances (including any debt secured by deed of trust), ground rents, liens, and/or charges, with interest, on said Property or any part thereof which appear to be prior or superior hereto, and to pay immediately and in full all such encumbrances, liens and/or charges, if any, which may now be due or payable; (c) to pay when due all costs, fees and expenses of these trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of a declaration of default.

7. Assessment Bonds. Trustor agrees to pay any and all assessments against said Property at least ten (10) days before any bond or bonds could or would be issued in connection therewith, unless Beneficiary determines in its sole discretion that its security would not be impaired if the assessments were not paid in full.

8. Assessments on Water Bonds. Trustor agrees to pay before delinquency all assessments upon the stock of any water company which stock may be used in connection with said Property, and all rents, assessments or charges for water appurtenant to or used in connection with said Property and/or for the flumes, ditches, pipes or aqueducts in which such water may be furnished or delivered; and all such stock is hereby expressly made a part of the security hereof.

9. Reimbursement of Beneficiary's Expenses. Trustor agrees to pay immediately upon demand after expenditure, all sums expended or expense incurred by Trustee and/or Beneficiary, including reasonable attorney's fees, under any of the terms of this Deed of Trust, with interest from date of demand at the rate of ten per cent (10%) per annum. Without in any way limiting the foregoing, Trustor shall pay to or reimburse Beneficiary for any costs, fees and expenses (including without limitation reasonable attorneys' fees and any administrative fees or overhead or other indirect costs and expenses) incurred or charged by Beneficiary in protecting its security hereunder or the Property or Beneficiary's interest under this instrument, or in responding, processing, reviewing or reviewing or otherwise dealing with the demands or claims or requests of Trustor or third parties who claim an interest in the Property or an interest adverse to Beneficiary's interests under this instrument.

10. Beneficiary Statement. Trustor agrees to pay to the Beneficiary any reasonable amount charged by the Beneficiary, not to exceed the maximum allowed by law, for any statement regarding the obligation secured hereby furnished by the Beneficiary upon demand by the Trustor, the charge for each such statement to be payable immediately upon furnishing of the statement.

11. Assignment of Rents and Leases.

11.1 Trustor does hereby immediately and absolutely assign, transfer and set over to the Beneficiary all the rents, issues, proceeds and profits which may be or may become due or to which the Trustor may now or hereafter become entitled, arising or issuing out of, under or by virtue of any and all leases and/or rental agreements, and any and all extensions or renewals thereof, now or hereafter entered into for the parking structure located on the Property or any part thereof, or for any improvements located thereon, and all other rents, issues, proceeds and profits due or accruing from the Property or any part thereof or the improvements located thereon. Trustor hereby gives to and confers upon Beneficiary the right, power and authority to collect such rents, issues, proceeds and profits. The assignment herein contained and all rights provided to Beneficiary by this Section are granted without regard to the adequacy of the Property as security for payment of the indebtedness secured by this Deed of Trust. This assignment is delivered as a present, immediate and absolute assignment of the rights contained herein; provided, however, that so long as no default shall exist under this Deed of Trust or the indebtedness secured hereby, the Trustor shall have the right to manage and operate the Property and all improvements thereon, and to collect, receive and apply for its own account all rents, issues and proceeds accruing by virtue of any lease or rental agreement and to execute and deliver proper receipts thereof.

Immediately upon the occurrence of any default under this Deed of Trust or the indebtedness secured hereby, and until such default shall have been cured, the right of the Trustor to manage and operate the Property and to collect and receive rents shall cease and terminate and in such event the Beneficiary is hereby expressly and irrevocably authorized to enter into and take possession of the Property and the improvements located thereon by actual physical possession, or by appointment of a receiver or by a competent court or by written notice served personally upon or sent by registered mail to the Trustor, as the Beneficiary may elect, or by any other legal means, and to exclude the Trustor and all other persons therefrom. Following such entry and taking of possession the Beneficiary may operate and manage the Property and rent and lease the same and collect any and all rents, issues, income and profits therefrom, and from time to time apply same or accumulate same for application, in such order and manner as Beneficiary, in its sole discretion shall consider advisable. Beneficiary may apply such amounts to (i) the necessary and proper costs of upkeep, maintenance, repair and/or operation of the Property; (ii) the repayment of any sums theretofore or thereafter advanced pursuant to the terms of this Deed of Trust; (iii) the interest then due or next to become due upon said indebtedness; (iv) the taxes and assessments upon the Property then due or next to become due; (v) the unpaid principal of said indebtedness; and (vi) any other obligations secured by this Deed of Trust. The collection and/or receipt of rents, issues, income and/or profits from the Property by Beneficiary after declaration of default and election to cause the Property to be sold pursuant to the terms of this Deed of Trust shall not affect or impair such default or declaration of default or election to cause the Property to be sold or any sale proceeding predicated thereon, but such proceedings may be conducted and sale effected notwithstanding the receipt and/or collection of any such rents, issues, income and/or profits. Any such rents, issues, income and/or profits in the possession of said Beneficiary at the time of sale and not theretofore applied as herein provided, shall be applied in the same manner and for the same purposes as the proceeds of the sale. In addition to Beneficiary's rights under this Section, Beneficiary shall have all of the rights and remedies to which Beneficiary is entitled under California Civil Code Section 2938, and nothing contained in this Section 11 shall be construed as a limitation or waiver of any such rights or remedies.

11.2 Trustor agrees to assign to the Beneficiary, upon request, as security for the indebtedness secured hereby, the Trustor's interests in any or all leases, and the Trustor's interests in all agreements, contracts, licenses and permits affecting said property, such assignments to be made by instruments in form reasonably satisfactory to the Beneficiary; but no such assignment shall be construed as a consent by the Beneficiary to any lease, agreement, contract, license or permit so assigned, or to impose upon the Beneficiary any obligations with respect thereto.

12. Modification and Termination of Leases and Rent Pre-payment. Except in the ordinary course of business, Trustor agrees not to cancel any of the leases assigned or subject to assignment to Beneficiary pursuant to Section 11.2 hereof, nor terminate or accept a surrender thereof (except in accordance with the terms of the assignment) or reduce the payment of the rent thereunder or modify any of said leases (except in accordance with the terms of the assignment) or accept any prepayment of rent therein without first obtaining, on each occasion, the written approval of the Beneficiary.

13. Performance of Leases. Trustor agrees to faithfully keep and perform all of the obligations of the landlord under all of the leases assigned or subject to assignment to

the Beneficiary pursuant to Section 11 above and not to permit to accrue to any tenant under any such lease any right to prepaid rent pursuant to the terms of any lease other than the usual prepayment of rent as would result from the acceptance by the landlord on the first day of each month for the rent for the ensuing month, according to the terms of the various leases.

14. Rent Roll. Trustor agrees to deliver to Beneficiary within ninety days after the expiration of each calendar year, a rent roll of the Property showing the name and street address of all tenants in occupancy, the rent currently owed, the respective lease commencement and expiration dates, the amount of common area or expense contribution, if any, for each tenant, as well as whether there are any concessions, free rent periods or rebates.

15. Use. Trustor agrees to operate such Property at all times in the manner permitted by the Agreement.

16. Prohibition of Sale or Encumbrances.

16.1 DUE ON SALE - CONSENT BY BENEFICIARY. Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Trustor's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of Property or any right, title or interest in the Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of an interest in the Property. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Trustor.

16.2 Upon the occurrence of any such transaction with Beneficiary's consent, or without Beneficiary's consent if Beneficiary elects not to exercise its rights and remedies in the event of default (including, but not limited to, acceleration of the indebtedness secured hereby), Beneficiary (i) may charge a processing fee pursuant to Section 9 in connection with the change, and (ii) shall not be obligated to release Trustor from any liability hereunder or under the Notes or under any of the other documents evidencing or securing the Notes secured hereby. Consent to any such transaction shall not be deemed to be consent, or a waiver of the requirement of consent, to any other transaction.

17. Licenses. As of the date of this Deed of Trust and at all times thereafter during the term of the loan Trustor shall have and maintain in full force and effect such certificates, consents, licenses, approvals and permits from the proper authorities as are required to operate the Property for the purpose(s) set forth in Section 15 above. A failure on the part of the Trustor or any subsequent owner to maintain any such required certificate, consent, license, approval, or permit in effect or a failure to obtain renewal thereof prior to expiration, shall constitute a default under the terms of this Deed of Trust for which the Beneficiary shall have the right, as its option, upon the expiration of any

cure periods, to declare the entire indebtedness evidenced by said Note and hereby secured to be immediately due and payable.

18. Security Interest in Personal Property. Trustor hereby grants to Beneficiary a security interest in and to all personal Property described as the Collateral in Exhibit B. This Deed of Trust constitutes a security agreement with respect to all of the Collateral, and Beneficiary shall have all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor hereby agrees to execute, acknowledge and deliver on demand, and hereby irrevocably appoints Beneficiary as its attorney-in-fact, with full power of substitution, to execute, acknowledge, deliver and, if appropriate file with the appropriate filing officer or office, such security agreements, financing statements, continuation statements or other instruments as Beneficiary may reasonably require in order to impose, perfect or continue the perfection of, the lien or security interest created hereby. The above power of attorney is coupled with an interest and shall survive the death or incapacity of Trustor. Trustor shall pay all costs and expenses in connection with any such documents or of any record searches for financing statements that Beneficiary may require.

19. Fixture Filing. This Deed of Trust constitutes a financing statement filed as a fixture filing in the real estate records of the county in which the Real Property is located with respect to any and all fixtures now or hereafter owned by Trustor and used in connection with the operation, occupancy and maintenance of the Property described in this Deed of Trust and with respect to any goods or other personal property owned by Trustor that may now be or hereafter become such fixtures.

20. Foreclosure on Collateral. Without limiting any other rights or remedies which Beneficiary or Trustee may have hereunder or under applicable law, including the right to conduct a unified foreclosure sale of real and personal Property, upon any default not cured within applicable cure periods Beneficiary or Trustee may conduct a public or private sale of the Collateral under the California Uniform Commercial Code pursuant to this Deed of Trust, and Trustor, upon demand by Beneficiary, shall assemble the Collateral and make it available to Beneficiary at the Property, a place which is hereby deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary shall give Trustor at least twenty (20) days prior written notice of the time and place of any public sale or other disposition of the Collateral, or of the time of or after which any private sale or other disposition of the Collateral is to be made; if such notice is sent to Trustor in accordance with the procedures for the mailing of notices set forth in the last Section of this instrument, it is hereby deemed that such notice shall be and is reasonable notice to Trustor.

21. Maintenance of Fixtures and Collateral. At all times during the term hereof Trustor shall maintain a sufficient level of fixtures and Collateral to properly operate the said Property, which shall in any event not be materially less than that existing on the date hereof. Notwithstanding anything to the contrary in this Deed of Trust, during any time when not in default hereunder, Trustor shall have the right, subject to the prior concurrent satisfaction of the conditions set forth in the next sentence, to substitute and replace Collateral and fixtures in the ordinary course of business. To the extent the replacement Collateral and fixtures are of the same general type and are of at least the same value and upon acquisition of the substitute Collateral and fixtures by Trustor and

placement thereof on the said real Property, the replaced Collateral and fixtures shall be deemed released from the lien hereof.

22. Maps and Restrictions. Trustor agrees that it will not without the consent of Beneficiary after the date hereof file or cause to be filed any subdivision or condominium map or plan, or any deed, plan or agreement for cooperative ownership of the Property, or any other covenants or restrictions affecting the Property.

23. Environmental Covenants. Trustor will at all times comply with the following requirements:

23.1 No Use, Disposal or Storage. Trustor shall not cause, permit or suffer any Hazardous Material (as defined in Section 24.3 to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, about or beneath the Property or any portion thereof by Trustor, its agents, employees, contractors, invitees, tenants, or any other person, except to the extent commonly used in the day to day operation of the Property and then only so long as in compliance with all Environmental Requirements (as defined in Section 24.2).

23.2 Compliance with Environmental Requirements. Trustor shall not cause, permit or suffer the existence or the commission by Trustor, its agents, employees, or contractors of a violation of any Environmental Requirements upon, about or beneath the Property or any portion thereof and Trustor shall use its best efforts to prevent any such violation of any Environmental Requirements by any invitees, tenants or any other person. Trustor shall notify Beneficiary in writing of any release of Hazardous Materials at, on, under or within the Property in violation of any Environmental Requirements, or of the presence of Hazardous Materials at the Property in violation of any Environmental Requirements, promptly upon discovery of such release or presence.

23.3 Environmental Liens. Trustor shall not create or suffer to exist with respect to the Property, or permit any of its agents to create or suffer to exist any lien, security interest or other charge or encumbrance of any kind, including without limitation, any lien imposed pursuant to Section 107(f) of the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. Section 9607(1)) or any similar state statute, and Trustor shall use its best efforts to prevent the creation of any such lien, security interest, charge or encumbrance by any of its tenants and shall not permit any of such tenants to suffer to exist any of such items.

23.4 Mitigation. Notwithstanding the obligation of Trustor to indemnify pursuant to Section 25 Trustor shall, at its sole cost and expense, promptly take all actions required by any federal, state or local governmental agency or political subdivision or which are otherwise reasonably necessary in the sole reasonable discretion of Beneficiary to mitigate Environmental Damages (as defined in Section 24.1) arising from the presence upon, about or beneath the Property of a Hazardous Material, or from a violation of Environmental Requirements. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Property, the preparation of any feasibility studies, reports or remedial plans, and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or restoration work, whether on or off of the Property. Trustor shall take all actions necessary to restore the Property to the condition existing prior to the introduction of Hazardous Material upon, about or beneath the Property, notwithstanding any lesser

standard of remediation allowable under applicable law or governmental policies. Trustor shall proceed continuously and diligently with such investigatory and remedial actions, provided that in all cases such actions shall be in accordance with all applicable requirements of governmental entities. Any such actions shall be performed in a good, safe and workmanlike manner and shall minimize any impact on the business conducted at the Property. Trustor shall pay all costs in connection with such investigatory and remedial activities, including but not limited to all power and utility costs, and any and all taxes or fees that may be applicable to such activities. Trustor shall promptly provide to Beneficiary copies of testing results and reports that are generated in connection with the above activities. Promptly upon completion of such investigation and remediation, Trustor shall permanently seal or cap all monitoring wells and test holes to industrial standards in compliance with applicable federal, state and local laws and regulations, remove all associated equipment, and restore the Property to the maximum extent possible, which shall include, without limitation, the repair of any surface damage, including paving, caused by such investigation or remediation hereunder.

23.5 Notice of Environmental Risks. If Trustor shall become aware of or receive notice or other communication concerning any actual, alleged, suspected or threatened violation of Environmental Requirements, or liability of Trustor for Environmental Damages in connection with the Property or past or present activities of any person thereon, including but not limited to notice or other communication concerning any actual or threatened investigation, inquiry, lawsuit, claim, citation, directive, summons, proceeding, complaint, notice, order, writ, or injunction, relating to same, and including without limitation any notice or other communication from any tenant, then Trustor shall deliver to Beneficiary, within ten (10) days of the receipt of such notice of communication by Trustor, a written description of said violation, liability, correcting information or actual or threatened event or condition, together with copies of any documents evidencing same. Receipt of such notice shall not be deemed to create any obligation on the part of beneficiary to defend or otherwise respond to any such notification.

23.6 Notice of Test Results. Trustor shall promptly provide to Beneficiary the results of any tests and copies of all registration permits regarding any underground storage tanks located on the Property and Trustor shall comply with the same.

23.7 Right to Enter and Inspect. In the event Beneficiary reasonably believes that there has been a release or threatened release of a Hazardous Material on the Property or a breach of an Environmental Requirement or in the event of any default under this Deed of Trust or under the Note, Beneficiary shall have the right in its sole and absolute discretion, but not the duty, to enter upon the Property at any reasonable time, at the expense of Trustor, to conduct an inspection of the Property, including invasive tests, to determine compliance with all Environmental Requirements and the existence of any Environmental Damages as a result of the condition of the Property or any surrounding properties and activities thereon. Trustor hereby grants to Beneficiary, and the agents, employees, consultants and contractors of Beneficiary, the right to enter upon the Property and to perform such tests on the Property as are necessary to conduct such reviews and investigations in accordance with the preceding sentence. Beneficiary shall use its best efforts to minimize interference with the business of Trustor and to restore the condition of the Property, but Beneficiary shall not be liable for any interference caused thereby or failure to restore if Beneficiary determines in its sole discretion that it is not economically practicable. Beneficiary shall reimburse Trustor for

the cost of repair of any physical injury to the Property caused by the entry and inspection to the extent required by Civil Code Section 2929.5(c).

23.8 Reimbursement of Beneficiary. In the event of any default under this Deed of Trust or under the Note, Trustor shall promptly reimburse Beneficiary for any environmental studies or tests which Beneficiary deems necessary to ascertain the presence and/or level of any Hazardous Materials on the Property.

24. Definitions of Environmental Terms. For the purposes of this Deed of Trust, the following terms shall have the following meanings:

24.1 "Environmental Damages" means all claims, judgments, damages (including without limitation, punitive damages), losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs and expenses of investigation and defense of any claim, whether or not such is ultimately defeated, and of any settlement or judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time as a result of the existence of Hazardous Material upon, about, beneath the Property or migrating or threatening to migrate to or from the Property, or the existence of a violation of Environmental Requirements pertaining to the Property regardless of whether the existence of such Hazardous Material or the violation of Environmental Requirements arose prior to the present ownership or operation of the Property, and including, without limitation:

24.1.1 damages for personal injury, or injury to Property or natural resources occurring upon or off the Property, foreseeable or unforeseeable, including, without limitation, lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties including but not limited to claims brought by or on behalf of employees of Trustor, with respect to which Trustor waives, for the benefit of Beneficiary only, any immunity to which it may be entitled under any industrial or worker's compensation laws;

24.1.2 fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other costs incurred in connection with the investigation, cleanup or remediation of such Hazardous Materials or violation of Environmental Requirements including but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remedial, removal, abatement, containment, closure, restoration or monitoring work required by any federal state or local governmental agency or political subdivision, or reasonably necessary to make full economic use of the Property or any other Property or otherwise expended in connection with such conditions, and including without limitation any attorneys' fees, costs and expenses incurred in enforcing this Deed of Trust or collecting any sums due hereunder; and

24.1.3 liability to any person or entity to indemnify such person or entity for costs expended in connection with the items referenced in sub-Section 24 hereof.

24.2 "Environmental Requirements" means all applicable present and future statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises and similar items, of all governmental

agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial and administrative and regulatory decrees, judgments and orders relating to the protection of human health or the environment, including, without limitation:

24.2.1 all requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Materials, chemical substances, pollutants, contaminants or hazardous or toxic substances, materials or wastes whether solid, liquid or gaseous in nature, into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, pollutants, contaminants or hazardous or toxic substances, materials, or wastes, whether solid, liquid or gaseous in nature; and

24.2.2 all requirements pertaining to the protection of the health and safety of employees or the public.

24.3 "Hazardous Materials" means any substance:

24.3.1 the presence of which requires investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action or policy; or

24.3.2 which is or becomes defined as a "hazardous waste" or "hazardous substance" or "pollutant" or "contaminant" under any federal, state or local statute, regulation, rule, or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.) or the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.); or

24.3.3 which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any State of the United States, or any political subdivision thereof; or

24.3.4 the presence of which on the Property causes or threatens to cause a nuisance upon the Property or to adjacent properties or poses or threatens to pose a hazard to the Property or to the health or safety of persons on or about the Property; or

24.3.5 which contains volatile organic compounds such as gasoline, diesel fuel or other petroleum hydrocarbons; or

24.3.6 which contains polychlorinated biphenyls (PCBs) or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

24.3.7 radon gas.

25. Environmental Indemnity. Trustor agrees to indemnify, reimburse, defend, exonerate, pay and hold harmless (a) Beneficiary, its affiliates and their respective successors and assigns who acquire all or any portion of the loan secured by this Deed

of Trust or the Property in any manner, including but not limited to, purchase at a foreclosure sale, acceptance of a deed in lieu thereof or otherwise through the exercise of the rights and remedies of Beneficiary under this Deed of trust and (b) the directors, officers, shareholders, employees, successors, assigns, agents, contractors, subcontractors, experts, licensees, affiliates, lessees, mortgagees, trustees, and invitees of Beneficiary and such other persons or entities, from and against any and all Environmental Damages arising from the presence of Hazardous Materials upon, about or beneath the Property or migrating to or from the Property, or arising in any manner whatsoever out of the violation of any Environmental Requirements pertaining to the Property and the activities thereon, or the breach of any warranty or covenant or the inaccuracy of any representation of Trustor contained in this Deed of Trust unless and to the extent such Environmental Damages exist solely as a result of the gross negligence or willful misconduct of Beneficiary. This obligation shall include, but not be limited to, the burden and expense of defending all claims, suits and administrative proceedings (with counsel chosen by Trustor and reasonably approved by the indemnified parties), even if such claims, suits or proceedings are groundless, false or fraudulent, and conducting all negotiations of any description, and paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against such indemnified persons. Trustor's obligations hereunder shall not apply with respect to Environmental Damages caused after Beneficiary has purchased the Property at a foreclosure sale unless caused by Trustor, either solely or jointly with others, including Beneficiary.

26. Environmental Remedies. Notwithstanding anything to the contrary in this Deed of Trust, the rights of Beneficiary and the obligations of Trustor created under the foregoing Sections 23, 24, and 25 shall be in addition to those other rights and obligations, respectively, created or imposed by statutory, common or case law.

27. Provisional Remedies on Default. Should Trustor fail or refuse to make any payment or do any act which it is obligated hereunder to make or do, at the time and in the manner herein provided, or if any representation of Trustor in this Deed of Trust, or other document referred to herein is incorrect, then Trustee and/or Beneficiary, each in its sole discretion, may, without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof:

27.1 Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, either Trustee or Beneficiary being authorized to enter upon and take possession of said Property for such purposes;

27.2 Commence, appear in and/or defend any action or proceedings purporting to affect the security hereof, and/or any additional or other security therefor, the interest, rights, powers and/or duties of Trustee and/or Beneficiary hereunder, whether brought by or against Trustor, Trustee or Beneficiary;

27.3 Pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of either may affect or appear to affect the security of this Deed of Trust, the interest of Beneficiary or the rights, powers and/or duties of Trustee and/or Beneficiary hereunder;

27.4 Enter into and upon and take and hold possession of any or all Property covered hereby and exclude the Trustor and all other persons therefrom;

27.5 Operate, and manage the said Property and rent and lease the same and collect any and all rents, issues, income and profits therefrom, the same being hereby assigned and transferred to Beneficiary, and from time to time apply same and/or accumulate same for application, in such order and manner as Beneficiary in its sole discretion shall consider advisable, to or upon the following: The necessary and proper costs of upkeep, maintenance, repair, and/or operation of said Property, the repayment of any sums theretofore or thereafter advanced pursuant to the terms of this Deed of Trust, the interest then due or next to become due upon said indebtedness, the taxes and assessments upon said Property then due or next to become due, the unpaid principal of said indebtedness, or any other obligation secured by this Deed of Trust.

27.6 The collection and/or receipt of rents, issues, income and/or profits from said Property by Beneficiary after declaration of default and election to cause said Property to be sold under and pursuant to the terms of this Deed of Trust shall not affect or impair such default or declaration of default or election to cause said Property to be sold or any sale proceedings predicated thereon, but such proceedings may be conducted and sale effected notwithstanding the receipt and/or collection of any such rents, issues, income and/or profits. Any such rents, issues, income and/or profits in the possession of said Beneficiary at the time of sale and not theretofore applied as herein provided, shall be applied in the same manner and for the same purposes as the proceeds of the sale.

27.7 Neither Trustee nor Beneficiary shall be under any obligation to make any of the payments or do any of the acts above mentioned, but, upon election of either or both so to do, employment of an attorney is authorized and payment of such reasonable attorneys' fees and of all other necessary expenditures is hereby secured.

28. Condemnation. All moneys and awards payable as damages and/or compensation for the taking of title to or possession of, or for damage to, any portion of the Property subject to this Deed of Trust by reason of any condemnation, eminent domain or other similar proceeding shall be paid to Beneficiary, and such moneys and awards are hereby assigned to Beneficiary, and judgment therefor shall be entered in favor of Beneficiary, and when paid, may, at the option of the Beneficiary, (a) be applied, in whole or in part, by Beneficiary upon any indebtedness or obligation secured hereby, whether the same be matured or unmatured, and in such order as Beneficiary may determine, (b) be used in whole or in part to replace or restore the Property to a condition satisfactory to the Beneficiary, (c) be used in whole or in part to fulfill any of the covenants contained herein as the Beneficiary may determine, or (d) be released to the Trustor; and the Trustor hereby covenants and agrees, upon request by the Beneficiary, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid moneys and awards to the Beneficiary free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

29. Acceptance of Late Payments. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its rights either to require prompt payment when due of all other sums so secured or to declare default as herein provided for failure so to pay.

30. Waivers and Authorizations. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note or Notes secured hereby for endorsement, and without

affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said Property, Trustee may reconvey any part of said Property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustor, for itself and its successors and assigns (including without limitation any subsequent or other junior creditor of any part or all of the Property), waives any right to object to such reconveyance, mapping, easement or agreement with respect to such Property and waives any right to require that the value of such Property be applied upon the debt secured hereby (other than the amount, if any, actually received by Beneficiary in connection with any such transaction).

31. Release, Modification and Reconveyance, Waiver of Marshalling. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any property not then or theretofore released as security, for the full amount of all unpaid obligations, Beneficiary may from time to time, and without notice release any person so liable, extend the maturity or alter any of the terms of any such obligation, or grant other indulgences, release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel or portion or all of the Real Property described herein, take or release any other or additional security for any obligation herein mentioned, and/or make composition or other arrangements with debtors in relation thereto. Trustor waives any right to object to the release or reconveyance of such Property and waives any right to require that the value of any Property so released or reconveyed be applied upon the debt secured hereby (other than the amount, if any, actually received by Beneficiary in connection with any such release). Trustor agrees that if the Beneficiary at any time holds any additional security for any obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same at its option, either before or concurrently therewith or after a sale is made hereunder.

32. Substitution of Trustee. Beneficiary hereunder may, from time to time, appoint another trustee or trustees to execute the trusts hereby created; and upon the recordation of such appointment in the Office of the County Recorder of the County where such Property is situated, the new trustee or trustees shall be vested with all the title, interest, powers, duties, and trusts in the premises hereby vested in the Trustee first above named.

33. Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender to Trustee of this Deed of Trust and the Note or Notes secured hereby for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled hereto."

34. Right of Entry. The Beneficiary is authorized by itself, its agents or workmen, to enter at any time upon any part of said Property and the improvements thereon situated for the purpose of inspecting the same, and for the purpose of performing any of the acts it is authorized to perform under the terms of this Deed of Trust. Beneficiary shall reimburse Trustor for the cost of repair of any physical injury to the Property caused by

Beneficiary's gross negligence or willful misconduct during the entry, inspection, and acting on the Property pursuant to this Section.

35. Default, Acceleration and Private Sale.

35.1 Notice of Default. Should breach or default be made by Trustor in payment of any indebtedness secured hereby or in performance of any obligations, covenant, promise or agreement hereunder which breach or default is not cured within and applicable cure periods set forth below, or any representation of Trustor in this Deed of Trust, or other document referred to herein is incorrect, Beneficiary may declare all sums secured hereby immediately due and payable, and in such case, shall execute and deliver to Trustee a written declaration of default and demand for sale and written notice of default and election to cause to be sold said Property, and shall surrender to Trustee this Deed of Trust, the Note or Notes secured hereby and all documents evidencing any expenditures hereunder. Thereafter such notice of default and election to cause said Property to be sold to satisfy the obligations hereof shall be duly filed for recordation. The applicable cure periods for breach or default shall be as follows: (i) if a breach or default results from Trustor's non-payment of any sums due to Beneficiary, Trustor shall cure the breach or default within ten (10) days following receipt of notice of default from Beneficiary, and (ii) for any other default, Trustor shall cure the default within thirty (30) days following receipt of notice of default from Beneficiary; provided, that if the default cannot reasonably be cured within said thirty (30) day period, Trustor shall commence curing the default within said period and complete curing the default within the time period reasonably necessary to cure said default, not to exceed ninety (90) days, unless extended by Beneficiary in its sole discretion.

35.2 Right to Rescind. Beneficiary, from time to time before Trustee's sale, may rescind any such notice of breach or default and of election to cause to be sold said Property by executing and delivering to Trustee a written notice of such rescission, which notice, when recorded, shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other declarations of default and demand for sale, and notices of breach or default, and of election to cause to be sold said Property to satisfy the obligations hereof, nor otherwise affect any provision, covenant or condition of said Note or Notes and/or of this Deed of Trust or any of the rights, obligations, or remedies of the parties thereunder.

35.3 Private Sale. At least three (3) months having elapsed after recordation of notice of default, without demand on Trustor, said Trustee, having first given notice of sale as then required by law, shall sell said Property at the time and place of sale fixed by it in the notice of sale at public auction to the highest bidder for cash, payable at time of sale. The whole of the trust estate shall be sold in a single lot or parcel and as an entirety unless the Beneficiary shall, in writing, direct the Trustee to sell said trust estate in separate parcels and shall direct the Trustee as to the parcels into which the trust estate shall be divided for purposes of sale and the order in which said parcels shall be offered for sale. Trustor, for itself and its successors and assigns (including without limitation any subsequent or other junior creditor of any part or all of the Property), waives any right to marshalling of assets or any right to require any part of the Property to be sold prior to any other part of the Property or any right to require the Property to be sold in parcels rather than as a whole. Trustee may postpone sale of all or any portion

of said Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Without further notice Trustee may make such sale at the time to which same shall be so postponed. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied, and the recitals in such deed or deeds of any matters or facts affecting the regularity or validity of said sale shall be conclusive (except as against the parties hereto) proof of the truthfulness thereof; also such deed or deeds shall be conclusive (except as against the parties hereto) against all persons as to all matters or facts therein recited. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

35.4 Application of Sale Proceeds. Trustee shall apply the proceeds of any such sale to payment of:

35.4.1 All costs, fees, charges and expenses of Trustee and of these trusts, reasonable fees of any attorneys employed by Trustee and/or Beneficiary pursuant to the provisions hereof, Trustee's fees in connection with sale, and all expenses of sale, including cost of procuring guarantee or evidence of title in connection with the sale proceedings and other costs associated with the Trustee's Deed;

35.4.2 All other sums then secured hereby, including indebtedness described herein, all sums advanced or expended under the terms hereof and not then repaid, the interest on each of the foregoing items, all in such manner and order of priority or preference as the Beneficiary may in its sole and absolute discretion determine;

35.4.3 The remainder, if any, to the person or persons legally entitled thereto, upon proof satisfactory to the Trustee of such right.

36. Successors and Assigns. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder, including Pledgees, of the Note secured hereby, whether or not named as Beneficiary herein.

37. Severability. If any provision hereof should be held unenforceable or void, then such provision shall be deemed separable from the remaining provisions and shall in no way affect the validity of this Deed of Trust.

38. Acceptance by Trustee. Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

39. No Notice by Trustee. Trustee shall be under no obligation to notify any party hereto of any action or proceeding of any kind in which Trustor, Beneficiary and/or Trustee shall be a party, unless brought by Trustee, or of any pending sale under any other Deed of Trust.

40. Number and Gender. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

41. Waiver of Statute of Limitations. The right to plead any and all statutes of limitations as a defense to any demand secured by this Deed of Trust is hereby waived to the full extent permissible by law.

42. Trust Irrevocable. The Trust created hereby is irrevocable by the Trustor.

43. Interpretation. The term "and/or" as used herein means one or the other or both, or any one or all, of the things or persons in connection with which the words are used. Section headings are for reference only and shall not be considered in the interpretation of this Deed of Trust.

44. Maximum Interest Rate. Notwithstanding any provision herein or in said Note, the total liability for payments in the nature of interest shall not exceed the limits now imposed by the usury laws of the State of California.

45. Request for Notice of Default. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the following address:

Trustor: Loomis Mill Group, LLC
3750 Taylor Road
Loomis, CA 95650
Attn: Scott Paris

46. Materiality. Each and every provision, covenant, term and condition, representation and warranty herein contained is agreed to be a material provision hereof, and any breach thereof shall constitute a sufficient ground for acceleration of the due date of the indebtedness secured hereby and a sufficient ground for foreclosure in the event of failure of Trustor either to cure said breach within the time periods, if any, herein provided or to pay in full the indebtedness hereby secured.

TRUSTOR:

Loomis Mill Group, LLC
a California limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of the Property

The land described herein is situated in the State of California, County of Placer, Town of Loomis, described as follows:

PARCEL ONE:

Beginning at a point on the Northwesterly boundary of the Victory Highway right of way near the Town of Loomis, Placer County, California, from which point the 1/4 Section Car. between Section 9 and 10, Township 11 North, Range 7 East, M.D.B.&M., bears South 83° 42' East a distance of 1,404.0 feet and running thence North 53°38' West 100.0 feet, thence South 36° 22' West 75.0 feet thence East 125.0 feet to the point of beginning, being the same land conveyed to the County of Placer November 8, 1923 in Book 211, Page 88, Official Records.

PARCEL TWO:

Beginning at a point on the Northwesterly boundary of the State Highway, from which point Engineer's Station 360-92.1 bears South 36° 38' West 187.12 feet, and running thence North 35° 57' East 72.7 feet; thence North 88° 45' East 43.8 feet to a point on the Northwesterly boundary of said Highway; thence South 55° 19' West 104.25 feet along said boundary of said Highway 10 the place of beginning; being further described as being a fractional part of the Northeast quarter of Section 9, Township 11 North, Range 7 EasJ M.D.B.&M., being the same land conveyed to the County of Placer, in deed recorded September 6, 1923 in Book 209, Page 449, Official Records.

PARCEL THREE:

That portion of State Highway right of way in Section 9, Township 11 North Range 7 East M.D.B.&M., described as follows:

Commencing at the point of intersection of the South line of a triangular parcel of land owned by the County of Placer with a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works' Survey between Loomis and Newcastle, Road 111-PLA-17- A, from which point Engineer's Equation Station 369+89.5 = 369+90.9 of said survey bears North 44° 56'30" East 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 1O' East 12.0 feet and South 83° 42' East 1,404.0 feet; thence, from a tangent that bears South 39° 45' 30" West along said concentric curve, to the right with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet; thence, South 64° 29' West 176.2 feet to the Southeasterly right of way line of the Southern Pacific Company; thence, along said Southeasterly line North 35° 45' East 166.8 feet to the most Westerly corner of said triangular parcel; thence, along the South line of said triangular parcel North 89°10' East 113.0 feet to the point of beginning; being the same land relinquished to the County of Placer by Instrument recorded November 29, 1937 in Book 375, Page 74, Official Records.

PARCEL FOUR:

All that portion of State Highway 40 as conveyed to the County of Placer from the State of California in that certain "Relinquishment of Superseded State Highway in the County of Placer, road III PLA 17-A", recorded June 30, 1960 in Volume 840 at Page 426, Official Records of Placer County that lies Northwesterly of the following described line:

Commencing at the most Easterly corner of the above described Parcel Two being on a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works Survey between Loomis and Newcastle, Road III PLA-17-A, from which point Engineers Equation Station 369+89.5 - 369+90.9 of said survey bears North 44° 56' 30" East, 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 10' East, 12.0 feet and South 83° 42' East 1,404.0 feet; thence from said point of commencement, along the Southeasterly line of said parcel from a tangent that bears South 39° 45' 30" West, along said concentric curve, to the right, with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet to the Southeast corner of said Parcel Two, the true point of beginning; thence continuing along the arc said concentric curve, with a radius of 4,960 feet, for a distance of 520 feet, more or less, to the Southeasterly right of way line of the Union Pacific Railroad (formally Southern Pacific Railroad).

EXCEPTING THEREFROM Parcels One, Two, Three and Four above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

APN: 044-133-003

PARCEL FIVE:

All of parcels 1, 2, 3, and 7 as described in the Quitclaim Deed to the Town of Loomis, and Parcel 4 as described in the Donation Quitclaim Deed to the Town of Loomis recorded on December 12, 2008, as Document No. 2008-0095584 and 2008-0095585 respectively, Placer County Official Records, and all that Real property described in the Quitclaim Deed to the Town of Loomis, recorded on December 28, 2000, Placer County Official Records, lying within the East half of Section 9, Township 11 North, Range 7 East, M.D.B. & M., in the County of Placer, State of California, described as follows:

Commencing at the Northeast corner of said Section 9, thence South 26° 13' 03" West 1,476.42 feet to the most Easterly corner of said Parcel 4, said point being the point of beginning; thence along the Southeasterly line of said Parcel 4, South 36° 09' 53" West 2,059.80 feet to a point on the Northerly right of way line of Taylor Road (80 feet in width); said point being the beginning of a non-tangent curve concave to the Northwest, having a radius of 4,960.00 feet, and a radial bearing of South 42° 16' 10" East; thence along said Northerly right of way line, 387.99 feet Southwesterly along said curve through a central angle of 04° 28' 55"; thence continuing along said Northerly right of way line, South 52° 12' 45" West 361.96 feet to the most Southerly corner of said Parcel 7; thence leaving said Northerly right of way line, North 39° 45' 45" West 69.15 feet to the most Westerly corner of said Parcel 7; thence along the Westerly, Northeasterly, and Southeasterly lines of said Parcels 7, 3, 2, 1 and said real property to the Town of Loomis the following five courses:

1. North 51° 49' 22" East 11.19 feet to the beginning of a curve to the left, having a radius of 2,874.84 feet;

2. 785.65 feet North along said curve through a central angle of 15° 39' 29";

3. North 36° 09' 53" East 2,539.39 feet;

4. South 54° 09' 57" East 150.00 feet;

5. South 36° 09' 53" West 559.41 feet to the point of beginning, as described on Boundary Line Adjustment recorded January 11, 2011, Instrument No 2011-0003828, Official Records.

EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

ALSO EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris, et ux. in Deed recorded February 27, 2015, as Instrument No. 2015-0014060-00, Official Records.

APN: 044-080-063 & 044-120-074

EXHIBIT B

PERSONAL PROPERTY COLLATERAL

PAGE 1 OF 2

The Property which is covered by this Deed of Trust specified in Exhibit "A" and the Collateral are together sometimes referred to in this instrument as the "Property".

The Collateral shall consist of:

1. All Trustor's interest in and to all existing and future goods located on or about the real property described above in Exhibit "A" (the "Real Property") which are used in the operation or occupancy of the Real Property or in any development of or construction on the Real Property, including but not limited to all apparatus, fixtures and articles of personal property now or any time hereafter attached to, placed in or upon or used in any way in connection with the Real Property, and including but not limited to all furniture, refrigerators, freezers, stoves, ovens, ranges, hoods, vents and fans, disposals, dishwashers, washing machines, dryers, air conditioners, cabinets, carpeting, drapes, screens, awnings, storm windows and doors, window shades, blinds, floor coverings, boilers, tanks, furnaces, radiators, fire alarm and other security systems, music systems, machinery, motors, compressors, and all heating lighting, plumbing, gas electric, ventilating refrigerating, air-conditioning, sprinkler and incinerating equipment, transformers, water wells, storage tanks, landscaping, pool equipment and furniture, dumpsters (or, to the extent leased, Trustor's leasehold interest therein) and parking lot and other common area sweeping and cleaning equipment, and equipment and furnishings in or for the recreation room, halls, entry rooms and all other common areas; and including inventory, construction tools and equipment, appliances, furniture and furnishings, building service equipment, and building materials, supplies and equipment of any kind.

2. All general intangibles, chattel paper, instruments, documents and accounts owned by Trustor and relating to the development, use or occupancy of or construction on the Real Property, including but not limited to all governmental licenses, map rights, approvals and permits, all materials prepared for filing or filed with any public or quasi-public governmental entities or any public utilities and all of Trustor's rights under any contract whether or not otherwise specifically assigned to Beneficiary.

3. All of the right, title and interest of Trustor in and to (i) all sales contracts applicable to any portion of the Real Property, together with any and all modifications thereof, and also together with all deposits or other payments made in connection therewith; (ii) all refundable or returnable fees, bonds, securities or other Property held by any public or quasi-public governmental entities, utility companies or others; (iii) all leases of any part or all of the Real Property now or hereafter entered into and all right, title and interest of Trustor thereunder, including (to the extent permitted by law) but not limited to cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of said leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of said terms; (iv) all advance payments of insurance premiums made by Trustor with respect to any part of the Real Property and claims or demands relating to insurance;

(v) all advance payments by Trustor of any kind for the benefit of the Real Property including but not limited to those under maintenance or service contracts, property taxes, advertising expenses and commissions; (vi) all funds deposited by Trustor with Beneficiary under the Note and the Agreement; and (vii) all take out or similar agreements or commitments in connection with the loan to Trustor or the Real Property.

4. All rights of Trustor in and to all furniture, furnishings, fixtures and equipment now or hereafter located upon or used in connection with the above-described Real Property.

5. All refunds, proceeds of financing and other payments, and all rights thereto, received by Trustor or to which it is entitled as a result of any assessment bonds issued in connection with the secured Property or property adjacent thereto.

6. The products and proceeds of all of the above.

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

ACKNOWLEDGMENT

State of California)
County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

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

State of California)
County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit E

GRANT DEED

NO FEE DOCUMENT
Government Code § 6103 & § 27383

Recording Requested By and When Recorded, Mail This Document and Tax Statements To:

Loomis Mill Group, LLC
3750 Taylor Road
Loomis, CA 95650
Attention: Scott Paris

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned Grantor(s) declare(s):

Documentary transfer tax is: _____
(x) computed on full value of property conveyed, or
( ) computed on full value less value of liens and encumbrances remaining at time of sale.
( ) Unincorporated area (x) Town of Loomis.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Town of Loomis, a California municipal corporation, the Grantor hereby

GRANT(s) to

Loomis Mill Group, LLC, a California limited liability company, the Grantee,

the following described real property located in the Town of Loomis, County of Placer, State of California:

[See **Exhibit A** attached hereto]

Dated: _____, 20__.

GRANTOR:

Town of Loomis,
a California municipal corporation

By: _____
Sean Rabe, Town Manager

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

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)ss
COUNTY OF _____)

On _____, 20__, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A to Grant Deed

(Legal Description of Property)

The land described herein is situated in the State of California, County of Placer, Town of Loomis, and is described as follows:

PARCEL ONE:

Beginning at a point on the Northwesterly boundary of the Victory Highway right of way near the Town of Loomis, Placer County, California, from which point the 1/4 Section Car. between Section 9 and 10, Township 11 North, Range 7 East, M.D.B.&M., bears South 83° 42' East a distance of 1,404.0 feet and running thence North 53°38' West 100.0 feet, thence South 36° 22' West 75.0 feet thence East 125.0 feet to the point of beginning, being the same land conveyed to the County of Placer November 8, 1923 in Book 211, Page 88, Official Records.

PARCEL TWO:

Beginning at a point on the Northwesterly boundary of the State Highway, from which point Engineer's Station 360-92.1 bears South 36° 38' West 187.12 feet, and running thence North 35° 57' East 72.7 feet; thence North 88° 45' East 43.8 feet to a point on the Northwesterly boundary of said Highway; thence South 55° 19' West 104.25 feet along said boundary of said Highway 10 the place of beginning; being further described as being a fractional part of the Northeast quarter of Section 9, Township 11 North, Range 7 EasJ M.D.B.&M., being the same land conveyed to the County of Placer, in deed recorded September 6, 1923 in Book 209, Page 449, Official Records.

PARCEL THREE:

That portion of State Highway right of way in Section 9, Township 11 North Range 7 East M.D.B.&M., described as follows:

Commencing at the point of intersection of the South line of a triangular parcel of land owned by the County of Placer with a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works' Survey between Loomis and Newcastle, Road 111-PLA-17- A, from which point Engineer's Equation Station 369+89.5 = 369+90.9 of said survey bears North 44° 56'30" East 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 1O' East 12.0 feet and South 83° 42' East 1,404.0 feet; thence, from a tangent that bears South 39° 45' 30" West along said concentric curve, to the right with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet; thence, South 64° 29' West 176.2 feet to the Southeasterly right of way line of the Southern Pacific Company; thence, along said Southeasterly line North 35° 45' East 166.8 feet to the most Westerly corner of said triangular parcel; thence, along the South line of said triangular parcel North 89°10' East 113.0 feet to the point of beginning; being the same land relinquished to the County of Placer by Instrument recorded November 29, 1937 in Book 375, Page 74, Official Records.

PARCEL FOUR:

All that portion of State Highway 40 as conveyed to the County of Placer from the State of California in that certain "Relinquishment of Superseded State Highway in the County of Placer, road III PLA 17-A", recorded June 30, 1960 in Volume 840 at Page 426, Official Records of Placer County that lies Northwesterly of the following described line:

Commencing at the most Easterly corner of the above described Parcel Two being on a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works Survey between Loomis and Newcastle, Road III PLA-17-A, from which point Engineers Equation Station 369+89.5 - 369+90.9 of said survey bears North 44° 56' 30" East, 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 10' East, 12.0 feet and South 83° 42' East 1,404.0 feet; thence from said point of commencement, along the Southeasterly line of said parcel from a tangent that bears South 39° 45' 30" West, along said concentric curve, to the right, with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet to the Southeast corner of said Parcel Two, the true point of beginning; thence continuing along the arc said concentric curve, with a radius of 4,960 feet, for a distance of 520 feet, more or less, to the Southeasterly right of way line of the Union Pacific Railroad (formally Southern Pacific Railroad).

EXCEPTING THEREFROM Parcels One, Two, Three and Four above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

APN: 044-133-003

PARCEL FIVE:

All of parcels 1, 2, 3, and 7 as described in the Quitclaim Deed to the Town of Loomis, and Parcel 4 as described in the Donation Quitclaim Deed to the Town of Loomis recorded on December 12, 2008, as Document No. 2008-0095584 and 2008-0095585 respectively, Placer County Official Records, and all that Real property described in the Quitclaim Deed to the Town of Loomis, recorded on December 28, 2000, Placer County Official Records, lying within the East half of Section 9, Township 11 North, Range 7 East, M.D.B. & M., in the County of Placer, State of California, described as follows:

Commencing at the Northeast corner of said Section 9, thence South 26° 13' 03" West 1,476.42 feet to the most Easterly corner of said Parcel 4, said point being the point of beginning; thence along the Southeasterly line of said Parcel 4, South 36° 09' 53" West 2,059.80 feet to a point on the Northerly right of way line of Taylor Road (80 feet in width); said point being the beginning of a non-tangent curve concave to the Northwest, having a radius of 4,960.00 feet, and a radial bearing of South 42° 16' 10" East; thence along said Northerly right of way line, 387.99 feet Southwesterly along said curve through a central angle of 04° 28' 55"; thence continuing along said Northerly right of way line, South 52° 12' 45" West 361.96 feet to the most Southerly corner of said Parcel 7; thence leaving said Northerly right of way line, North 39° 45' 45" West 69.15 feet to the most Westerly corner of said Parcel 7; thence along the Westerly, Northeasterly, and Southeasterly lines of said Parcels 7, 3, 2, 1 and said real property to the Town of Loomis the following five courses:

1. North 51° 49' 22" East 11.19 feet to the beginning of a curve to the left, having a radius of 2,874.84 feet;

2. 785.65 feet North along said curve through a central angle of 15° 39' 29";

3. North 36° 09' 53" East 2,539.39 feet;

4. South 54° 09' 57" East 150.00 feet;

5. South 36° 09' 53" West 559.41 feet to the point of beginning, as described on Boundary Line Adjustment recorded January 11, 2011, Instrument No 2011-0003828, Official Records.

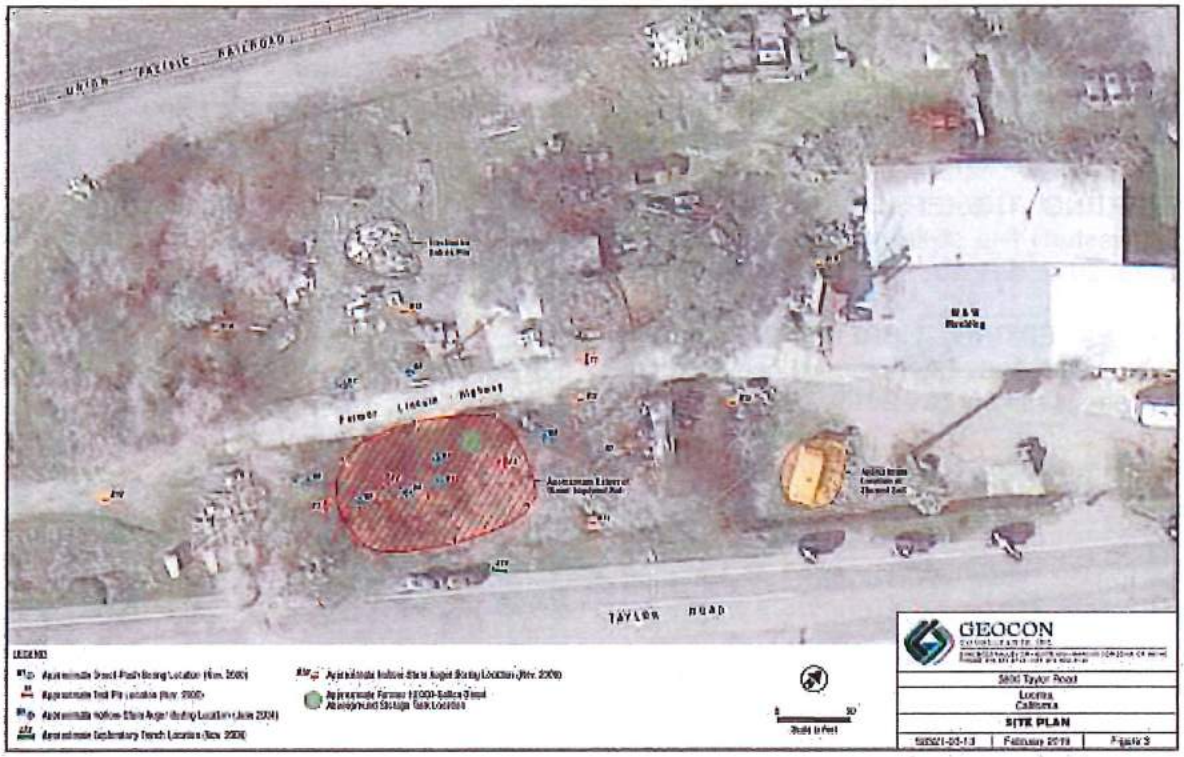
EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

ALSO EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris, et ux. in Deed recorded February 27, 2015, as Instrument No. 2015-0014060-00, Official Records.

APN: 044-080-063 & 044-120-074

Exhibit F

Restricted Access Map



Request for Proposal

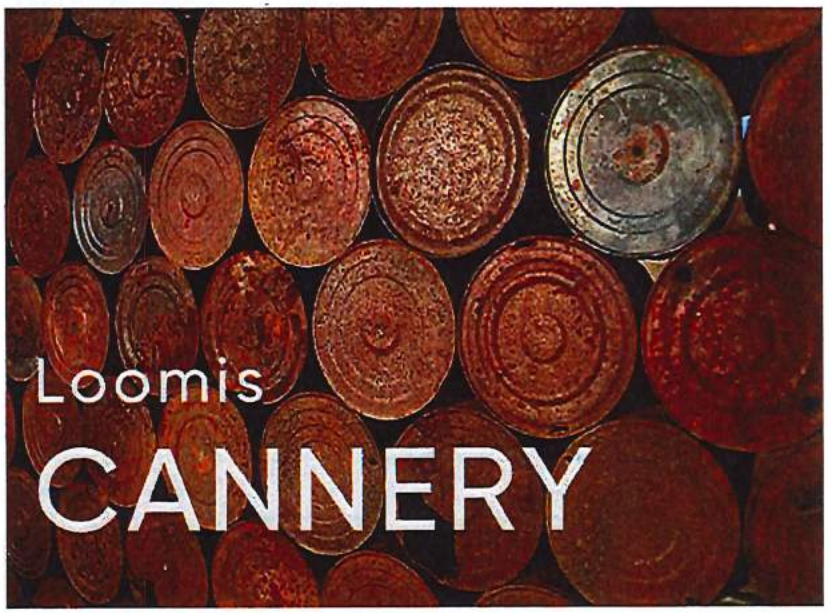
Town of Loomis

WW Molding Plant
3800 Taylor Road
Loomis, California
October 07, 2018

A JOINT SUBMITTAL BY:

Loomis Basin Brewing Co.
The Gowan Family

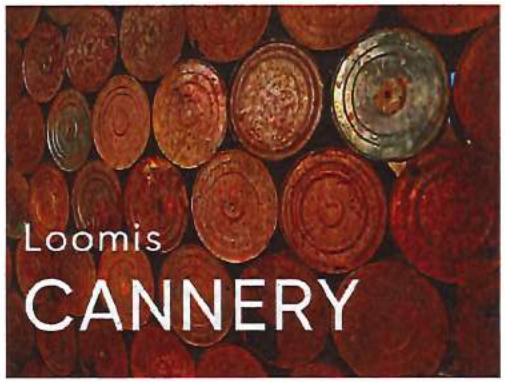
High-Hand Nursery & Café
Scott Paris



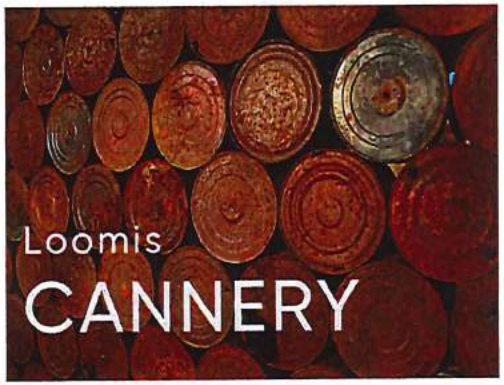
PROJECT CO-MANAGERS:

High-Hand Nursery & Café
Scott Paris
P.O. Box 2280
Loomis, California 95650
916.660.0117

Loomis Basin Brewing Inc.
Jim Gowan
3277 Swetzer Road
Loomis, California 95650
916.402.1529



- COVER PAGE
- TABLE OF CONTENTS PAGE 1
- LETTER OF INTRODUCTION PAGE 2
- COMPANY PROFILE – LOOMIS BASIN BREWING CO. PAGE 3
- COMPANY PROFILE – HIGH-HAND NURSERY & CAFÉ PAGE 4
- PROPOSED BUSINESS PLAN PAGE 5
- CONCEPTUAL LAND USE & SITE PLAN PAGE 12
- TERMS OF OFFER PAGE 14



October 7, 2018

Town of Loomis
Mr. Sean Rabe'
Town Manager
3665 Taylor Road
Loomis, California 95650

RE: Request for Proposal Response – WW Molding Plant

Dear Mr. Rabe':

High-Hand Nursery & Café and Loomis Basin Brewery are excited about the opportunity to work with the Town of Loomis on the Wood Mill project. Our goal is to draw upon the cities innovative planning concepts along with our own to create a unique regional destination. We wish to create an agricultural urban core with a diverse range of unique elements. We feel this will bolster the demand for other retail opportunities in the downtown core.

We fully understand the city's goal is to identify a project team that can successfully bring this property to life. Through a creative and collaborative effort with the city and community we will execute with the highest priority. Our two companies have determined that the optimal strategy is to combine forces such that the community may benefit from our financial resources and unmatched creativity and track record. We feel our collaboration stands alone considering our collective ability to execute and our solid reputations which are reflected in the creation of successful down town businesses. High-Hand Nursery and Café and Loomis Basin Brewery have become regional draws. We can no doubt bring vibrancy to the down town core.

Please find our enclosed response to the Request for Proposals plan. We are excited to share our ideas for this opportunity to the Town of Loomis. We are ready to go to work.

Sincerely,

Scott Paris
Owner

Kenny Gowan
Co-Owner

James Gowan
Co-Owner

LOOMIS BASIN BREWING INC. EST. 3-12-2010

LBB was conceived in 2010 as a family business to produce hand-crafted English Ales and lagers while offering a local neighborhood atmosphere for the community to gather and enjoy a pint.
We quickly found that niche with the Loomis Basin Community.

LBB's goal was to immerse itself in the community and its nonprofits to help provide services, products, and support. We felt for LBB to be a success it would have to become a piece of the foundation of Loomis and its community. And with that support LBB has grown into 4 companies within itself.

We control the manufacturing and packaging of our craft beers utilizing our own equipment. LBB is one of the very few breweries in our surrounding area of over 60 that retains full control of all it's products and distribution. We have consistently grown our wholesale market 30% year over year. We hold the exclusive properties for contracting & distribution of the Alohawk Ale for the Beach Hut Deli Franchise representing 30 Northern California stores with Southern California coming online with an additional 10-15 stores.

The Tasting Room and Beer Garden have grown with time to accommodate our growing patronage. Our Concert series grows every year, our event space is given to various non-profits for their use to facilitate their various fundraising goals.

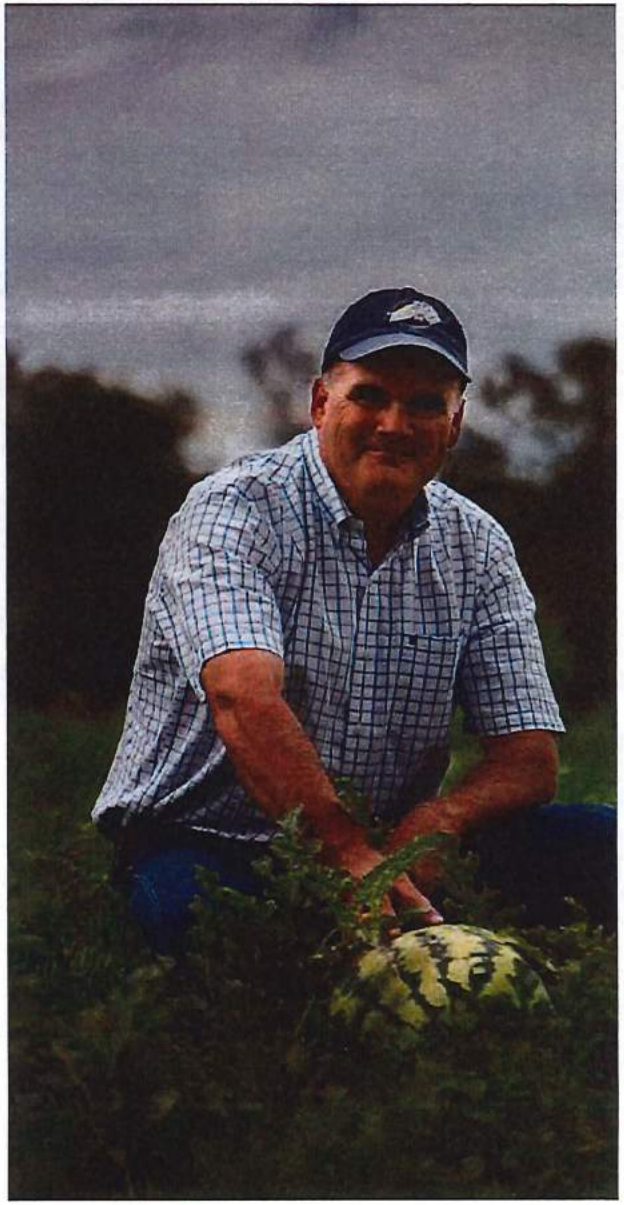
In Aug of 2016 LBB opened its second retail location in the heart of Town. We saw the need for additional retail options for the community to patronize and we filled that void with our GastroPub and Smoke House. We felt confident that the town of Loomis would support our second venture with the same enthusiasm & loyalty, and because of those efforts we are confident in pursuing our goals of expansion and future development.

Loomis Basin Brewing Co. Inc. currently employs 45 local and talented individuals We see our family business as part of the Town's fabric. Our goal as a family is to grow, prosper, contribute and giveback; with one day passing on the business to the next generation.

HIGH-HAND NURSERY & CAFÉ,
PARIS ENTERPRISES INC.
EST. 2001

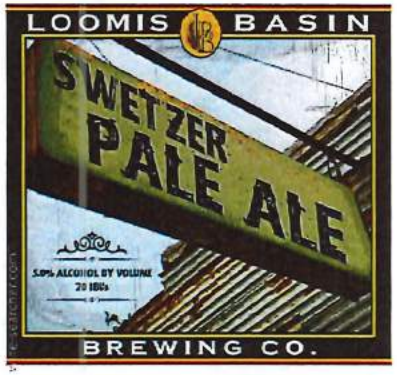
High-Hand Nursery & Café was born out of a relic. Our unique vison along with the support of the Town of Loomis has spawned an inspirational, experiential destination spot. Voted the best Garden Center in the US by 250 national peers inspires us to continue to innovate.

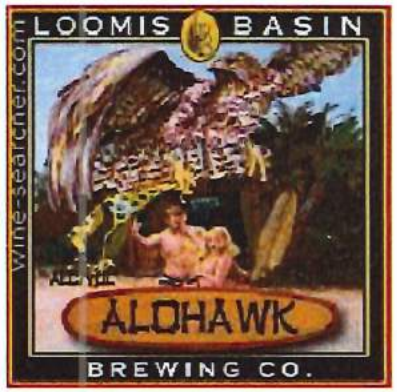
We are a destination for travelers from the bay area, Reno and beyond. We are a stop for tour buses and large groups that take tours and as well as a destination wedding site. Our businesses include High- Hand Café, High-Hand Nursery, High-Hand Flower Market and Gift store, High-Hand Mercantile, Truckee Mountain Rug Company, Tin Thimble, Leo Eleven, High-Hand Olive Oil Company, High-Hand Art Gallery and Magic Sun Solar as well as our Gladdening McBean Showroom. Our team of over 60 unique and dedicated individuals strive to be ambassadors for our business and town.

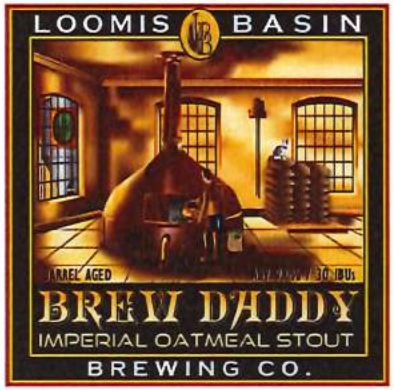


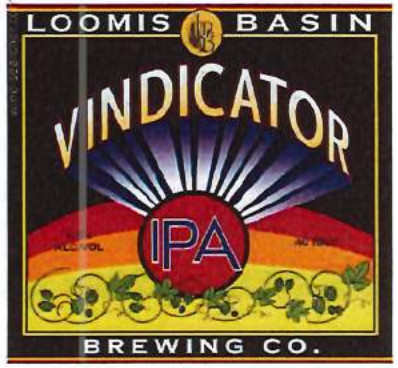
LOOMIS BASIN BREWING COMPANY INC.

We are an Independent Family Owned and Operated business. Voted year over year "Best Place" to meet up with Friends... The Town of Loomis has allowed our small business to grow and inspires us to continue the expansion, development & innovation of our family company. We have made the commitment to set our goals higher still with the collaboration of LBB and High Hand Nursery.









LOOMIS DISTILLERY & BARREL HOUSE

On our horizon is the addition of the Art of Distillation & Craft Spirits. In keeping with our dedication to the Craft Brewing Industry we are excited to add Craft Spirits to our lineup of quality beverages, developing a Regional Brand Identity. Capitalizing on the new beverage laws allowing the tasting and selling of craft spirits we can be assured of increased demand and retail sales for our community.

We will provide a Vintage Style Feel to our Spirit Cellar and Tasting Room. A hands on interactive experience with docents to explain the Distillation Art process. With always the goal to create an destination experience whereby our exclusive products can only be acquired in person.

LOOMIS BREWING CO. MANUFACTURING AT THE CANNERY

LBB will be moving its current production, manufacturing & distribution services to the New Cannery location. We will re-create the same neighborhood hang-out for our loyal patrons, but on a larger scale to accommodate the "destination" weekend crowds.

We are excited to expand on our successful footprint based on Swetzer Rd. We are bursting at the seams and welcome the opportunity to expand yet again, but more importantly become a focal point in the heart of town.

HIGH-HAND OLIVE OIL COMPANY

Gourmet Olive Oil & Vinegar on Tap.

Taste gourmet olive oil and vinegar in the heart of the historic High-Hand Fruit Shed. Sample our quality extra virgin olive oil available in a variety of blends from California to Greece. Our olive oils and balsamic vinegars are infused with natural flavors. We also offer hand-stuffed olives, small batched tapenades, dips, mustards, salsas and hand-packed pickled vegetables. Offering Maple Rocks Wildflower Honey and gift baskets making High-Hand Olive Oil Company a must see experience.

THE CANNERY BAKERY

Will be a dream come true... the addition of the wood -fired pizza oven at the brewery quickly became a Friday night ritual among our patrons. We will capitalize on that theme and create true handmade artisan breads in a wood oven application.
Our goal is to incorporate the "spent" grains of the brewing cycle into a hearty European style breads and pastries, adding another layer to the Cannery experience. We envision the "community" bakery shop for daily local purchases... but also that warm baguette for the guest's basket of provisions Utilizing fresh High Hand grown herbs, brewery spent grains along with a "brewhouse" yeast culture that will be unique to our surroundings.

THE CANNERY CHARCUTERIE & PROVISIONS

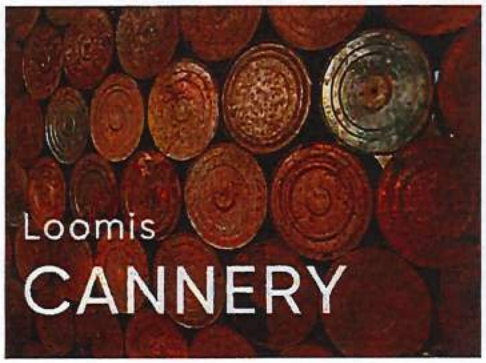
Keeping with the vision of local farm to table grown products we want to capitalize on our unique local farmers and the abundance of products they produce. We will continue the practice of harvesting from our local farmers and share the experience with a plethora of craft made products. We want to bring back the Old Time tradition of the butcher shoppe, with a selection of hand cured meats, and artisan cheese. Along with the art of fermentation, we will use the on site produce grown from High-Hand & Maple Rock farms to create a wide assortment of pickled products for that basket of delights.

LOOMIS CANNERY PUBLIC STAGE ▪ BEER GARDENS ▪ PICNIC GROUNDS

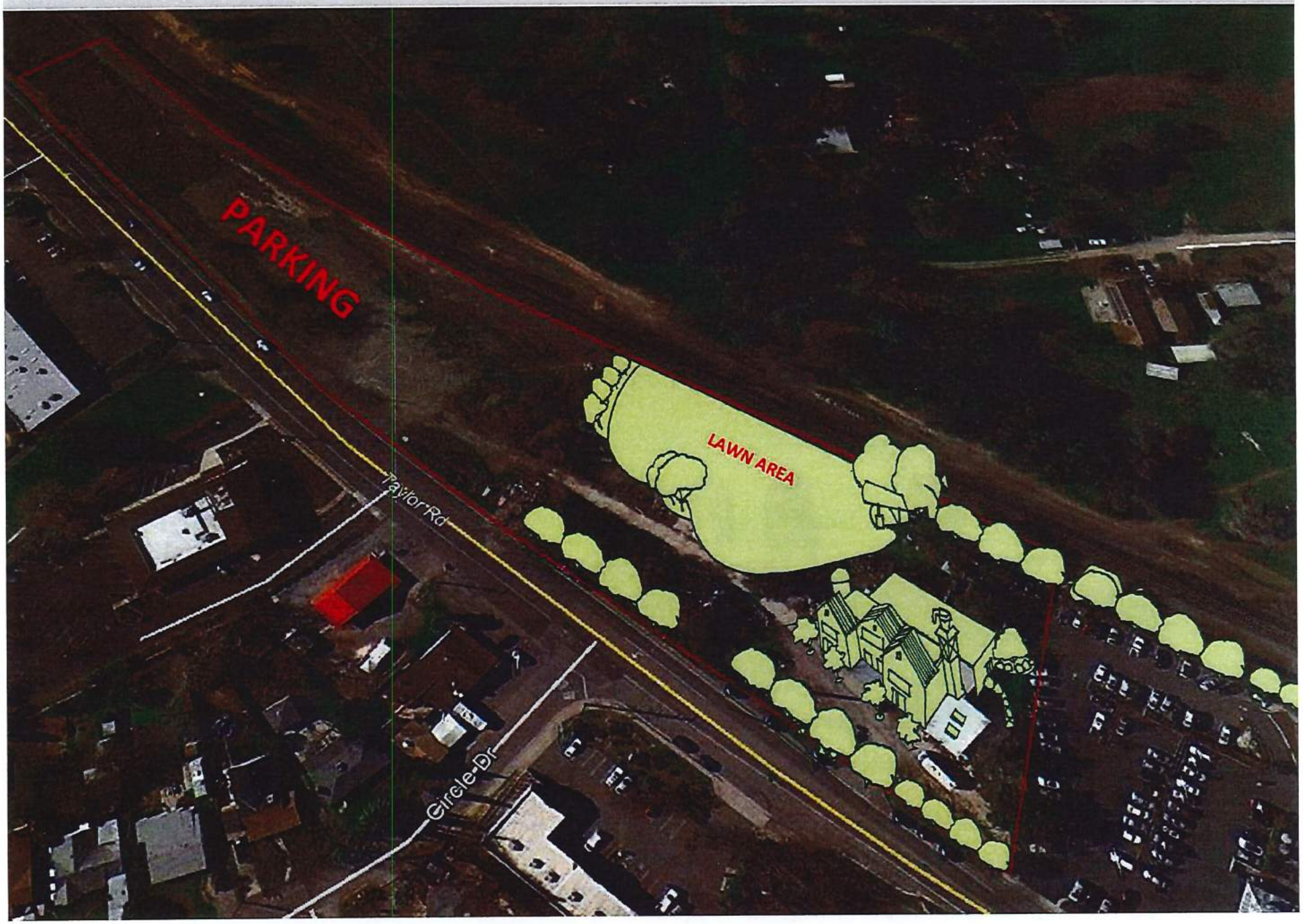
Our collaborative vision for the Community Amphitheater & Beer Gardens will be for the patron to experience the collection of Hand Crafted provisions made on site. Our guests will be provided baskets that they can pick up at any venue fill with their selections, make their purchases & stroll to the outdoor gardens. Grab a seat in the Beer Gardens, or throw a blanket down and enjoy! With the new and relaxed laws newly passed we now as a collaborative company can allow the "tasting" and "consumption" of our Craft beverages on site. Creating a one - stop experience with a myriad of hand-made products at their fingertips. We will create a Summer Music Series, Live Plays and Productions. A true family experience the can kids roam, play and watch the trains go by. The venue will also accommodate weddings, graduations and corporate events. Non-profits will benefit from all aspects of the space that we will create. A community space to enjoy the true meaning of a "Small Town is like a Big Family".

ANNUAL SALES REVENUE PROJECTIONS

Business Unit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Brewery & Tasting Room	389,750	467,700 20%	537,855 15%	591,641 10%	621,223 5%	652,284 5%	3,260,452
Distillery & Barrel House	275,800	358,540 30%	448,175 25%	537,810 20%	618,482 15%	680,330 10%	2,919,136
Craft Soda & Kabocha	105,975	137,768 30%	179,098 30%	223,872 25%	268,647 20%	295,511 10%	1,210,870
Bakery & Cheese Shop	62,300	80,990 30%	105,287 30%	131,609 25%	157,931 20%	173,724 10%	711,840
Butchery & Charcuterie	209,450	272,285 30%	353,971 30%	442,463 25%	530,956 20%	584,051 10%	2,393,176
Olive Oil & Merchantile	150,000	195,000 30%	253,500 30%	316,875 25%	380,250 20%	418,275 10%	1,713,900
TOTAL ANNUAL SALES:	1,193,275	1,512,283	1,877,885	2,244,270	2,577,487	2,804,174	12,209,374
ESTIMATED SALES TAX:	105,903	134,215	166,662	199,179	228,752	248,870	1,083,582

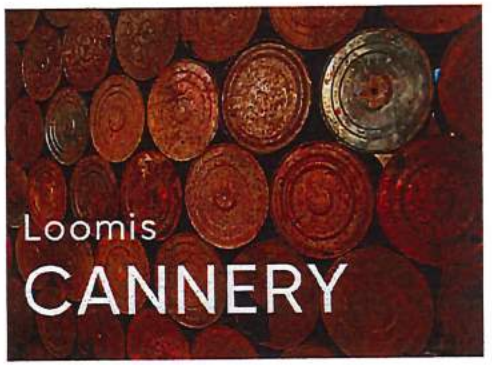


Berg Ln
Taylor Rd
Park
Shawn Way
Taylor Rd
Loomis


PARKING
LAWN AREA
Taylor Rd
Circle Dr

HIGH-HAND
Marketplace

HIGH-HAND
Marketplace
LOOMIS CANNERY



OFFERING TERMS.

The following proposal is a joint venture ("JV") between Scott Paris of High-Hand Nursery & Café and the Gowan family of Loomis Basin Brewing Company. The JV will form a limited liability company that will execute a master lease with the Town of Loomis and own the real property pursuant to the terms and conditions stated herein.

The following outlines the salient terms of our joint proposal:

1. **EXCLUSIVE RIGHT TO NEGOCIATE.** Upon acceptance and award of the RFP for the WW Molding Plan property, the Town of Loomis will enter into an Exclusive Right to Negotiate ("ERN") with the JV.

2. **DUE DILIGENCE.** The JV is respectfully requesting a due diligence period of ninety (90) days after the effective date of the "ERN"

3. **LEASE–OPTION.** JV proposes to execute a lease agreement with the Town of Loomis for lease term of five (5) years, pursuant to the lease schedule:
   (a) Year One - $800.00 per month
   (b) Year Two - $1,000.00 per month
   (c) Year Three - $1,200.00 per month
   (d) Year Four - $1,500.00 per month
   (e) Year Five - $2,000.00 per month

4. **PURCHASE PRICE.** JV will exercise it's right to purchase the property at anytime within the lease-option five year term for all-cash in the amount of $500,000.00

Request for Proposal

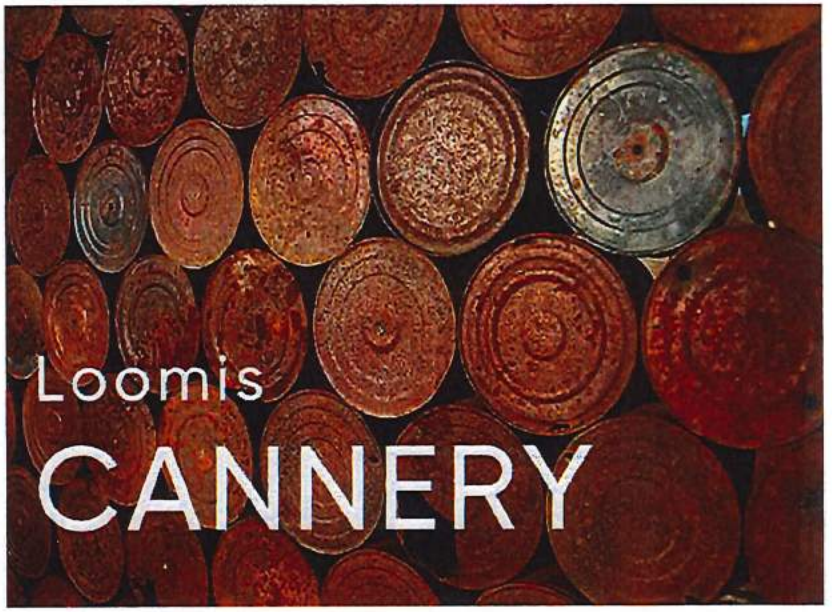
Town of Loomis

WW Molding Plant
3800 Taylor Road
Loomis, California
October 07, 2018

A JOINT SUBMITTAL BY:

Loomis Basin Brewing Co.
The Gowan Family

High-Hand Nursery & Café
Scott Paris

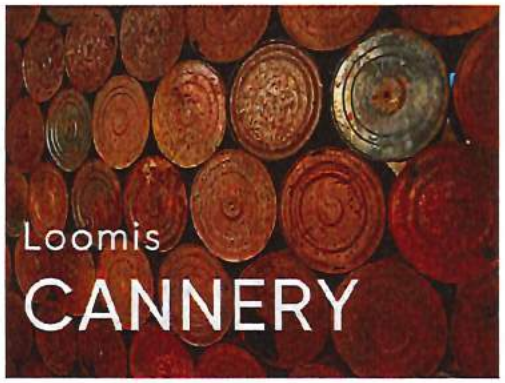


Attachment D

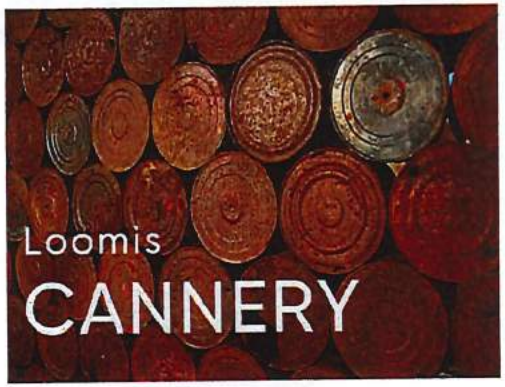
PROJECT CO-MANAGERS:

High-Hand Nursery & Café
Scott Paris
P.O. Box 2280
Loomis, California 95650
916.660.0117

Loomis Basin Brewing Inc.
Jim Gowan
3277 Swetzer Road
Loomis, California 95650
916.402.1529



- COVER PAGE
- TABLE OF CONTENTS PAGE 1
- LETTER OF INTRODUCTION PAGE 2
- COMPANY PROFILE – LOOMIS BASIN BREWING CO. PAGE 3
- COMPANY PROFILE – HIGH-HAND NURSERY & CAFÉ PAGE 4
- PROPOSED BUSINESS PLAN PAGE 5
- CONCEPTUAL LAND USE & SITE PLAN PAGE 12
- TERMS OF OFFER PAGE 14



October 7, 2018

Town of Loomis
Mr. Sean Rabe'
Town Manager
3665 Taylor Road
Loomis, California 95650

RE: Request for Proposal Response – WW Molding Plant

Dear Mr. Rabe':

High-Hand Nursery & Café and Loomis Basin Brewery are excited about the opportunity to work with the Town of Loomis on the Wood Mill project. Our goal is to draw upon the cities innovative planning concepts along with our own to create a unique regional destination. We wish to create an agricultural urban core with a diverse range of unique elements. We feel this will bolster the demand for other retail opportunities in the downtown core.

We fully understand the city's goal is to identify a project team that can successfully bring this property to life. Through a creative and collaborative effort with the city and community we will execute with the highest priority. Our two companies have determined that the optimal strategy is to combine forces such that the community may benefit from our financial resources and unmatched creativity and track record. We feel our collaboration stands alone considering our collective ability to execute and our solid reputations which are reflected in the creation of successful down town businesses. High-Hand Nursery and Café and Loomis Basin Brewery have become regional draws. We can no doubt bring vibrancy to the down town core.

Please find our enclosed response to the Request for Proposals plan. We are excited to share our ideas for this opportunity to the Town of Loomis. We are ready to go to work.

Sincerely,

Scott Paris
Owner

Kenny Gowan
Co-Owner

James Gowan
Co-Owner

LOOMIS BASIN BREWING INC. EST. 3-12-2010

LBB was conceived in 2010 as a family business to produce hand-crafted English Ales and lagers while offering a local neighborhood atmosphere for the community to gather and enjoy a pint.
We quickly found that niche with the Loomis Basin Community.

LBB's goal was to immerse itself in the community and its nonprofits to help provide services, products, and support. We felt for LBB to be a success it would have to become a piece of the foundation of Loomis and its community. And with that support LBB has grown into 4 companies within itself.

We control the manufacturing and packaging of our craft beers utilizing our own equipment. LBB is one of the very few breweries in our surrounding area of over 60 that retains full control of all it's products and distribution. We have consistently grown our wholesale market 30% year over year. We hold the exclusive properties for contracting & distribution of the Alohawk Ale for the Beach Hut Deli Franchise representing 30 Northern California stores with Southern California coming online with an additional 10-15 stores.

The Tasting Room and Beer Garden have grown with time to accommodate our growing patronage. Our Concert series grows every year, our event space is given to various non-profits for their use to facilitate their various fundraising goals.

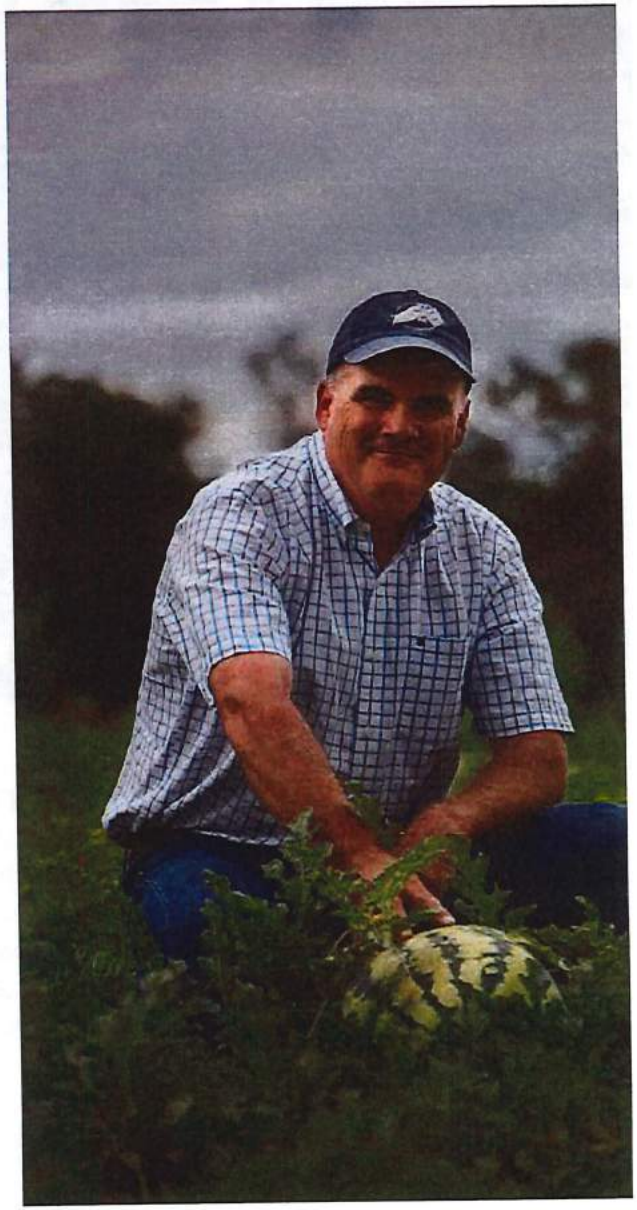
In Aug of 2016 LBB opened its second retail location in the heart of Town. We saw the need for additional retail options for the community to patronize and we filled that void with our GastroPub and Smoke House. We felt confident that the town of Loomis would support our second venture with the same enthusiasm & loyalty, and because of those efforts we are confident in pursuing our goals of expansion and future development.

Loomis Basin Brewing Co. Inc. currently employs 45 local and talented individuals We see our family business as part of the Town's fabric. Our goal as a family is to grow, prosper, contribute and giveback; with one day passing on the business to the next generation.

HIGH-HAND NURSERY & CAFÉ,
PARIS ENTERPRISES INC.
EST. 2001

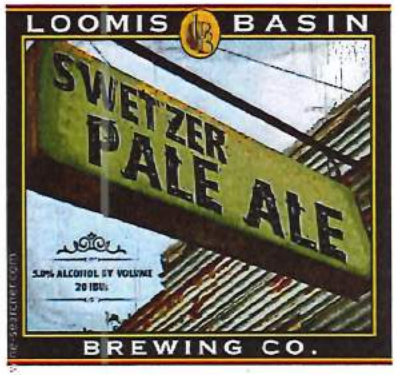
High-Hand Nursery & Café was born out of a relic. Our unique vison along with the support of the Town of Loomis has spawned an inspirational, experiential destination spot. Voted the best Garden Center in the US by 250 national peers inspires us to continue to innovate.

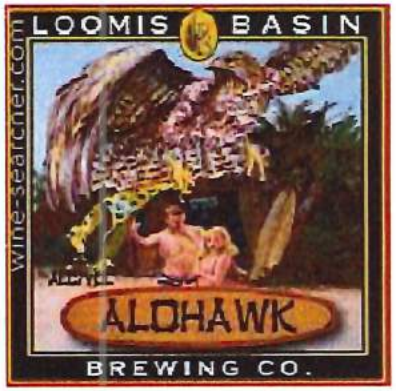
We are a destination for travelers from the bay area, Reno and beyond. We are a stop for tour buses and large groups that take tours and as well as a destination wedding site. Our businesses include High- Hand Café, High-Hand Nursery, High-Hand Flower Market and Gift store, High-Hand Mercantile, Truckee Mountain Rug Company, Tin Thimble, Leo Eleven, High-Hand Olive Oil Company, High-Hand Art Gallery and Magic Sun Solar as well as our Gladdening McBean Showroom. Our team of over 60 unique and dedicated individuals strive to be ambassadors for our business and town.

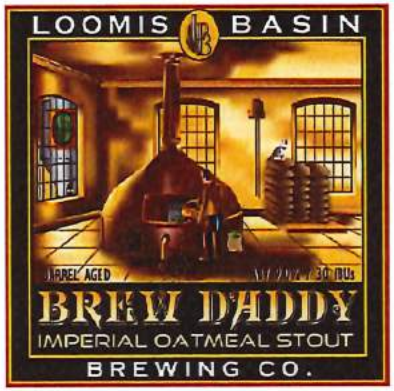


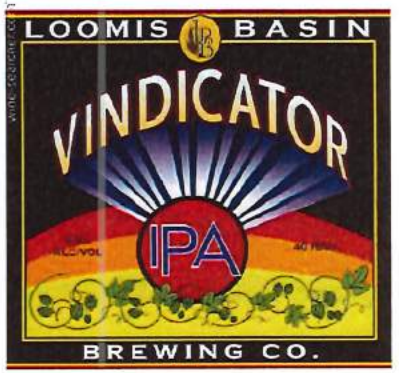
LOOMIS BASIN BREWING COMPANY INC.

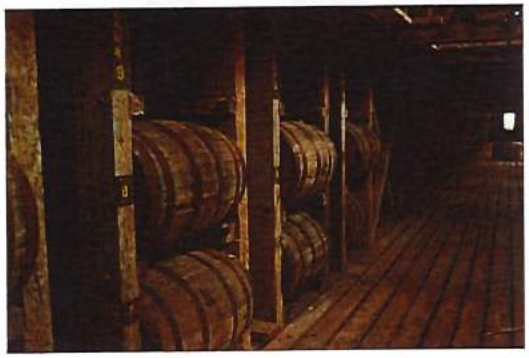
We are an Independent Family Owned and Operated business. Voted year over year "Best Place" to meet up with Friends... The Town of Loomis has allowed our small business to grow and inspires us to continue the expansion, development & innovation of our family company. We have made the commitment to set our goals higher still with the collaboration of LBB and High Hand Nursery.











LOOMIS DISTILLERY & BARREL HOUSE

On our horizon is the addition of the Art of Distillation & Craft Spirits. In keeping with our dedication to the Craft Brewing Industry we are excited to add Craft Spirits to our lineup of quality beverages, developing a Regional Brand Identity. Capitalizing on the new beverage laws allowing the tasting and selling of craft spirits we can be assured of increased demand and retail sales for our community.

We will provide a Vintage Style Feel to our Spirit Cellar and Tasting Room. A hands on interactive experience with docents to explain the Distillation Art process. With always the goal to create an destination experience whereby our exclusive products can only be acquired in person.

LOOMIS BREWING CO. MANUFACTURING AT THE CANNERY

LBB will be moving its current production, manufacturing & distribution services to the New Cannery location. We will re-create the same neighborhood hang-out for our loyal patrons, but on a larger scale to accommodate the "destination" weekend crowds.

We are excited to expand on our successful footprint based on Swetzer Rd. We are bursting at the seams and welcome the opportunity to expand yet again, but more importantly become a focal point in the heart of town.

HIGH-HAND OLIVE OIL COMPANY

Gourmet Olive Oil & Vinegar on Tap.

Taste gourmet olive oil and vinegar in the heart of the historic High-Hand Fruit Shed. Sample our quality extra virgin olive oil available in a variety of blends from California to Greece. Our olive oils and balsamic vinegars are infused with natural flavors. We also offer hand-stuffed olives, small batched tapenades, dips, mustards, salsas and hand-packed pickled vegetables. Offering Maple Rocks Wildflower Honey and gift baskets making High-Hand Olive Oil Company a must see experience.

THE CANNERY BAKERY

Will be a dream come true... the addition of the wood -fired pizza oven at the brewery quickly became a Friday night ritual among our patrons. We will capitalize on that theme and create true handmade artisan breads in a wood oven application.
Our goal is to incorporate the "spent" grains of the brewing cycle into a hearty European style breads and pastries, adding another layer to the Cannery experience. We envision the "community" bakery shop for daily local purchases... but also that warm baguette for the guest's basket of provisions Utilizing fresh High Hand grown herbs, brewery spent grains along with a "brewhouse" yeast culture that will be unique to our surroundings.

THE CANNERY CHARCUTERIE & PROVISIONS

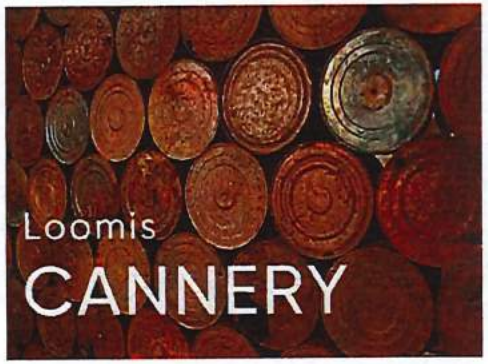
Keeping with the vision of local farm to table grown products we want to capitalize on our unique local farmers and the abundance of products they produce. We will continue the practice of harvesting from our local farmers and share the experience with a plethora of craft made products. We want to bring back the Old Time tradition of the butcher shoppe, with a selection of hand cured meats, and artisan cheese. Along with the art of fermentation, we will use the on site produce grown from High-Hand & Maple Rock farms to create a wide assortment of pickled products for that basket of delights.

LOOMIS CANNERY PUBLIC STAGE ▪ BEER GARDENS ▪ PICNIC GROUNDS

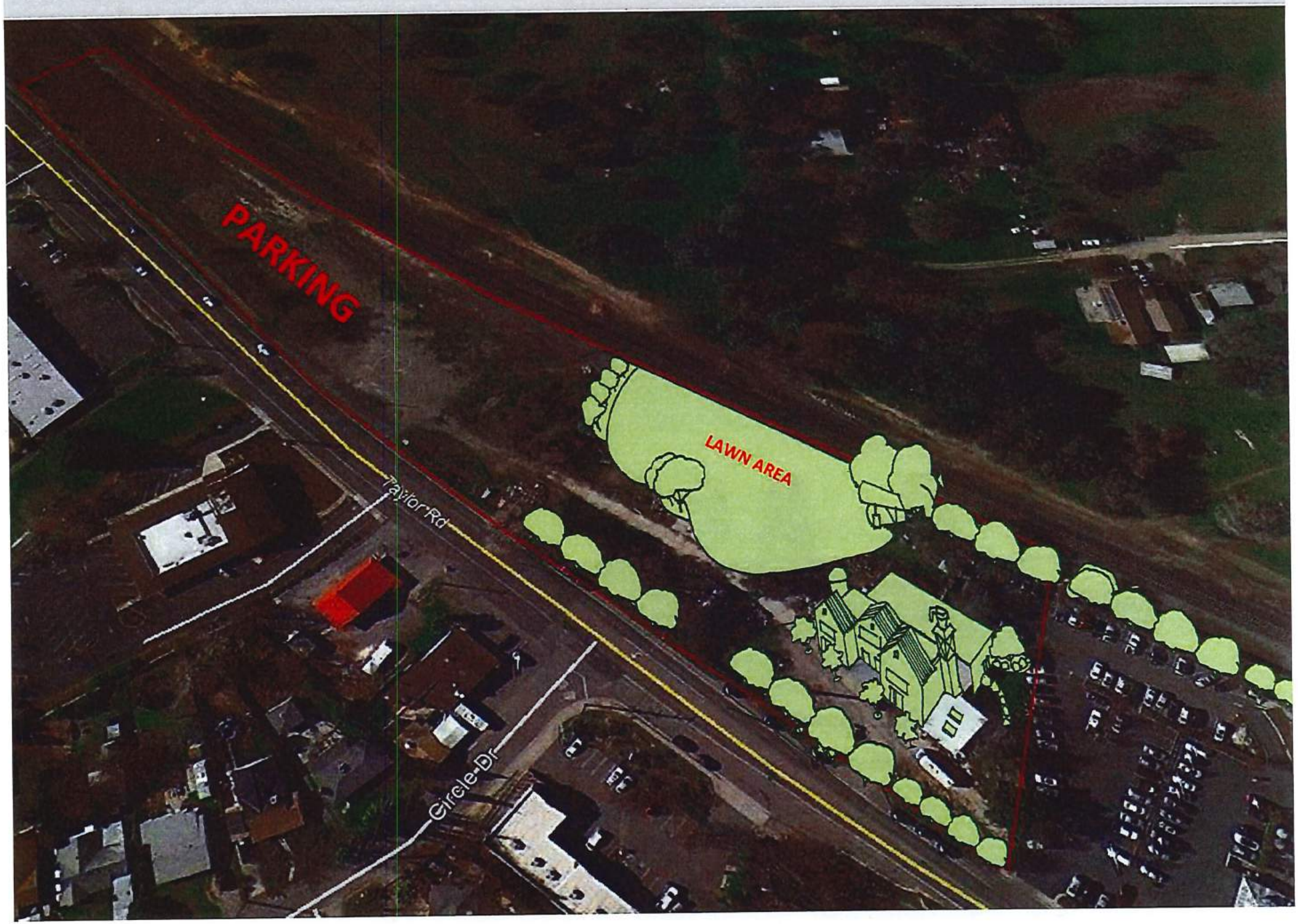
Our collaborative vision for the Community Amphitheater & Beer Gardens will be for the patron to experience the collection of Hand Crafted provisions made on site. Our guests will be provided baskets that they can pick up at any venue fill with their selections, make their purchases & stroll to the outdoor gardens. Grab a seat in the Beer Gardens, or throw a blanket down and enjoy! With the new and relaxed laws newly passed we now as a collaborative company can allow the "tasting" and "consumption" of our Craft beverages on site. Creating a one - stop experience with a myriad of hand-made products at their fingertips. We will create a Summer Music Series, Live Plays and Productions. A true family experience the can kids roam, play and watch the trains go by. The venue will also accommodate weddings, graduations and corporate events. Non-profits will benefit from all aspects of the space that we will create. A community space to enjoy the true meaning of a "Small Town is like a Big Family".

ANNUAL SALES REVENUE PROJECTIONS

Business Unit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Brewery & Tasting Room	389,750	467,700 20%	537,855 15%	591,641 10%	621,223 5%	652,284 5%	3,260,452
Distillery & Barrel House	275,800	358,540 30%	448,175 25%	537,810 20%	618,482 15%	680,330 10%	2,919,136
Craft Soda & Kabocha	105,975	137,768 30%	179,098 30%	223,872 25%	268,647 20%	295,511 10%	1,210,870
Bakery & Cheese Shop	62,300	80,990 30%	105,287 30%	131,609 25%	157,931 20%	173,724 10%	711,840
Butchery & Charcuterie	209,450	272,285 30%	353,971 30%	442,463 25%	530,956 20%	584,051 10%	2,393,176
Olive Oil & Merchantile	150,000	195,000 30%	253,500 30%	316,875 25%	380,250 20%	418,275 10%	1,713,900
TOTAL ANNUAL SALES:	1,193,275	1,512,283	1,877,885	2,244,270	2,577,487	2,804,174	12,209,374
ESTIMATED SALES TAX:	105,903	134,215	166,662	199,179	228,752	248,870	1,083,582

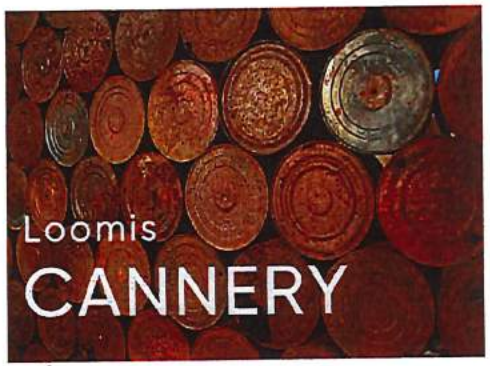


Berg Ln
Taylor Rd
Park
Taylor Rd
Shawn Way


PARKING
LAWN AREA
Taylor Rd
Circle Dr

HIGH-HAND
Marketplace

HIGH-HAND
Marketplace
LOOMIS CANNERY



OFFERING TERMS.

The following proposal is a joint venture ("JV") between Scott Paris of High-Hand Nursery & Café and the Gowan family of Loomis Basin Brewing Company. The JV will form a limited liability company that will execute a master lease with the Town of Loomis and own the real property pursuant to the terms and conditions stated herein.

The following outlines the salient terms of our joint proposal:

1. EXCLUSIVE RIGHT TO NEGOCIATE. Upon acceptance and award of the RFP for the WW Molding Plan property, the Town of Loomis will enter into an Exclusive Right to Negotiate ("ERN") with the JV.

2. DUE DILIGENCE. The JV is respectfully requesting a due diligence period of ninety (90) days after the effective date of the "ERN"

3. LEASE–OPTION. JV proposes to execute a lease agreement with the Town of Loomis for lease term of five (5) years, pursuant to the lease schedule:
   (a) Year One - $800.00 per month
   (b) Year Two - $1,000.00 per month
   (c) Year Three - $1,200.00 per month
   (d) Year Four - $1,500.00 per month
   (e) Year Five - $2,000.00 per month

4. PURCHASE PRICE. JV will exercise it's right to purchase the property at anytime within the lease-option five year term for all-cash in the amount of $500,000.00

Request for Proposal
WW Moulding Plant
Development Opportunity

3800 Taylor Road, Loomis

The Town of Loomis is seeking exciting, creative and quality proposals for the purchase or lease and development of a high profile site in downtown Loomis. This is an opportunity to develop one of the remaining vacant parcels along Taylor Road and to contribute to the renaissance downtown Loomis is undergoing.

CONTEXT MAP

AERIAL PHOTOGRAPH

PROPERTY

The property is located along the north side of Taylor Road, extending from Shawn Drive to just past Circle Drive. The property is bound to the north by the Union Pacific rail line and has a long, narrow shape. The site consists of three parcels of land zoned for general commercial development.

The property historically was operated as W&W Moulding for lumber milling and storage, however it is currently used to manufacture tiny houses. All of the building and site improvements are owned by the tenant. The property may or may not include the building or site improvements at the point of sale; the Town will work with the selected developer to determine whether or not the existing building is salvageable.

SITE ATTRIBUTES

- Size: 177,694 square feet, or 4.08 acres
- Zoning: CG (General Commercial)
- General Plan: General Commercial. The zoning conforms to the General Plan designation
- Surrounding Land Uses: Land uses immediately surrounding the property include a nursery to the north, rural residential and hobby farms to the west, on the opposite side of the Union Pacific railroad line, and small commercial uses followed by single family residential development to the south, on the other side of Taylor Road.
- Shape: The subject has a long, tapered shape. Please refer to the Assessor's map in Exhibit B.

There are three parcels for a total of approximately 4.08 acres (see attached title report). The Town seeks development of all parcels as one cohesive project. The Town is the current owner of all parcels, and will only consider selling/leasing them as one overall project. Development of the site that includes primarily retail uses is most desirable to the Town.

See **Exhibits A and B** for more information.

DEVELOPMENT GOALS

- Create a project that enhances the vitality of downtown Loomis and complements the Town's existing, successful businesses (such as High Hand Nursery, Loomis Basin Brewery Pub and the Blue Goose Event Center). Potential uses should include a retail component.
- Utilize high-quality design and materials as well as incorporating historic artifacts.
- Complete project in a timely manner.
- Work with Town to bring project to fruition.
- Proposals must include who and how the project is to be developed and operated. Include a pro forma.

ASKING PRICE

Negotiable. The Town will only accept proposals that include all parcels. The Town prefers to sell the parcels; however, the Town is also willing to enter into lease agreement of up to five years that has a purchase option at the end of the lease. An appraisal was recently completed on the property.

SUBMITTAL REQUIREMENTS

Submit 1 electronic copy and 1 hard copy of the following information by **5:00 pm on October 15, 2018**

- Project Summary
- Preliminary development budget showing total development costs, proposed sources and uses of funds and a pro forma analysis for all parcels identified in the proposal.
- Conceptual drawings including building elevations and site improvements
- Proposed timeline, including project milestones
- Identification of development team
- Public Disclosure Statement

REVIEW & SELECTION PROCESS

The following criteria will be used to review the proposals:

- Quality, attractiveness and uses of proposed development
- Sensitivity to the relationship to adjacent parcels as well as the relationship to the overall downtown area
- Compatible design elements to downtown Loomis
- Tax base to be generated and other project related revenues to be generated to Town
- Experience in developing and operating other similar projects
- Financial capacity
- Project Schedule

The selected proposal will be presented to the Loomis Town Council for formal acceptance and authorization to proceed with negotiations of a Development Agreement. The selected developer will be required to provide documentation verifying that it has the financial wherewithal to advance the project including evidence of a bona fide financing commitment prior to fee simple conveyance of land.

DEVELOPER PERFORMANCE

Developer shall address in the proposal how they will guarantee performance in completing the project. The Town is willing to consider a variety of options including but not limited to a performance bond, pledge of collateral or letter of credit.

OTHER APPROVALS

Developer is solely responsible for obtaining any and all development approvals. The Town will assist selected developer in obtaining such approvals.

SPECIAL NOTE

The Town reserves the right to reject any and all proposals for any reason at its sole discretion, to negotiate the terms and conditions of the eventual contract with the developer awarded to purchase and development rights and to impose additional use restrictions, if necessary.

The contents of this packet are for informational purposes only and the representations made herein, though thought to be accurate, are without warranty. Development teams should rely exclusively on their own investigations and analyses.

The Town will honor confidentiality requests to the extent possible. If attachments are proprietary, please mark items as such.

QUESTIONS

All questions concerning the Request for Proposal must be submitted in writing to Sean Rabe, Loomis Town Manager (PO Box 1330, Loomis, CA 95650), no later than 5 pm on September 28, 2018. All responses to questions, changes or clarification, will be posted to the Town's website (under the Planning Department) by 5 pm on October 5, 2018. It is the responsibility of the proposers to review the website prior to submission.

Exhibit A – Title Report

Guarantee No.:	CTG-8000863

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
GUARANTEE

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, AND THE GUARANTEE CONDITIONS ATTACHED HERETO AND MADE A PART OF THIS GUARANTEE, OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, A FLORIDA CORPORATION, HEREIN CALLED THE COMPANY,

GUARANTEES

the Assured named in Schedule A of this Guarantee,

against loss or damage not exceeding the Amount of Liability stated in Schedule A sustained by the Assured by reason of any incorrectness in the assurances set forth in Schedule A.

SCHEDULE A
IS ATTACHED HERETO AS A SEPARATE PAGE AND MADE A
PART OF THIS GUARANTEE

IN WITNESS WHEREOF, OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY has caused this Guarantee to be signed and sealed as of the Date of Guarantee shown in Schedule A.

Issued By:

Placer Title Company
5828 Lonetree Blvd., Suite 200
Rocklin, CA 95765
Agent ID: A04360

Authorized Countersignature

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

By _____ President

Attest _____ Secretary

Condition of Title Guarantee
SCHEDULE A

Order No.:	P-256592
Guarantee No.:	CTG-8000863
Date of Guarantee:	March 22, 2018 at 7:30AM
Amount of Liability:	$1,000.00
Premium:	$800.00

1. Name of Assured:

   Town of Loomis, a Municipal Corporation

2. The estate or interest in the Land which is covered by this Guarantee is:

   Fee Simple

3. The Land referred to in this Guarantee is described as follows:

   See Exhibit "A" for Legal Description

4. Assurances

   According to the Public Records as of the Date of Guarantee:

   a. Title to the estate or interest in the Land is vested in:

   Town of Loomis, a Municipal Corporation

   b. Title to the estate or interest is subject to defects, liens, or encumbrances shown in Schedule B which are not necessarily shown in the order of their priority

Condition of Title Guarantee
SCHEDULE B

1. Taxes, special and general, assessment districts and service areas for the fiscal year 2018-2019, a lien, not yet due or payable.

2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5, (commencing with Section 75) of the Revenue and Taxation Code, of the State of California.

3. Any taxes or assessments levied by:

   A. Placer County Water Agency
   B. South Placer Municipal Utility District

   No taxes assessed for the fiscal year 2017-2018 for the following:

   APN`S: 044-133-003, 044-080-063 and 044-120-074

4. Rights incidental to any claim of ownership by the Union Pacific Railroad Company, to any portion of the herein described property, which boundaries may be disclosed on various railroad maps.

5. Any claim based upon an alleged failure to comply with 43 USC 913.

6. The terms, provision, conditions, limitation, reversionary rights and other matters contained in that certain Act of Congress, dated July 1, 1862 (CF. 12 Stats 489) and the amendments thereto.

7. The terms, conditions and provisions as contained in the document entitled "Synopsis of Terms and Conditions", by and between Central Pacific Railway Company and Southern Pacific Company, recorded September 26, 1918, as (book) 172 of Deeds (page) 1.
   Document Link

8. An easement over said land for public highway and incidental purposes, as granted to State of California, in deed recorded August 27, 1937, (book) 370 (page) 400, Official Records.

   Affects: a portion of said property.

   No representation is made as to the current ownership of said easement.
   Document Link

9. Lack of Abutters Rights in and to the freeway or highway adjacent to said property, said rights having been released and relinquished by deed to the State of California, recorded October 10, 1950, (book) 576 (page) 614, Official Records.
   Document Link

10. Lack of Abutters Rights in and to the freeway or highway adjacent to said property except at established points, said rights having been released and relinquished by deed to the State of California, recorded June 30, 1960, (book) 840 (page) 426, Official Records.
    Document Link

11. The terms, conditions and provisions as contained in the document entitled "Resolution of the town council of the Town of Loomis establishing a road circulation improvement fee for all development within the Town of Loomis", executed by Town of Loomis, dated December 12, 1995, recorded February 27, 1997, as (instrument) 97-0011730-00, Official Records.
Document Link

12. An easement over said land for telecommunications transmission system and incidental purposes, as granted to Williams Communications, Inc., (formerly known as VYVX, Inc.) a Delaware Corporation, in deed recorded August 11, 2005, (instrument) 2005-0106337, Official Records.

Affects: a portion of said property.

No representation is made as to the current ownership of said easement.
Document Link

13. An easement over said land for fiber optic cable easement (#1) and incidental purposes, as reserved by Union Pacific Railroad Company, in deed recorded December 12, 2008, (instrument) 2008-0095584, Official Records.

Affects: a portion of said property.

No representation is made as to the current ownership of said easement.
Document Link

14. An easement over said land for fiber optic cable easement (#2) and incidental purposes, as reserved by Union Pacific Railroad Company, in deed recorded December 12, 2008, (instrument) 2008-0095584, Official Records.

Affects: a portion of said property.

No representation is made as to the current ownership of said easement.
Document Link

15. An easement over said land for existing sanitary sewer easement and incidental purposes, as reserved by Union Pacific Railroad Company, in deed recorded December 12, 2008, (instrument) 2008-0095585, Official Records.

Affects: a portion of said property.

No representation is made as to the current ownership of said easement.
Document Link

16. The following matters as disclosed by Map filed December 24, 2008, in Book 20 of Surveys, Page 105, Official Records:
A.) Possible chain link fence line encroachment over area as shown.
B.) Existing encroachment over a Northerly portion (+ 6.7 feet) as shown on map.
Document Link

EXHIBIT "A" – LEGAL DESCRIPTION

The land described herein is situated in the State of California, County of Placer, unincorporated area, described as follows:

Parcel One:

Beginning at a point on the Northwesterly boundary of the Victory Highway right of way near the Town of Loomis, Placer County, California, from which point the 1/4 Section Cor. between Section 9 and 10, Township 11 North, Range 7 East, M.D.B.&M., bears South 83° 42' East a distance of 1,404.0 feet and running thence North 53°38' West 100.0 feet, thence South 36° 22' West 75.0 feet thence East 125.0 feet to the point of beginning, being the same land conveyed to the County of Placer November 8, 1923 in Book 211, Page 88, Official Records.

Parcel Two:

Beginning at a point on the Northwesterly boundary of the State Highway, from which point Engineer's Station 360-92.1 bears South 36° 38' West 187.12 feet, and running thence North 35° 57' East 72.7 feet; thence North 88° 45' East 43.8 feet to a point on the Northwesterly boundary of said Highway; thence South 55° 19' West 104.25 feet along said boundary of said Highway 10 the place of beginning; being further described as being a fractional part of the Northeast quarter of Section 9, Township 11 North, Range 7 East M.D.B.&M., being the same land conveyed to the County of Placer, in deed recorded September 6, 1923 in Book 209, Page 449, Official Records.

Parcel Three:

That portion of State Highway right of way in Section 9, Township 11 North Range 7 East M.D.B.&M., described as follows:

Commencing at the point of intersection of the South line of a triangular parcel of land owned by the County of Placer with a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works' Survey between Loomis and Newcastle, Road III-PLA-17-A, from which point Engineer's Equation Station 369+89.5 = 369+90.9 of said survey bears North 44° 56' 30" East 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 10' East 12.0 feet and South 83° 42' East 1,404.0 feet; thence, from a tangent that bears South 39° 45' 30" West along said concentric curve, to the right with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet; thence, South 64° 29' West 176.2 feet to the Southeasterly right of way line of the Southern Pacific Company; thence, along said Southeasterly line North 35° 45' East 166.8 feet to the most Westerly corner of said triangular parcel; thence, along the South line of said triangular parcel North 89° 10' East 113.0 feet to the point of beginning; being the same land relinquished to the County of Placer by Instrument recorded November 29, 1937 in Book 375, Page 74, Official Records.

Parcel Four:

All that portion of State Highway 40 as conveyed to the County of Placer from the State of California in that certain "Relinquishment of Superseded State Highway in the County of Placer, road III PLA 17-A", recorded June 30, 1960 in Volume 840 at Page 426, Official Records of Placer County that lies Northwesterly of the following described line:

Commencing at the most Easterly corner of the above described Parcel Two being on a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works Survey between Loomis and Newcastle, Road III PLA-17-A, from which point Engineers Equation Station 369+89.5 - 369+90.9 of said survey bears North 44° 56' 30" East, 326.14 feet, and from which point the

East quarter corner of said Section 9 bears North 89° 10' East, 12.0 feet and South 83° 42' East 1,404.0 feet; thence from said point of commencement, along the Southeasterly line of said parcel from a tangent that bears South 39° 45' 30" West, along said concentric curve, to the right, with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet to the Southeast corner of said Parcel Two, the true point of beginning; thence continuing along the arc said concentric curve, with a radius of 4,960 feet, for a distance of 520 feet, more or less, to the Southeasterly right of way line of the Union Pacific Railroad (formally Southern Pacific Railroad).

EXCEPTING THEREFROM Parcels One, Two, Three and Four above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

APN: 044-133-003

Parcel Five:

All of parcels 1, 2, 3, and 7 as described in the Quitclaim Deed to the Town of Loomis, and Parcel 4 as described in the Donation Quitclaim Deed to the Town of Loomis recorded on December 12, 2008, as Document No. 2008-0095584 and 2008-0095585 respectively, Placer County Official Records, and all that Real property described in the Quitclaim Deed to the Town of Loomis, recorded on December 28, 2000, Placer County Official Records, lying within the East half of Section 9, Township 11 North, Range 7 East, M.D.B. & M., in the County of Placer, State of California, described as follows:

Commencing at the Northeast corner of said Section 9, thence South 26° 13' 03" West 1,476.42 feet to the most Easterly corner of said Parcel 4, said point being the point of beginning; thence along the Southeasterly line of said Parcel 4, South 36° 09' 53" West 2,059.80 feet to a point on the Northerly right of way line of Taylor Road (80 feet in width); said point being the beginning of a non-tangent curve concave to the Northwest, having a radius of 4,960.00 feet, and a radial bearing of South 42° 16' 10" East; thence along said Northerly right of way line, 387.99 feet Southwesterly along said curve through a central angle of 04° 28' 55"; thence continuing along said Northerly right of way line, South 52° 12' 45" West 361.96 feet to the most Southerly corner of said Parcel 7; thence leaving said Northerly right of way line, North 39° 45' 45" West 69.15 feet to the most Westerly corner of said Parcel 7; thence along the Westerly, Northeasterly, and Southeasterly lines of said Parcels 7, 3, 2, 1 and said real property to the Town of Loomis the following five courses:

1. North 51° 49' 22" East 11.19 feet to the beginning of a curve to the left, having a radius of 2,874.84 feet;

2. 785.65 feet North along said curve through a central angle of 15° 39' 29";

3. North 36° 09' 53" East 2,539.39 feet;

4. South 54° 09' 57" East 150.00 feet;

5. South 36° 09' 53" West 559.41 feet to the point of beginning, as described on Boundary Line Adjustment recorded January 11, 2011, Instrument No 2011-0003828, Official Records.

EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

ALSO EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris, et ux. in Deed recorded February 27, 2015, as Instrument No. 2015-0014060-00, Official Records.

APN: 044-080-063 & 044-120-074

- ********** END OF LEGAL DESCRIPTION **********

Note: For informational purposes only, for which the Company assumes no liability for any inaccuracies or omissions, the purported street address and assessor's parcel number of said Land as determined from the latest county assessor's roll is:

APN: 044-133-003, 044-080-063, 044-121-074, Loomis, CA 95650

No inspection of said Land has been made, and no assurances are hereby given or implied as to the location of the Land herein described.

CLTA GUARANTEE EXCLUSIONS AND CONDITIONS (06-05-14)

EXCLUSIONS FROM COVERAGE

Except as expressly provided by the assurances in Schedule A, the Company assumes no liability for loss or damage by reason of the following:

(a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the Land.

(b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the Public Records (1) that are created, suffered, assumed or agreed to by one or more of the Assureds; or (2) that result in no loss to the Assured.

(c) Defects, liens, encumbrances, adverse claims or other matters not shown by the Public Records.

(d) The identity of any party shown or referred to in any of the schedules of this Guarantee.

(e) The validity, legal effect or priority of any matter shown or referred to in any of the schedules of this Guarantee.

(f) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the Public Records.

(g) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the Public Records.

GUARANTEE CONDITIONS

1. **Definition of Terms.**

The following terms when used in the Guarantee mean:

(a) the "Assured": the party or parties named as the Assured in Schedule A, or on a supplemental writing executed by the Company.

(b) "Land": the Land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "Land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.

(c) "Mortgage": mortgage, deed of trust, trust deed, or other security instrument.
(d) "Public Records": those records established under California statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
(e) "Date of Guarantee": the Date of Guarantee set forth in Schedule A.
(f) "Amount of Liability": the Amount of Liability as stated in Schedule A.

2. **Notice of Claim to be Given by Assured.**
The Assured shall notify the Company promptly in writing in case knowledge shall come to the Assured of any assertion of facts, or claim of title or interest that is contrary to the assurances set forth in Schedule A Schedule A and that might cause loss or damage for which the Company may be liable under this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of the Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

3. **No Duty to Defend or Prosecute.**
The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

GUARANTEE CONDITIONS (continued)

4. **Company's Option to Defend or Prosecute Actions; Duty of Assured to Cooperate.**
Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:
(a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in Paragraph 4 (b), or to do any other act which in its opinion may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
(b) If the Company elects to exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of the Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
(c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.
(d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, the Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Assured for this purpose. Whenever requested by the Company, the Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured.. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

5. **Proof of Loss or Damage.**
(a) In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Assured furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.
(b) In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this paragraph shall not be disclosed to others unless, in the reasonable judgment of the Company, it is

necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

GUARANTEE CONDITIONS (continued)

6. **Options to Pay or Otherwise Settle Claims: Termination of Liability.**
In case of a claim under this Guarantee, the Company shall have the following additional options:
(a) To pay or tender payment of the Amount of Liability together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.
(b) To pay or otherwise settle with the Assured any claim assured against under this Guarantee. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that that the Company is obligated to pay; or
(c) To pay or otherwise settle with other parties for the loss or damage provided for under this Guarantee, together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment and that the Company is obligated to pay.
Upon the exercise by the Company of either of the options provided for in 6 (a), (b) or (c) of this paragraph the Company's obligations to the Assured under this Guarantee for the claimed loss or damage, other than the payments required to be made, shall terminate, including any duty to continue any and all litigation initiated by the Company pursuant to Paragraph 4.

7. **Limitation of Liability.**
(a) This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in Schedule A and only to the extent herein described, and subject to the Exclusions From Coverage of this Guarantee.
(b) If the Company, or the Assured under the direction of the Company at the Company's expense, removes the alleged defect, lien or, encumbrance or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
(c) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom.
(d) The Company shall not be liable for loss or damage to the Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

8. **Reduction of Liability or Termination of Liability.**
All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 4 shall reduce the Amount of Liability under this Guarantee pro tanto.

9. **Payment of Loss.**
(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions, the loss or damage shall be payable within thirty (30) days thereafter.

10. Subrogation Upon Payment or Settlement.

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had

against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.
If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

11. Arbitration.

Either the Company or the Assured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision, or to any other controversy or claim arising out of the transaction giving rise to this Guarantee. All arbitrable matters when the amount of liability is $2,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. Arbitration pursuant to this Guarantee and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

12. Liability Limited to This Guarantee; Guarantee Entire Contract.

(a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.
(c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

13. Severability

In the event any provision of this Guarantee, in whole or in part, is held invalid or unenforceable under applicable law, the Guarantee shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

14. Choice of Law; Forum

(a) Choice of Law: The Assured acknowledges the Company has underwritten the risks covered by this Guarantee and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of Guaranties of the jurisdiction where the Land is located.
Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims that are adverse to the Assured and to interpret and enforce the

terms of this Guarantee. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
(b) Choice of Forum: Any litigation or other proceeding brought by the Assured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

GUARANTEE CONDITIONS (continued)

14. Choice of Law; Forum

(a) Choice of Law: The Assured acknowledges the Company has underwritten the risks covered by this Guarantee and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of Guaranties of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims that are adverse to the Assured and to interpret and enforce the terms of this Guarantee. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
(b) Choice of Forum: Any litigation or other proceeding brought by the Assured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

15. Notices, Where Sent.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at 3000 Bayport Drive, Suite 1000, Tampa, Florida 33607-5402 (612) 371-3825.

PRIVACY POLICY NOTICE

Purpose Of This Notice

Title V of the Gramm-Leach-Bailey Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of a persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document which notifies you of the privacy policies and practices of:

Montana Title and Escrow Company
National Closing Solutions, Inc.
National Closing Solutions of Alabama, LLC
National Closing Solutions of Maryland, Inc.
Texas National Title
Placer Title Company
Placer Title Insurance Agency of Utah
Premier Title Agency
North Idaho Title Insurance Company
Wyoming Title and Escrow Company

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as an application or other forms.

- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finances, securities and insurance.
- Nonfinancial companies such as envelope stuffers and other fulfillment service providers.

We do not disclose any nonpublic personal information about you with anyone for any purpose that is not specifically permitted by law.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

FACTS	WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

Questions	Go to www.oldrepublictitle.com (*Contact Us*)

Who we are	
Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do	
How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit http://www.OldRepublicTitle.com/newnational/Contact/privacy.
How does Old Republic Title collect my personal information?	We collect your personal information, for example, when you: • Give us your contact information or show your driver's license • Show your government-issued ID or provide your mortgage information • Make a wire transfer We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: • Sharing for affiliates' everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you. State laws and individual companies may give you additional rights to limit sharing. See the "Other important information" section below for your rights under state law.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies • Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.
Non-affiliates	Companies not related by common ownership or control. They can be financial and non-financial companies.

	• Old Republic Title does not share with non-affiliates so they can market to you
Joint Marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. • Old Republic Title doesn't jointly market.

Other Important Information

Oregon residents only: We are providing you this notice under state law. We may share your personal information (described on page one) obtained from your or others with non-affiliate service providers with whom we contract, such as notaries and delivery services, in order to process your transactions. You may see what personal information we have collected about you in connection with your transaction (other than personal information related to a claim or legal proceeding). To see your information, please click on "Contact Us" at www.oldrepublictitle.com and submit your written request to the Legal Department. You may see and copy the information at our office or ask us to mail you a copy for a reasonable fee. If you think any information is wrong, you may submit a written request online to correct or delete it. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement.

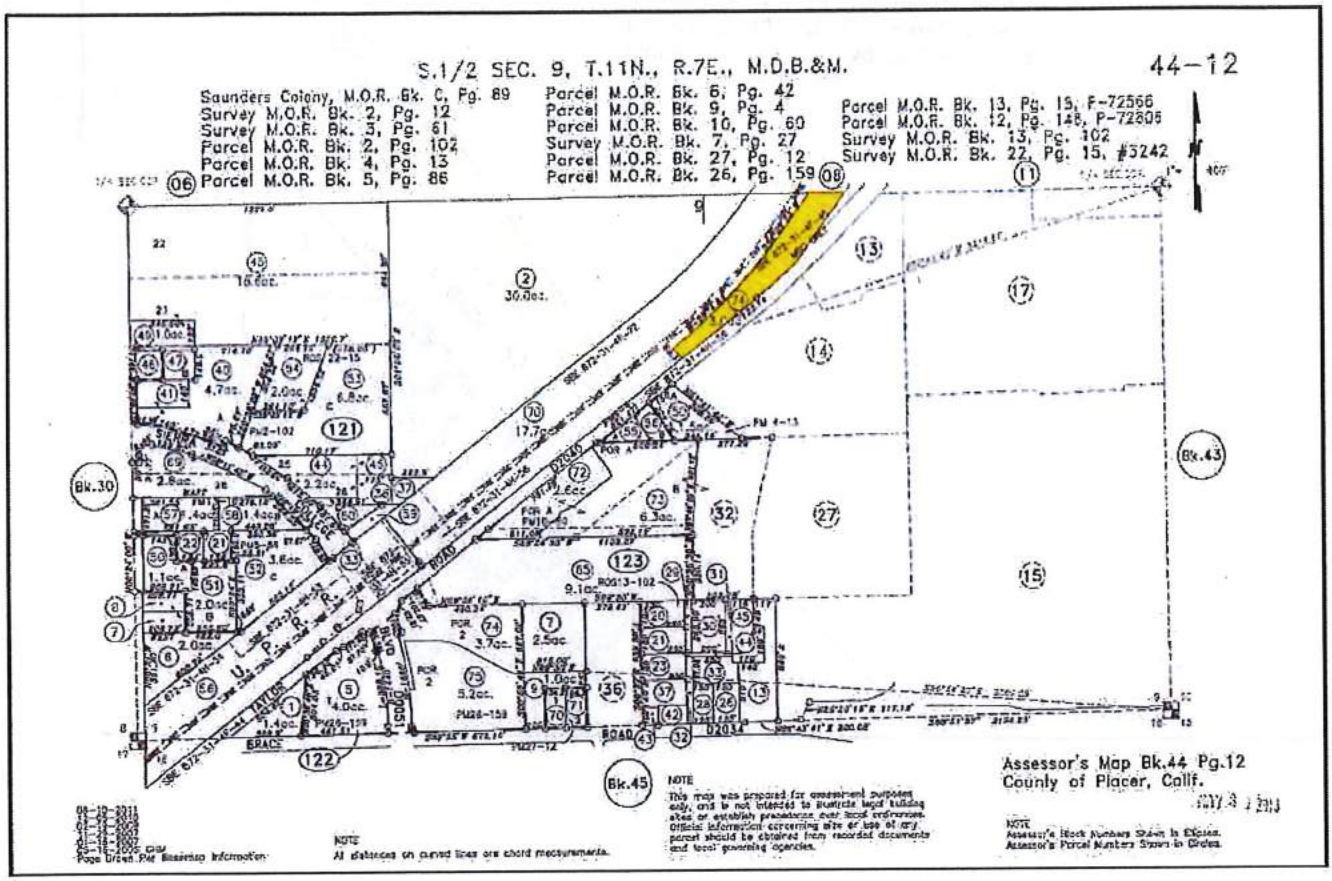
Affiliates Who May be Delivering This Notice

American First Abstract, LLC	American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.
eRecording Partners Network, LLC	Genesis Abstract, LLC	Kansas City Management Group, LLC	L.T. Service Corp.	Lenders Inspection Company
Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mara Escrow Company	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Exchange Company	Old Republic National Title Insurance Company	Old Republic Title and Escrow of Hawaii, Ltd.
Old Republic Title Co.	Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma
Old Republic Title Company of Oregon	Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.
Old Republic Title, Ltd.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	The Title Company of North Carolina	Title Services, LLC
Trident Land Transfer Company, LLC				

Exhibit B

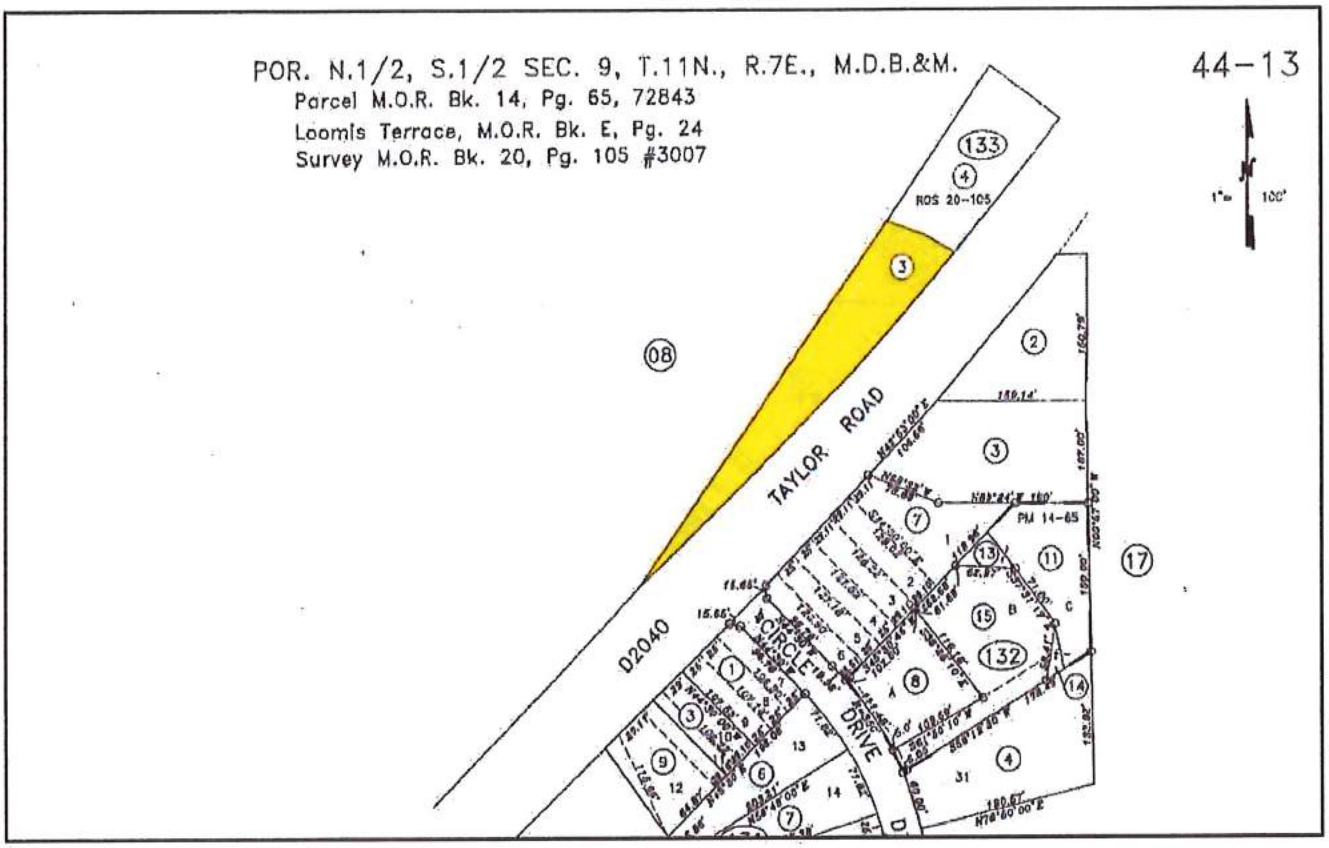
ASSESSOR'S PARCEL MAP

APN 044-121-074



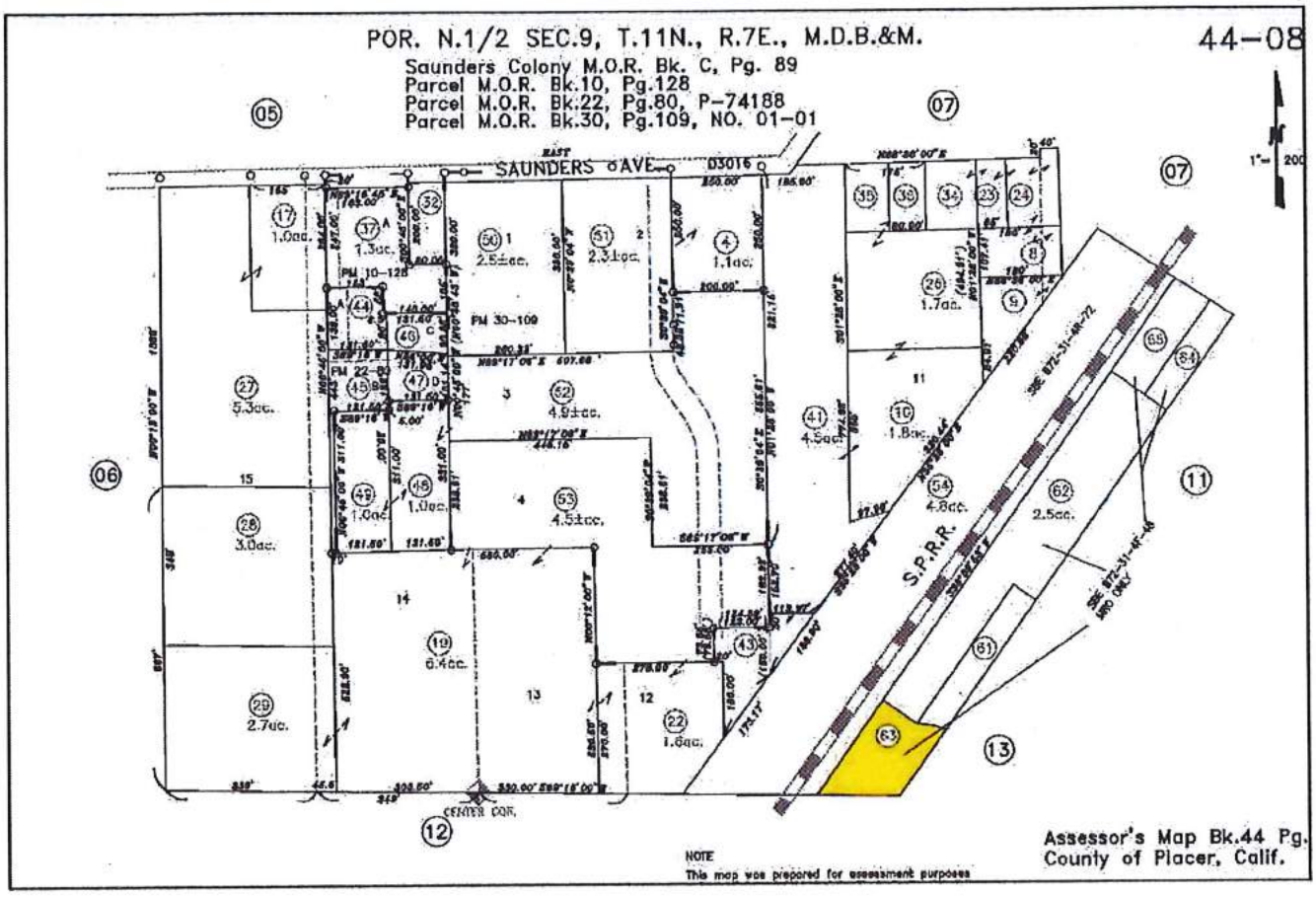
ASSESSOR'S PARCEL MAPS

APN 044-133-003



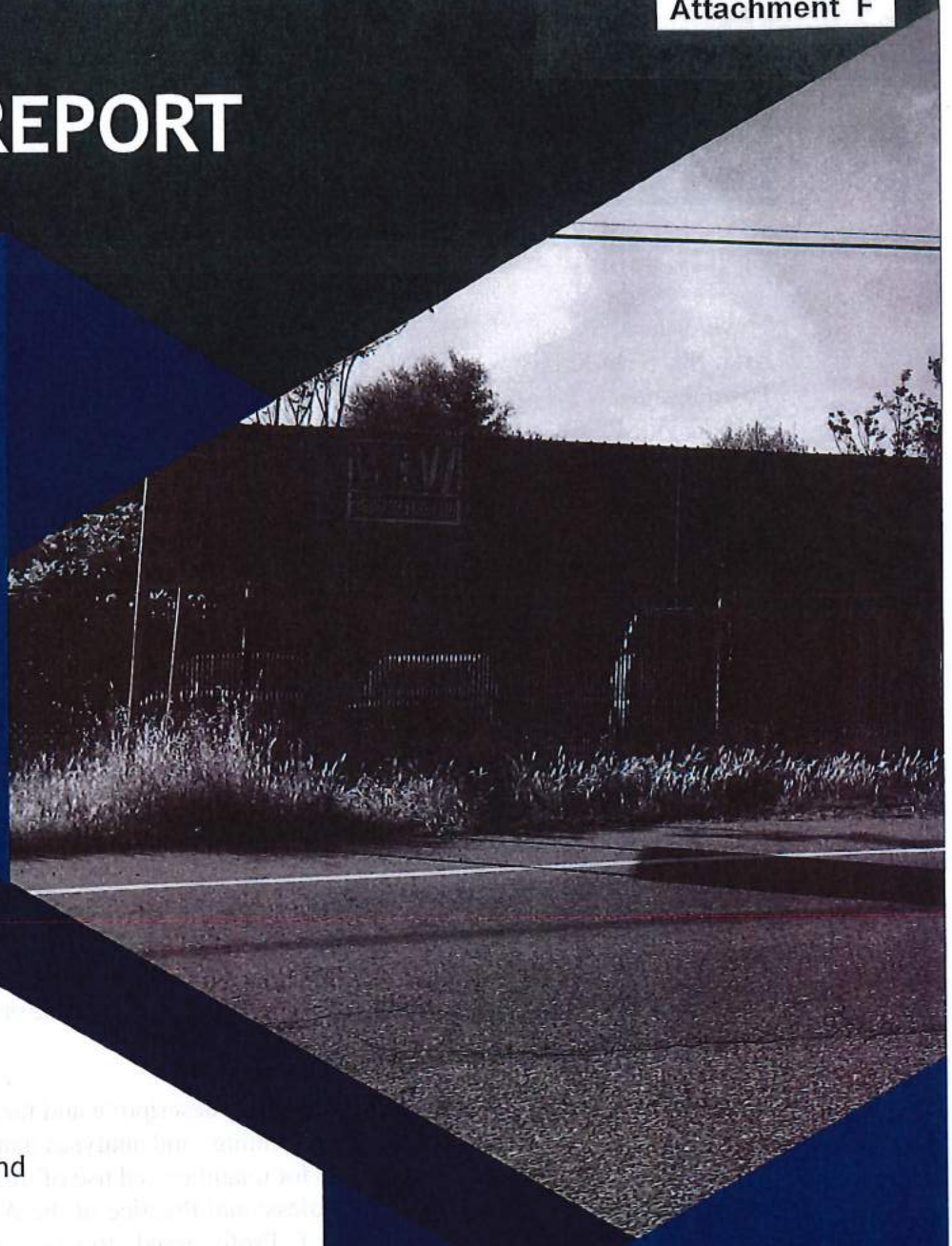
ASSESSOR'S PARCEL MAP

APN 044-080-063



Attachment F

APPRAISAL REPORT



Appraisal of Commercial Land

3800 Taylor Road
Loomis, California 95650
APNs: 044-133-003, 044-080-063 and
044-121-074

Date of Value: February 15, 2018

Date of Report: April 24, 2018

BRI 17-249

BRI BENDER ROSENTHAL INCORPORATED

2825 Watt Avenue, Suite 200 Sacramento, California 95821 | www.benderrosenthal.com | 916.978.4900

BRI BENDER ROSENTHAL INCORPORATED

April 24, 2018

Town of Loomis
Attn: Mr. Sean Rabé
Town Manager
3665 Taylor Road
Loomis, California 95650

Re: Appraisal of Commercial Land
3800 Taylor Road
Loomis, California 95650
APNs: 043-014-023, -025 & -026

Dear Mr. Rabé:

As you have requested in the engagement letter, we have appraised the above identified property. The purpose of the appraisal assignment is to estimate the value of the fee simple interest of the subject property.

It is noted that the subject is currently improved with numerous buildings and associated site improvements. However, all of the improvements are the property of the current tenant, and as per the existing lease, the tenant is responsible for removing the improvements when they vacate the property at the termination of the lease. We therefore appraise only the value of the land, which is appropriate based on the client's ownership.

The following report sets forth a summary of the descriptive and factual data, the assumptions and conditions affecting the appraisal, and the findings and analyses that lead to and support the value opinion. The appraiser is not responsible for unauthorized use of this report. Every effort has been made to conform to the Standards of Professional Practice of the Appraisal Institute, which fully incorporate the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation[1]. The undersigned conducted the appraisal and prepared the report. We are pleased to have the opportunity to provide you with professional appraisal services.

BENDER ROSENTHAL, INC

Jared M. Calabrese, MAI, CCIM
Certified General Real Estate Appraiser
California Certificate No. AG042740

[1] The Appraisal Institute is a national organization of appraisers that self-regulates its members, and the undersigned is a designated Member of the Appraisal Institute (MAI). A Member must adhere to the Institute's ethics code and standards. The U.S. congress has tasked the Appraisal Foundation to set standards and procedures with which state-certified appraisers must comply when appraising property interests involved in federally-regulated transactions.

TABLE OF CONTENTS

LETTER OF TRANSMITTAL i
TABLE OF CONTENTS ii
PROPERTY IDENTIFICATION AND SUMMARY OF SALIENT FACTS iv
AERIAL vii
SUBJECT PROPERTY PHOTOGRAPHS viii

SECTION

I. INTRODUCTION 1
- Subject Property
- Purpose of the Appraisal; Property Rights Appraised
- Function or Use of the Appraisal / Intended User
- Scope of the Appraisal
- Type of Report
- Definitions Used in the Report
- Value Premise
- Date of Valuation and Date of the Report
- Extraordinary Assumptions and Hypothetical Conditions
- General Assumptions and / or Limiting Conditions

II. PLACER REGIONAL OVERVIEW 7
- Regional Location Map
- Transportation
- Demographic Trends
- Business Climate
- Regional Analysis Conclusion

III. NEIGHBORHOOD DESCRIPTION / IMMEDIATE ENVIRONS 16
- Neighborhood Overview
- Neighborhood Map
- Town of Loomis Future Development Projects
- Conclusion

IV. RETAIL MARKET OVERVIEW 19
- Regional Retail Trends
- Immediate Market
- Conclusion

Table of Contents, continued

V. PROPERTY DESCRIPTION 23
General
Site Attributes
Assessor's Parcel Maps
Other Property Matters

VI. HIGHEST AND BEST USE ANALYSIS 29
Highest and Best Use of the Site

VII. VALUATION ANALYSIS 31
Valuation Method and Considerations
Sales Comparison Approach
Comparable Sales

VIII. APPRAISER'S CERTIFICATION 39

ADDENDA

ITEM 1 PRELIMINARY TITLE REPORT

ITEM 2 EXCEPTION 16

ITEM 3 PROFESSIONAL QUALIFICAITON

PROPERTY IDENTIFICATION AND SUMMARY OF SALIENT FACTS

Appraisal Assignment:	Per the request of the client, the appraisal assignment includes an analysis of the market value of the fee simple interest of the subject property. The value reflects the land only, with no consideration given to the building or site improvements, which are the property of the tenant.
Property Location:	3800 Taylor Road Loomis, California 95650

PROPERTY DATA

Assessor's Parcel Numbers:	044-133-003, 044-080-063, and 044-121-074 (please refer to Extraordinary Assumption #4 regarding the APNs).
Ownership:	Town of Loomis, as per the provide preliminary title report from Old Republic National Title Insurance Company dated March 22, 2018.
Sales History:	The lots appraised have been owned by the Town of Loomis for at least the past three years. While it is noted that the purpose of this appraisal is to help with the potential disposition of the property, the property is currently not listed for sale.
Site Area:	177,694 square feet, or 4.08 acres
Site Description:	The subject property consists of three Assessor's parcels bordered to the south by Taylor Road and to the north by the Union Pacific rail. The site has a long, narrow shape. While there are numerous improvements located on the site, as previously discussed we appraise the land only.
Zoning:	CG (General Commercial), Town of Loomis
Flood Information:	The property is within Flood Zone X (unshaded). Flood Zone X (unshaded) is determined to be in areas outside of the 100- and 500-year floodplains. This information was obtained by viewing the Federal Emergency Management Agency (FEMA) flood insurance rate maps, Community Panel No. 06061C 0954C, preliminary issue date November 15, 2017.

Seismic Information:

The subject property is not within a Fault-Rupture Hazard Zone (formerly an Alquist-Priolo Special Studies Zone), according to Special Publication 42, "Fault-Rupture Hazard Zones in California", published by the California Department of Conservation, Division of Mines and Geology, revised 2007. However, strong earthquakes generated along any of the active California faults may affect the site depending on the characteristics of the earthquake and the location of the epicenter. In general, the effects should be confined to shaking and/or acceleration (shock waves) and potential damage to structures should be minimized by employing adequate design and construction procedures.

Because most of the State of California, is a seismically active region, the potential for earthquake-induced hazards must be acknowledged. Current engineering design and construction practices, such as the Uniform Building Code, provide the opportunity to reduce earthquake related hazards.

Toxic Hazards Information:

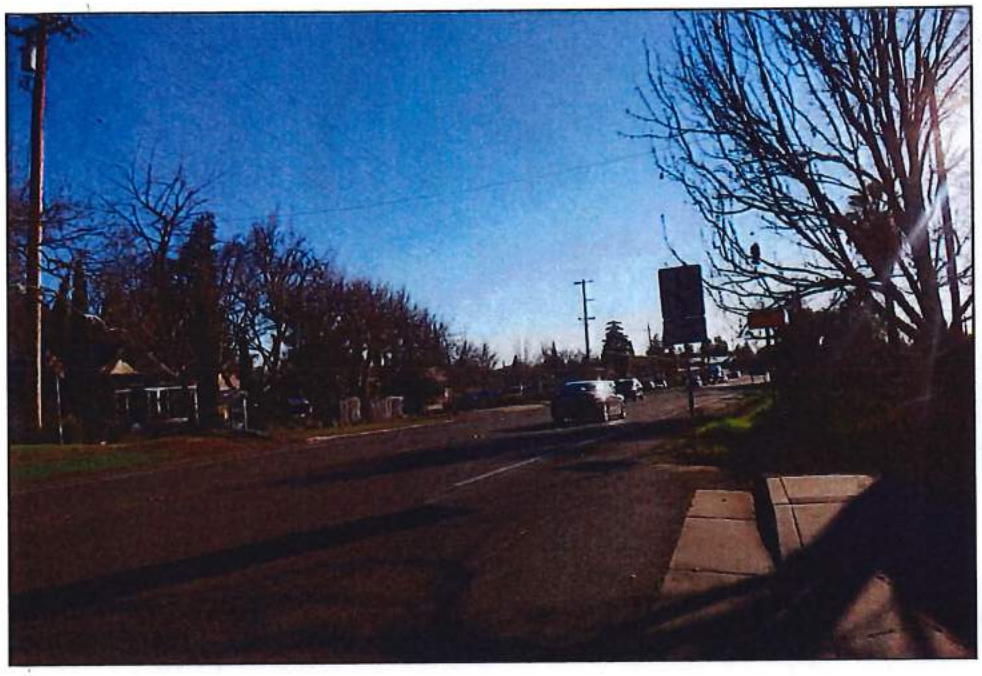
The appraisers were provided with the Conclusions and Recommendations section of a Phase I and II environmental site assessment performed by Geocon Construction, Inc., and dated December 10, 2008. The assessment includes additional adjacent parcels beyond the subject. On the subject, the report notes the operation of a former 10,000-gallon, diesel, above-ground storage tank that was removed in the early 1970s. Due to the soil and groundwater that has been impacted by the diesel, the Phase II report concludes that the area will require remediation in accordance with the Central Valley Regional Water Quality Control Board (CVRWQCB) in order to obtain regulatory "no further action" closure status. Other anticipated actions consist of:

- Remediation of soil to negotiated clean-up level;
- Evidence of attenuation of groundwater impacts to below water quality goals;
- Completion of a sensitive receptor survey.

	The report further states that installation and quarterly sampling of groundwater monitoring wells for a minimum of one year will be required. Please refer to Extraordinary Assumption #3 as well as General Limiting Condition Number 15 regarding hazardous materials.
Wetlands:	Drainage of excess water from a neighboring nursery has resulted in a small pond that has reportedly been on the site for years. A wetlands survey has not been performed. The appraisers are not experts in this field, and we make no warranties regarding the presence of wetlands on the site (please refer to Extraordinary Assumption #2).
Current Use:	Manufacturing
Highest and Best Use:	Future retail or service commercial development that can maximize the frontage along Taylor Road.
Valuation Summary – As of February 15, 2018:	**$710,000**

AERIAL PHOTOGRAPH

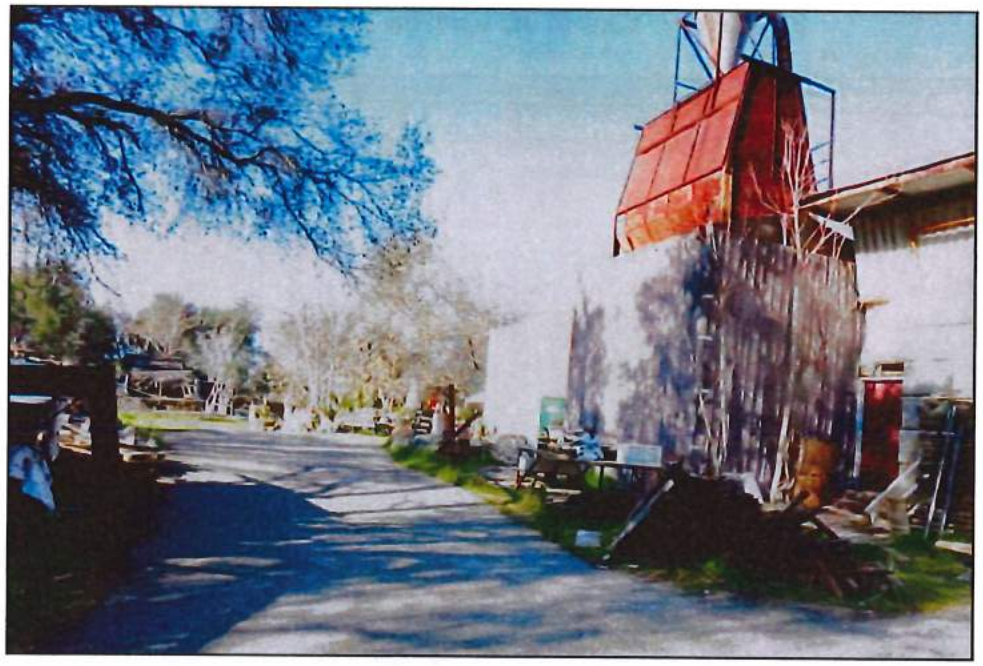
SUBJECT PROPERTY PHOTOGRAPHS



Street scene: View to the south on Taylor Road.

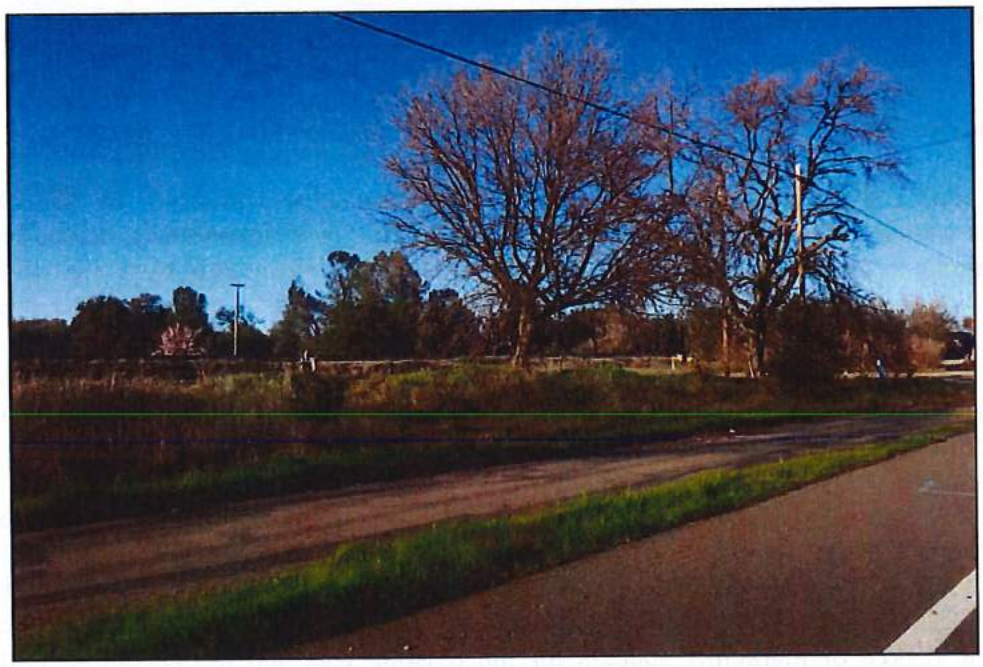
Improve portion of the site looking to the west from Taylor Road.

SUBJECT PROPERTY PHOTOGRAPHS



Views of the improved portion of the site.

SUBJECT PROPERTY PHOTOGRAPHS



Southern portion of the site, which is unimproved.

I. INTRODUCTION

SUBJECT PROPERTY

The subject property is located at 3800 Taylor Road in the Town of Loomis. More specifically, the property appraised consists of three parcels bordered by the Union Pacific rail line to the north and Taylor Road to the south. As such, the property has a long, narrow shape. The property is zoned for general commercial uses. Currently the site is improved with an industrial building and numerous other supporting improvements, however, as per direction from the client, we appraise only the land.

PURPOSE OF THE APPRAISAL; PROPERTY RIGHTS APPRAISED

The purpose of the appraisal assignment is to establish the fee simple market value of the subject, as-if vacant.

FUNCTION OR USE OF THE APPRAISAL / INTENDED USER

The Town of Loomis intends to use the appraisal to ascertain the value for internal evaluation purposes relating to the disposition of the property. The appraiser has not authorized any other use of this report, and any other use may invalidate it. Assumption and Limiting Condition No. 9 applies to subsequent additional use of the appraisal. The client and intended user is the Town of Loomis.

SCOPE OF THE APPRAISAL

The appraisal assignment involved an inspection of the subject property by the appraiser, interviews with government departments having jurisdiction over the property, and collection of data pertaining to the subject property and the relevant market. Information was obtained from the client, the owner, public records, publications, appraisal office files, developers, builders, real estate agents, and/or knowledgeable persons. Sales data were confirmed with parties directly involved in the transactions, unless otherwise stipulated. Opinions were sought from knowledgeable persons. Professional experts in such fields as site engineering, etc., were not hired, as this would have been beyond the scope of the assignment.

The valuation process also involved an investigation and analysis of regional area demographic and economic trends, and the Placer County regional commercial markets. Neighborhood attributes such as amenities, services, facilities, and other factors that could influence value were identified. The highest and best use of the property has been considered in light of these trends and factors, the degree of marketing success for the existing use, and the economic virtues and consequences of changing the property's use.

Information considered relevant to the appraisal assignment has been summarized in the appraisal, and data pertaining to value have been analyzed using the Sales Comparison Approach. The exclusion of the Income Capitalization and Cost Approaches does not detract from the credibility of this report. The steps taken to estimate the market value of the property include the following:

- Overview of the current real estate market;
- Overview of regional and neighborhood data;
- Inspection of the subject property, data pertaining to the subject property and the comparable sales. It is noted that the property was viewed by Jared Calabrese, MAI on February 15, 2018.
- Research of comparable properties through sources including Co-Star, MLS, and Loopnet;
- Discussions with real estate agents and buyers/sellers in the area; and
- Analysis of this data and calculations in determining the value of the land.

TYPE OF REPORT

Utilizing USPAP nomenclature, this appraisal is presented in a narrative appraisal report format.

DEFINITIONS USED IN THE REPORT

Market Value[2] means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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.

Fee Simple Estate[3] Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

[2] Office of the Controller of the Currency under 12 CFR, Part 34, Subpart C – Appraisals, 34.42 Definitions [g]
[3] The Dictionary of Real Estate Appraisal, Appraisal Institute, 6th Edition, P. 90

"As Is" The state, condition, or premise in which all existing and known future enhancements, faults, encumbrances, and conditions affecting the property rights being appraised are recognized and taken into account in the valuation process. For instance, the value effect of present or future bond encumbrances, likely extraordinary building costs, etc., would be evaluated. The value is based upon the conditions observed upon the most recent inspection, and as the property physically and legally exists without hypothetical conditions, assumptions, or qualifications. The "as is" condition is usually the state in which a property is available for purchase.

Extraordinary Assumption.[4] An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Hypothetical Condition.[5] A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Reasonable Exposure Time[6] is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. We have estimated an exposure time of 12 months for the subject property based on the comparable sales, additional sales, and discussions with market participants.

VALUE PREMISE

The property is appraised under the current market value premise, per the request of the client.

DATE OF VALUATION AND DATE OF THE REPORT

The effective date of all valuation scenarios is February 15, 2018. The date of the report is the date of the letter of transmittal on April 24, 2018.

[4] Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, P. 3
[5] Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, P. 3
[6] Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, P. 2

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Note to Reader: The subject property is subject to the following extraordinary assumptions and/or hypothetical conditions, which might have affected the assignment results.[7]

1. Drainage from the adjacent nursery extends underneath one of the buildings on the subject site before flowing to a pond area at the rear of the property. The drainage has reportedly been in place for many years. We assume there is no prescriptive easement for the drainage, and that it could be relocated or removed from the site.

2. The drainage of excess water from the neighboring nursery has resulted in a small pond that has reportedly been on the site for years. A wetlands survey has not been performed. The appraisers are not experts in this field and we make no warranties regarding the presence of wetlands on the property. We assume there are no wetlands located on the subject.

3. The appraisers were provided with the Conclusions and Recommendations section of a Phase I and II environmental site assessment performed by Geocon Construction, Inc., and dated December 10, 2008 . The report notes the operation of a former 10,000-gallon diesel, above ground storage tank that was removed in the early 1970s. Due to the soil and groundwater that has been impacted by the diesel, the Phase II report concludes that the area will require remediation in accordance with the Central Valley Regional Water Quality Control Board (CVRWQCB) in order to obtain regulatory "no further action" closure status, as well as other minor actions. We assume that the issues will be dealt with and have nominal effect on value.

4. The provided preliminary title report, from Old Republic National Title Insurance Company, dated March 22, 2018 notes APN 044-120-074 as one of the subject parcels, however it appears the report should reference APN 044-121-074. We assume the subject parcel is in fact APN 044-121-074.

GENERAL ASSUMPTIONS AND / OR LIMITING CONDITIONS

This appraisal report and the value estimates it contains are expressly subject to the following assumptions and/or limiting conditions.

1. We assume that property lines as depicted in material provided to the appraisers by the client (directly or indirectly), or as they appear on the ground, are correct. We have not commissioned any surveys of the property.

2. We assume that data, maps, and descriptive data furnished by the client or his representatives are accurate and correct.

3. We do not assume any responsibility for matters of law or legal interpretation. The appraiser is not a lawyer and cannot give legal advice.

[7] Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, P. 27

4. We assume that any conditions that might exist that would affect the use and value of the property are discoverable through normal, diligent investigation.

5. The valuation is based on information from sources believed reliable, and we assume that such information is correct and accurately reported.

6. The value estimate(s) are subject to the purpose, date, and definition of value stated in the report.

7. The report is to be considered in its entirety and use of only a portion will invalidate the appraisal.

8. The appraisal is made based on the premise that there are no encumbrances prohibiting utilization of the property under the appraiser's estimate of highest and best use.

9. Possession of this report does not carry with it the right of publication. No part of it may be reproduced by any means nor disseminated to the public in any way without the prior written consent of the appraiser. Nor may it be used for any purpose or function other than those stated in the report, or by anyone other than the client without the prior written consent of the appraiser and the appraisal firm. Such consent will only be granted subject to proper qualifications and arrangements, possibly including the payment of an additional fee to the appraisal firm.

10. The report is subject to review by duly authorized representatives of the Appraisal Institute for the purpose of upholding ethics and standards. This means that the appraiser must supply a copy of the report to the Appraisal Institute, if requested.

11. It is not the intention of the appraiser or the appraisal firm to assume any liability with regard to this appraisal from any user other than the client. Any person or entity who obtains or reads this report, other than the client, expressly assumes all risk of damages to himself or third persons arising out of reliance on this report, and waives the right to bring any action based on the appraisal. Neither the appraiser nor the firm of Bender Rosenthal, Inc., shall have any liability to any such person or entity.

12. Neither the appraiser nor the appraisal firm shall be in any way responsible for any costs incurred to discover or correct any physical, financial, and/or legal deficiencies of any type present in the subject property.

13. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described in this report unless prior arrangements are made.

14. No responsibility is assumed for building permits, zone changes, engineering, or any other services or duty connected with legally utilizing the subject property.

15. Unless otherwise stated in this report, hazardous material was not observed by the appraiser at the property. The appraisers, however, are not qualified to detect such substances. The appraiser has no knowledge of the existence of such materials on or in the property, except as discussed in the report. The presence of such substances as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. The client should secure proper professional investigation of such matters.

16. With referenced to improved properties: The property appraised may or may not be subject to the Americans with Disabilities Act of 1990 (ADA). Title III of this act provides for penalties for discrimination in failing ". . . to remove architectural barriers . . . in existing facilities [unless] an entity can demonstrate that the removal . . . is not readily achievable. . ." Unless otherwise noted in this appraisal, it is assumed that the property appraised is not substantially impacted by this law. However, the appraiser has not undertaken any detailed compliance review, nor is the appraiser an expert in ADA matters.

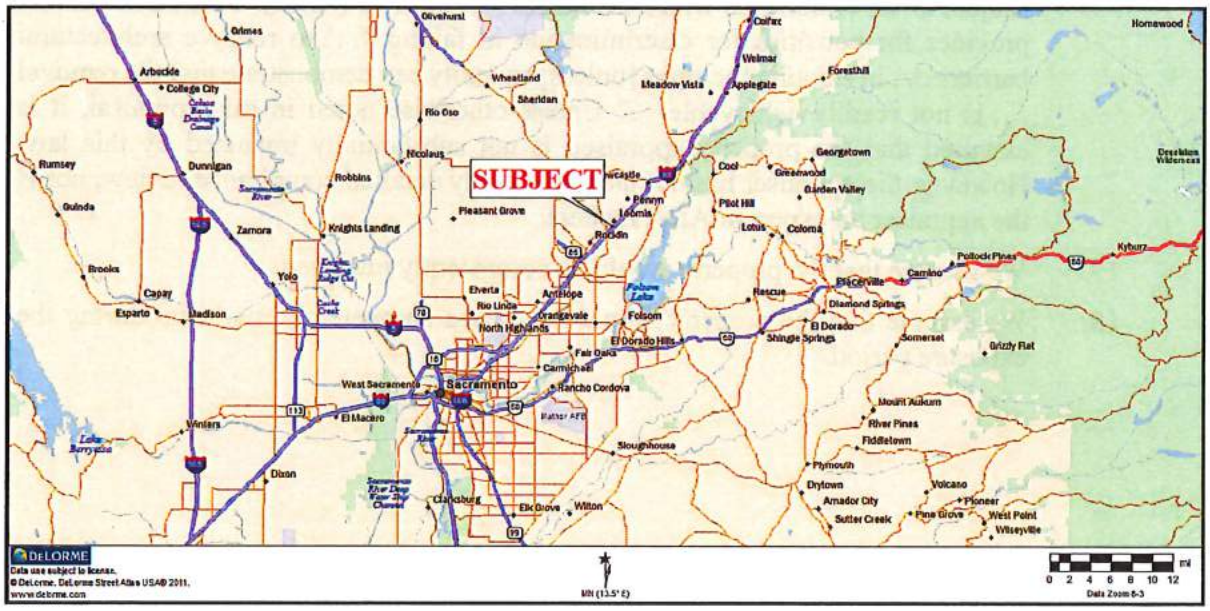
17. We assume that the property would be competently managed.

18. We assume that the property would have been competently marketed during the exposure period.

II. PLACER COUNTY REGIONAL OVERVIEW

Geographic Considerations. The project area is located along Interstate 80, within the city limits of the Town of Loomis, in Placer County. Placer county, located in northeastern California, covers approximately 1,500 square miles of diverse geography between the Sacramento and Nevada. A concentrated portion of the county, called South Placer, contains the cities of Roseville, Rocklin, Lincoln, and Loomis as well as the unincorporated communities of Sheridan and Granite Bay. A regional map is shown below.

REGIONAL LOCATION MAP



The concentrated area of South Placer has experienced the County's most significant growth, in terms of both new housing and commercial and industrial development. Most of the county's major manufacturing facilities are located in this part of the county. South Placer also supports the bulk of the county's agricultural activities, including over 86,000 acres of land enrolled in California Land Conservation Act (Williamson Act) contracts. Many residents in this area commute to work in the Sacramento area.

The central part of Placer County consists of the Foothills region, which includes the cities of Auburn, Colfax, and the unincorporated communities of Foresthill, Penryn, Newcastle, Applegate, Weimar, Gold Run, Meadow Vita, Dutch Flat, Alta and Baxter. The Foothills area is the heart of what constituted the Gold Rush Country in the 1800's. As in South Placer, many residents of the Foothills area also commute to work in the Sacramento area.

The eastern part of Placer County is the High Sierra region. The High Sierra area includes the resort, communities, and ski areas around Lake Tahoe. This is an internationally-known resort area, with visitors coming to hike, fish, golf, enjoy the outdoors, visit nearby Nevada casinos in the summer, and ski at the many resorts in the winter. Tourism and recreation are the dominant industries in the region, providing jobs for the residents of the unincorporated communities of Tahoe City, Tahoe Vista, Carnelian Bay, Homewood, Kings Beach, Tahoma, Emigrant Gap, Soda Springs, and Squaw Valley.

TRANSPORTATION

The backbone of Placer County's roadway system is Interstate 80 which traverses the county from the eastern High Sierra region, to the western 'South Placer' region. Interstate 80 is the only east-west interstate freeway crossing the Sierras and Cascades in a 1000-mile stretch between Bakersfield, California on the south and Portland, Oregon on the north. Interregional and interstate business, freight, tourist, and recreation travel between the Pacific Coast, the San Joaquin and Sacramento Valleys, and points east use this route. I-80 also serves as an important commuter route in South Placer County, and it provides the only major route between east and west Placer County.

In addition to Interstate 80, Placer County is also served by State Route 20, 28, 49, 65, 89, 174, 193, and 267. These state highways together with certain arterial roadways in the county are classified as principal arterials. Roseville and Rocklin have Amtrak stations that serve the Capitol Corridor route. A Greyhound bus station is also available in Roseville. Public transportation in the county is provided by Placer County Transit (PCT). The PCT provides seven separate routes through the County, and connecting to neighboring counties.

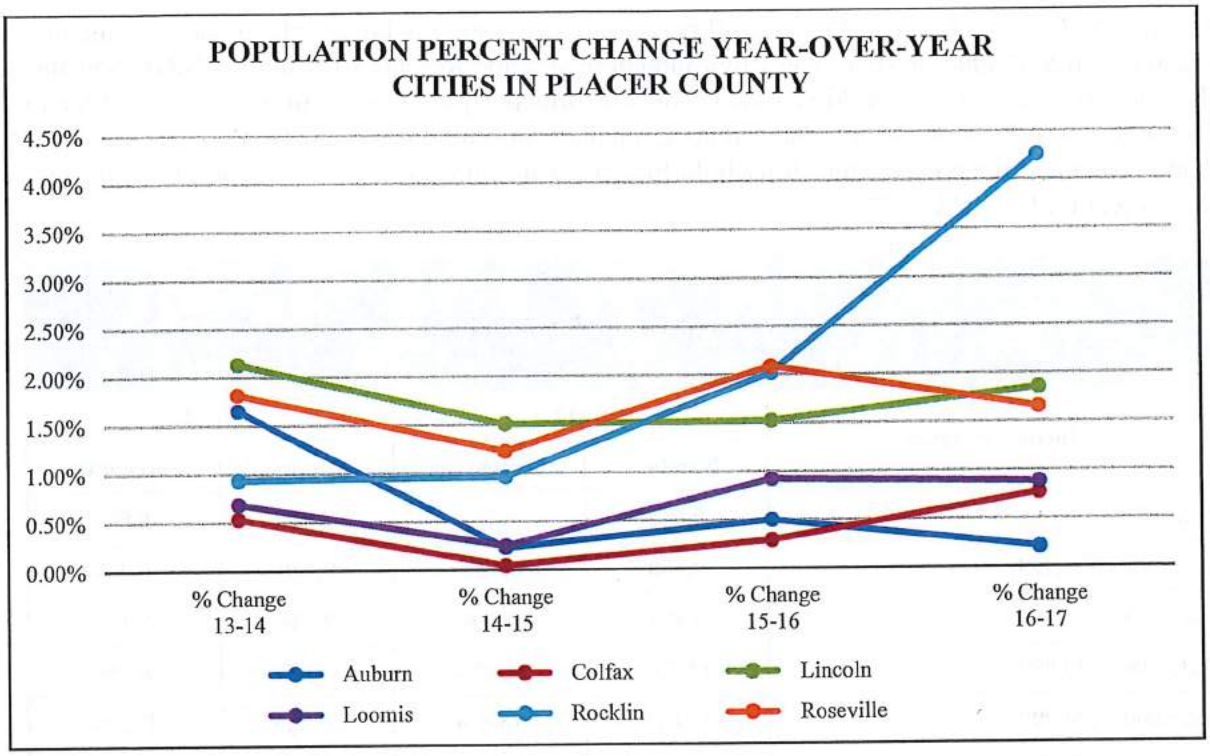
DEMOGRAPHIC TRENDS

Population. Placer County is expected to continue to be one of the fastest growing counties in the region and the state. The data shown below illustrates the population changes for of the past five years for California, Placer County, and associated incorporated cities.

AREA	2013	2014	% Change 13-14	2015	% Change 14-15	2016	% Change 15-16	2017	% Change 16-17
California	38,238,492	38,572,211	0.87%	38,915,880	0.88%	39,189,035	0.70%	39,523,613	0.85%
Placer County	362,551	367,442	1.33%	370,710	0.88%	376,203	1.46%	382,837	1.73%
Auburn	13,730	13,962	1.66%	13,995	0.24%	14,066	0.50%	14,096	0.21%
Colfax	2,036	2,047	0.54%	2,048	0.05%	2,054	0.29%	2,070	0.77%
Lincoln	44,861	45,843	2.14%	46,547	1.51%	47,268	1.53%	48,165	1.86%
Loomis	6,590	6,636	0.69%	6,653	0.26%	6,715	0.92%	6,775	0.89%
Rocklin	59,275	59,839	0.94%	60,425	0.97%	61,672	2.02%	64,417	4.26%
Roseville	126,864	129,219	1.82%	130,828	1.23%	133,618	2.09%	135,868	1.66%
Balance	109,195	109,896	0.64%	110,214	0.29%	110,810	0.54%	111,446	0.57%

Source: California Department of Finance; Population Estimates for Cities, Counties and the State (May 1, 2017)

As seen in the table above, the South Placer cities of Roseville, Rocklin, Lincoln, and Loomis provide residence to over 65% of the entire Placer County population. The largest city within Placer County is Roseville, followed by Rocklin, and Lincoln. These counties have also experienced substantial growth year-over-year in relation to the other communities in the county.



The previous chart shows the year-over-year changes in population for all six of the Placer County incorporated cities from 2013 to 2017. The city of Rocklin experienced the largest amount of growth between 2016 and 2017, at 4.26%. Rocklin also experienced the largest overall growth since 2013 in Placer County at 8.20%. Lincoln had an increase since 2013 of 7.04%, followed by Roseville at 6.80%.

Household Income. As of 2017, over 69 percent of the County's households generated income greater than $50,000 per year. The Environmental Systems Research Institute (ESRI) indicates that the 2017 median household income is $80,976, which is projected to grow slightly in 2022 to $90,068. This represents an 11.23% increase in median household income between 2017 and 2022. The following table presents the Household Income Distribution for Placer County, for 2017 and the projection for 2022.

Household Income Distribution for Placer County

Income Bracket	2017		2022	
	Number	Percentage	Number	Percentage
<$15,000	9,646	6.7%	10,574	6.8%
$15,000 - $24,999	9,688	6.7%	9,880	6.4%
$25,000 - $34,999	9,589	6.6%	9,348	6.1%
$35,000 - $49,999	14,755	10.2%	13,437	8.7%
$50,000 - $74,999	22,857	15.8%	20,526	13.3%
$75,000 - $99,999	19,777	13.7%	20,239	13.1%
$100,000 - $149,999	28,243	19.5%	32,476	21.0%
$150,000 - $199,999	15,374	10.6%	19,264	12.5%
$200,000+	14,833	10.2%	18,714	12.1%
Total	**144,762**	100%	**154,458**	**100%**
Avg. Household Income	**$106,820**		**$120,875**	
Est. Median Household Income	**$80,976**		**$90,068**	

Source: Environmental Systems Research Institute

Historically, Placer County had an increasing median household income level for the years of 2010 and 2011, but then this amount dipped in 2012 substantially, followed by yet another dip in 2013, then a gradual increase into 2014 and 2015. Also of note, Placer County's population continued to grow during this frame, therefore, there was an influx of more individuals in the area that had a generally lower median household lower income level. This being because affordability had reached a level that capable for lower income individuals in the county, a level that hadn't been available before the recession. Currently (2017), affordability in Placer County is at 43, which is a five-percent decrease from just a year ago.

Housing Values. The estimated median owner-occupied housing value was $438,901 in 2017. The median housing value in 2022 is projected to increase 17.13% from the 2017 value. As shown in the following table, over 57% of owner-occupied homes had housing values greater than $400,000 (in 2017). Further, nearly 37% of the owner-occupied homes had housing values greater than $500,000.

Placer County Estimate of Owner-Occupied Housing Values

Value	2017		2022	
	Number	Percentage	Number	Percentage
Less than $50,000	1,874	1.9%	1,165	1.1%
$50,000 to $99,999	822	0.8%	376	0.4%
$100,000 to $149,999	1,029	1.0%	402	0.4%
$150,000 to $199,999	2,396	2.4%	1,041	1.0%
$200,000 to $299,999	4,947	4.9%	2,502	2.3%
$300,000 to $499,999	7,748	7.7%	4,704	4.4%
$500,000 to $999,999	23,805	23.6%	19,593	18.2%
$1,000,000 or more	20,187	20.0%	22,077	20.6%
Median (dollars)	$438,901		$514,084	

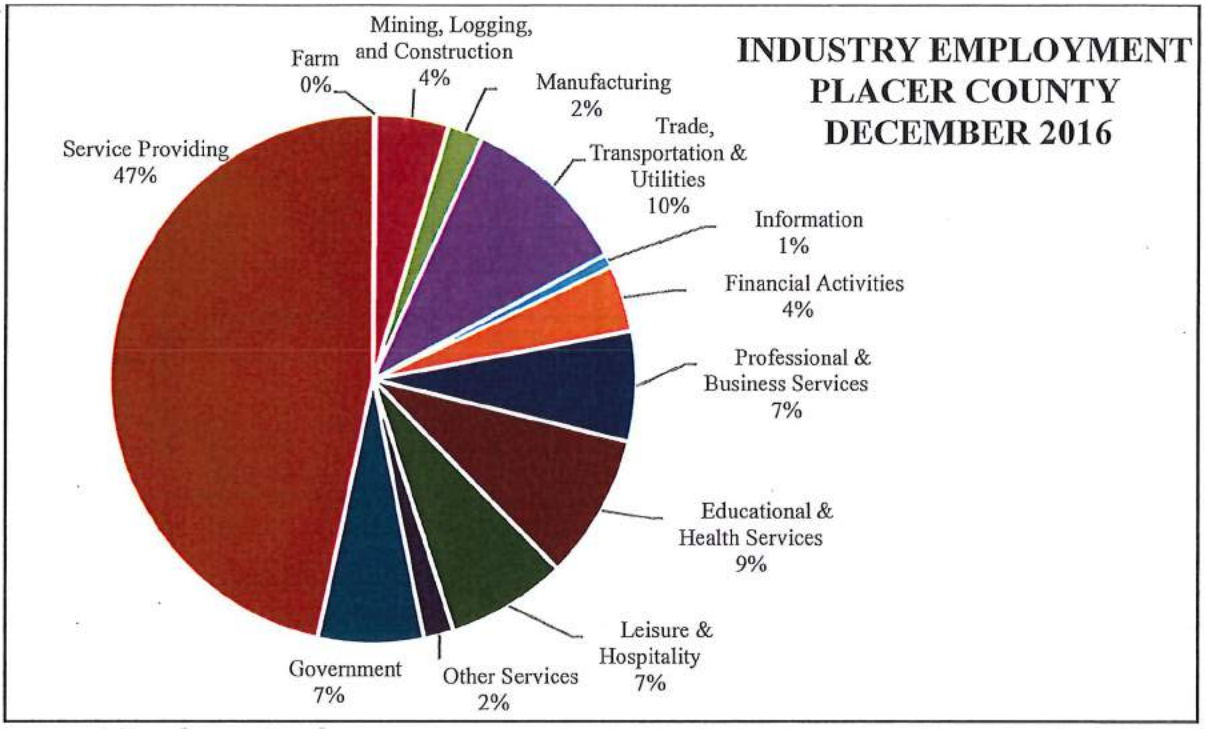
Source: Environmental Systems Research Institute

The data demonstrated in this table further illustrates that housing affordability has continued to decrease (pricing increases), which has yet to cause a halt on population growth.

BUSINESS CLIMATE

Prior to the economic downturn, Placer County's economy had seen impressive levels of job growth and significant increases in taxable sales. Like most areas of the country, economic conditions in Placer County suffered, but its strong base and rather diversified industry composition mitigated some of the effects of the recession. The County also has continued to encourage start-ups and relocations of businesses within various sectors.

Industry Employment. As previously stated, the County of Placer specializes in various sectors as industry employment is quite diversified. The strongest industry is the Service Providing industry with 47% of the total employment for the county. This is followed by the Trade, Transportation, and Utilities sector with 10% of total employment, then Education and Health Services with 9% of total employment. The following pie-chart illustrates the employment sectors and percentage of employees during December of 2016 (newest data available for Placer County outside of the MSA).



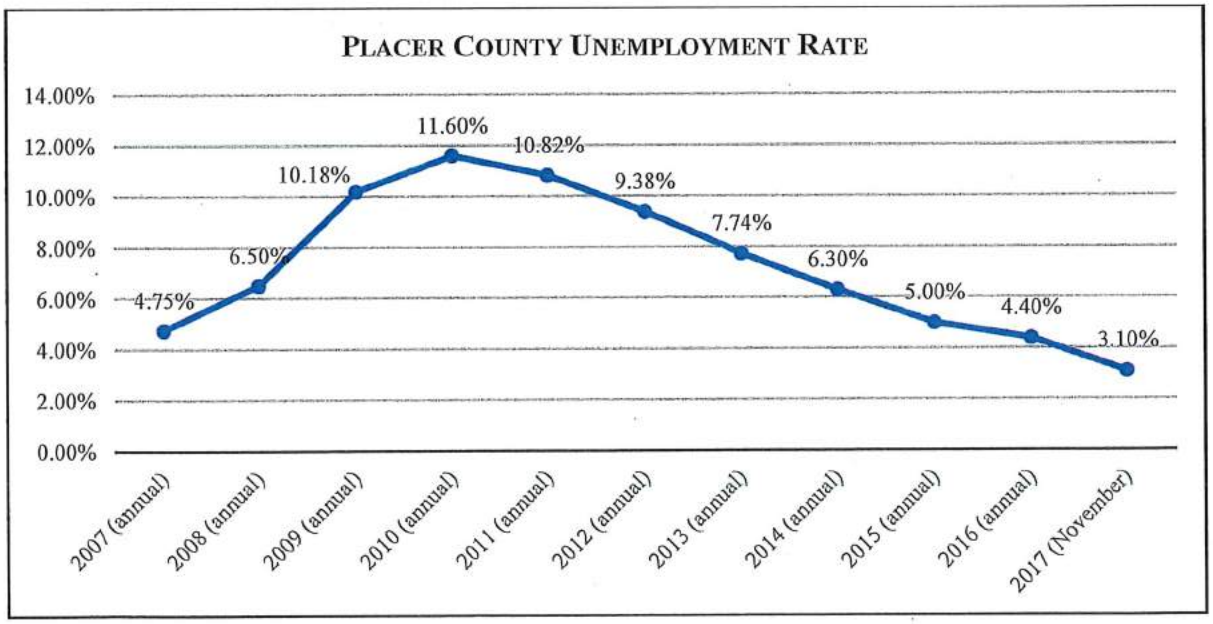
Source: CA Employment Development Department

According to the Placer County Economic and Demographic Profile published in 2014, the strongest growing sector between 2002 and 2012 was the Educational and Health Services area. The second fastest growing sector in Placer County between 2002 and 2012 was the Financial Activities sector. After 2012, the fastest growing sector into 2014 was the Professional and Business Services sector which grew by over 2,900 employees in that two-year time-span. Additionally, the Education and Health Services sector grew by 2,500 employees from 2012 to 2014. Looking into the future, the Department of Transportation's Economic Forecast projects that into 2021 the fastest growing fields will be within the healthcare field, leisure and hospitality, professional and business services, education and healthcare, and wholesale and retail trade. Combined, these sectors will account for 83 percent of net job creation in the Placer County.

Unemployment Rates. The following table presents the civilian labor force, employment, and the annual unemployment rates for 2007 to November of 2017, which is the most recent data available.

Placer County Employment Data				
Time Period	**Labor Force**	**Employment**	**Unemployment**	**Unemployment Rate**
2007 (annual)	172,500	164,200	8,200	4.75%
2008 (annual)	177,000	165,500	11,500	6.50%
2009 (annual)	179,700	161,400	18,300	10.18%
2010 (annual)	173,300	153,200	20,100	11.60%
2011 (annual)	173,700	154,900	18,800	10.82%
2012 (annual)	174,900	158,500	16,400	9.38%
2013 (annual)	175,800	162,300	13,600	7.74%
2014 (annual)	175,800	164,800	11,000	6.30%
2015 (annual)	176,800	167,900	8,900	5.00%
2016 (annual)	179,800	171,800	8,000	4.40%
2017 (November)	182,300	176,600	5,700	3.10%

Source: Employment Development Department; Labor Market Information Division



According to the Employment Development Department, the Placer County unemployment rate was at a high of 11.60% in 2010, and since then the county's unemployment rate has continued to lessen. The current unemployment rate of 3.10% (as of November 2017) is even lower than pre-recession levels and almost matches the unemployment rate achieved in 1999.

REGIONAL ANALYSIS CONCLUSION

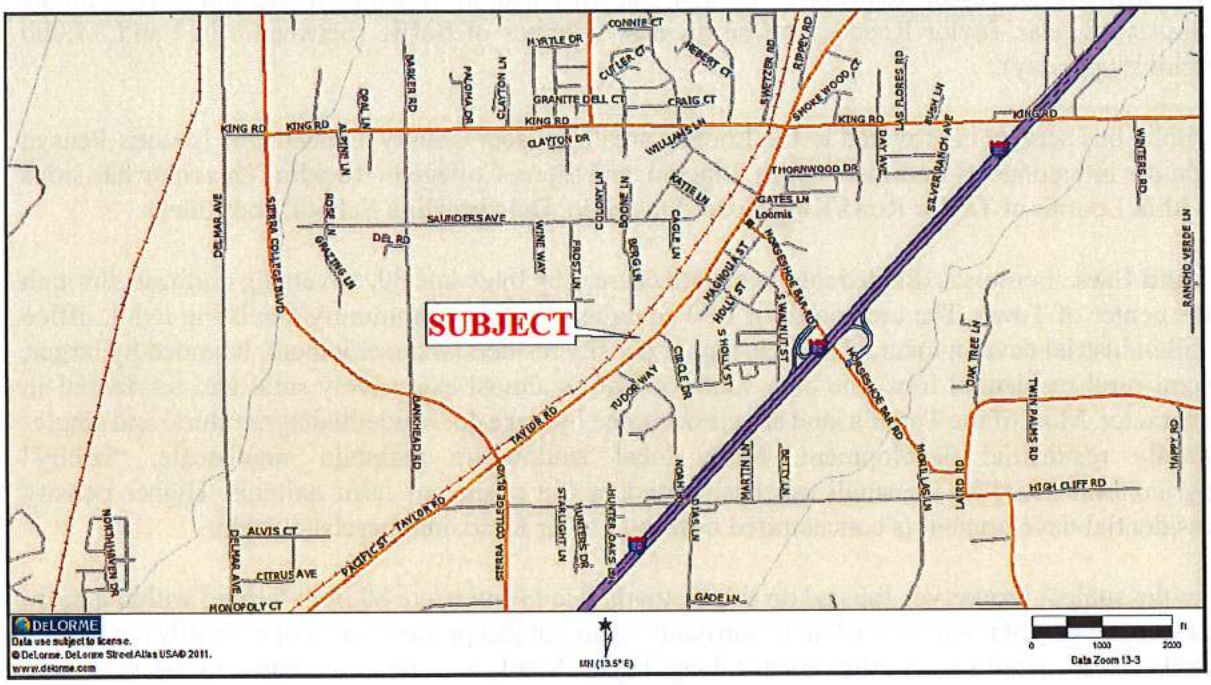
Placer County is located in northeastern California, and covers approximately 1,500 square miles of diverse geography between Sacramento and Nevada. A concentrated portion of the county, called South Placer, contains the cities of Roseville, Rocklin, Lincoln, and Loomis as well as the unincorporated communities of Sheridan and Granite Bay. The area experienced significant population growth over the previous two decades. Affordability countywide continued to decrease in 2017 by five percent from 2016. Median housing values are projected to increase 17.13% between 2017 and 2022, while household income is only projected to increase 11.23%. This further illustrates that affordability is projected to decrease as household income is not increasing at the same rates that household values are. As far as employment, Placer County has a diverse economy ranging from tourism jobs focused mainly in the High Sierra (eastern portion) region of the county, and Education or Financial jobs focused in the South Placer area. The current unemployment at rate is even lower than rates experienced previous to the recession. The quickly increasing population, a lowering unemployment rate, and increasing household values are all signs of a continually strengthening Placer County economy.

III. NEIGHBORHOOD DESCRIPTION / IMMEDIATE ENVIRONS

NEIGHBORHOOD OVERVIEW

The subject property appraised is located along Taylor Road, generally at the intersection of Circle Drive and Taylor Road, within the incorporated town of Loomis. The town of Loomis is a small, semi-rural community located in the western portion of Placer County. The neighborhood map in relation to the subject property is seen below.

NEIGHBORHOOD MAP



Incorporated in 1984, Loomis is located within a fast-growing metropolitan region approximately 25 miles northeast of the City of Sacramento, along Interstate 80. Loomis is in the western portion of the Loomis Basin, an 80-square mile area of the Placer County foothills. A number of creeks run through the Town, providing visual quality, wildlife habitat, drainage, and recreational opportunities for the community. Multi-use (equestrian, bicycle and hiking) trails generally follow the riparian corridors as they meander through rural residential neighborhoods.

The town was founded on a low-growth policy in an effort to protect the area's distinct small-town, semi-rural character from encroaching development. Loomis has achieved this goal through large residential lots with continuing agricultural activities, rural roads and equestrian trails, a compact downtown "village" area, the preservation of historic structures, and extensive open space areas.

Access. Primary access to and from the Town of Loomis is provided by Interstate 80 which bisects the town. Interstate 80 connects the Town of Loomis to San Francisco to the west, and Nevada to the east. The proximity to Interstate 80 provides good access to and from the neighborhood. Overall, access is considered to be good.

Major arterials in the Town of Loomis consist of Taylor Road, Horseshoe Bar Road, King Road, Sierra College Boulevard, Barton Road, Brace Road, and Swetzer Road. Taylor Road is a major arterial from Eureka Road in Roseville paralleling Interstate 80 (I-80) through Rocklin, Loomis, Penryn, and Newcastle, and terminating at State Route 193 (SR 193) near Auburn. Horseshoe Bar Road is an east-west arterial from Taylor Road to Folsom Lake in unincorporated Placer County. The segments of Taylor Road and Horseshoe Bar Road near the downtown area and Sierra College Boulevard near Taylor Road carry the greatest volumes of traffic (between 9,000 and 14,000 vehicles per day).

Public bus service is provided to the Loomis area by Placer County Transit. The Loomis-Penryn Shuttle interconnects Loomis, Penryn, Lincoln, and Sierra College in Rocklin. This route has stops within Loomis at Taylor Road/King Road, Flag Stop, Del Oro High School, and Raleys.

Land Uses. Loomis is divided into two distinct areas by Interstate 80, traversing northeast through the center of Town. The area north of I-80 contains all of the community's existing retail, office and industrial development, as well as higher density residential development, bounded by larger, semi-rural residential lots. The area south of I-80 is almost exclusively rural and residential in character. Most of the Town's land area is occupied by large-lot residential/agricultural and single-family residential development. Many local landowners maintain small-scale, "hobby" agricultural activities on small ranches, including the raising of farm animals. Higher density residential development is concentrated near the Taylor Road commercial corridor.

As the subject property is located on the northern side of Interstate 80, it is located within a more developed part of town. Immediately surrounding the subject property are single-family residences to the north, retail uses further north (along Taylor Road), mobile home parks to the west, and larger lot single-family developments to the southeast (across Interstate 80).

Commercial uses within the subject's immediate neighborhood include Lorenzo's Mexican Food, NAPA Auto Parts, Spec-West Concrete Systems, Stone Tree Liquor and Food, Bank of America, Loomis Spa and Boutique, and Body and Soil Tattoo and Piercing. A Raley's-anchored community shopping center is located at the Horseshoe Bar Road and Interstate 80.

However, at the Interstate 80/Sierra College intersection, approximately one mile south of the subject, extensive retail development has occurred in the previous three to five years. Rocklin Crossing is located at the southwest quadrant of the intersection, and is anchored by a Super Wal-Mart, Petsmart, Bass Pro Shop, Green Acres Nursery, and Home Goods (under construction). There is an additional 18,000+ square feet of shop space plus 75,000+ square feet of pad space occupied by such tenants as Panda Express, Starbuck's, In-N-Out Burger, Sees Candy, UPS, and Mattress Firm. In all this project totals more 475,000 square feet. At the northeast quadrant of the interchange is the 363,000-square foot Rocklin Commons, which is anchored by Target and Studio

Movie Grill. The shopping center provides an additional 70,000+ square feet of in-line space and 58,000+ square feet of pad space. Tenants include Ross Dress for Less, Stein Mart, Chipotle, Panera Bread, and Blast and Brew. These centers are one of the newest retail developments within the larger region, and serve as one of the largest retail clusters in the Rocklin/Roseville area.

TOWN OF LOOMIS FUTURE DEVELOPMENT PROJECTS

According to the January 2018 Active Project Planning Status Report for the Town of Loomis, there are currently numerous housing projects underway, but only one ground-up commercial project. The town of Loomis is a very unique submarket in the larger Placer County area. This submarket is characterized by custom homes on estate lots. Therefore, sales in the area are often lot sales, or improved re-sales. Although the current state of the Loomis market isn't immersed with subdivisions selling homes, there are various projects that are set to come on-line in the next few years. In total, there are approximately 132 new lots that are in paper-lot condition, that will be brought on-line that will resemble construction of a more traditional subdivision type.

The sole commercial project is for a 150,000-square foot Costco on a 17.4 acre site at the southeast quadrant of Sierra College Boulevard and Brace Road. Currently an environmental impact report consultant has been appointed to the project.

Other relevant projects include the following:

- The Village at Loomis is a proposed 66+ acre project that will include 6.3 acres of commercial land
- A 3,050-sqaure foot expansion was approved for an existing warehouse building on Swetzer Road

CONCLUSION

The subject's neighborhood is within the Town of Loomis. Loomis maintains a distinct small-town, semi-rural character through large residential lots with continuing agricultural activities, rural roads and equestrian trails, a compact downtown "village" area, the preservation of historic structures, and extensive open space areas. The subject property is proximal to various open space areas, but is also proximal to Interstate 80. The subject's neighborhood can be characterized as a tertiary retail location serving the immediate community. While there is some growth anticipated within Loomis, most noticeably a proposed Costco, the town will maintain its slow-growth policies, with the vast amount of future development in the region anticipated for Roseville and Rocklin. Given current market conditions, it is anticipated that the neighborhood will remain stable and desirable in the near to mid future.

IV. RETAIL MARKET OVERVIEW

The subject is appraised as vacant land zoned for commercial uses, and we therefore present an overview of the regional and local retail market within the following section. Much of the following information is reproduced from the *Colliers International Sacramento Retail Research & Forecast Report Fourth Quarter 2017 Report,* the most recent report available.

REGIONAL RETAIL TRENDS

General. The biggest event of the year within the retail market was the completion of the Delta Shores power regional center along Interstate-5 in South Sacramento, which contributed 512,966 square feet of new retail space, with an additional 228,744 to be completed in early 2018. As a result, the Sacramento region had its biggest annual net absorption total since 2007. With these new big boxes filled, however, there appears to be little in the pipeline for new construction of similar scale. The large vacancies in certain submarkets have brought down the overall average asking rate, even as fierce competition for trendy spaces in Downtown Commons and other suburban retail destinations drives a tremendous rise in asking rates. As owners focus on creating modern centers anchored by recreation, fitness and dining, Colliers anticipates a continuing trend of existing centers being extensively renovated.

Absorption & Vacancy. Positive net absorption of 428,503 square feet during the fourth quarter brings the 2017 annual total to nearly 1.5 million square feet absorbed. This represents the biggest annual net absorption total since 2007. While this signals a return to development, the 3.1 million square feet of net absorption in 2007 coincided with construction deliveries greater than 2.9 million square feet that year. The 1.5 million square feet absorbed in 2017 occurred with only 806,160 square feet of new construction, providing evidence of the focus on repurposing existing space.

The vacancy rate at the end of 2017 reached 9.1 percent, down 120 basis points from 10.3 percent at the end of 2016. Submarket vacancy rates range from 3.0 percent in West Sacramento to 15.5 percent in Arden/Howe/Watt. Rental Rates. Half of the total absorption in the fourth quarter 2017 came from Delta Shores in South Sacramento. The biggest occupier in that new center was Walmart, with 189,543 square feet. At Downtown Commons, Punch Bowl Social opened its doors in December, with 22,220 square feet.

Rental Rates. Overall average asking rates did, in fact, decrease over 2017. As Colliers predicted, however, overall power regional rates received a bump from Delta Shores. As for the rest of the market, they see a widening gap between high-demand submarkets and a growing number of retail centers still struggling to fill vacancies even as the market returned to healthy occupancy. For example, while asking rent more than doubled in the Downtown/Midtown/East Sacramento submarket, the average declined 6.7 percent in Arden/Howe/Watt. The main difference is that where rents average $3.05 in Downtown/ Midtown/East Sacramento, there is very little space available. The large vacancies skew the average down even more.

Investment Volume. Fourth quarter sales totaled $337 million on 214 transactions, bringing the 2017 total to $937.9 million, nearly 25 percent higher than the average from 2014-2016. Four transactions in the fourth quarter traded above the $20-million mark. The largest transaction was $50.1 million sale-leaseback of Life Time Athletic in Folsom. A 258,979-square-foot center anchored by Raley's at Madison Avenue and Hazel Avenue in Fair Oaks sold for $46.65 million. The average price per square foot on all 2017 transactions was $194 per square foot. That is 17.4 percent higher than the average from 2014- 2016. Colliers also notes an increase in investment activity throughout 2017, as cap rates in Sacramento beat the Bay Area and Los Angeles markets by more than a full percentage point.

New Construction & Outlook. Of the 43 new projects finished during 2017, only 14 were larger than 10,000 square feet, and only five were larger than 40,000 square feet. Of these, Delta Shores, Life Time Athletic, and Downtown Commons were the largest. With an RC Willey and Regal Cinema still under development, the Colliers report expects to start off 2018 with another 224,200 square feet of new retail space at Delta Shores delivered and absorbed. JMA Ventures will also deliver an additional 87,640 square feet at Downtown Commons. In the first half of 2018, Urban Outfitters, Yard House, Echo & Rig Steakhouse, Burger Lounge, and Getta Clue Store should open at this location. Once these two major centers are complete, the pipeline of new construction will be significantly smaller. The largest new center expected to break ground is Armstrong Development's 245,000-square-foot center anchored by Nugget Market at the corner of Blue Oaks Blvd and Woodcreek Oaks Blvd in Roseville. A handful of projects in the in the 40,000-50,000-square-foot range, including the new movie theater at Howe 'Bout Arden, will also commence soon. Colliers expects developers will continue to redesign and modernize well-located centers, as occurred last year with The UV and Howe 'Bout Arden centers. As the restaurant industry continues to grow and more big box retailers close, including Sam's Club and Walmart at El Camino Avenue and Watt Avenue, development will occur at a smaller scale in 2018.

IMMEDIATE MARKET

The Town of Loomis is a relatively small area comprised primarily of residential uses, however there are areas of retail development, generally focused along the Taylor Road corridor in the downtown portion of Loomis. Additional development is at the Raley's-anchored Loomis Marketplace at Horseshoe Bar Road and Interstate 80.

According to CoStar, a nationally-recognized real estate information company, there are just 42 retail buildings in Loomis totaling 277,478 square feet, indicating an average size of approximately 6,600 square feet. However, the average is skewed by the 68,000-square foot Raley's supermarket, and the median retail building size in Loomis is just 3,600 square feet. Over 40% of the buildings are less than 3,000 square feet in size. Those properties on Taylor Road range in age from 20 to 100+ years old, however the majority of the construction occurred in the 1970s and 1980s. The market appeals to small, local business owners who enjoy the quality of life in the surrounding South Placer area. The market is extremely tight, and CoStar reports no vacancy at the present, with an availability rate of just 1.8% for the area. As such, only 1,200 square feet of space has been absorbed over the previous 12 months. The following table presents basic market information for Loomis well as the Sacramento region as a whole. It is noted that the following local information is from CoStar.

Area	Size - SF	Vacancy	Absorption SF YTD	Under Construction SF
Loomis	277,478	0.0%	1,170	0
Sacramento Region*	61,865,738	9.1%	428,503	363,405

** Sacramento, Yolo, El Dorado, and Placer Counties*

All basic metrics have shown marked improvement regionally over the previous five years, including decreasing vacancy, increasing absorption, increasing asking rates, and increased sale volume. The immediate submarket is tiny relative to the larger region, however has remained extremely tight. While there is minimal data available for analysis, asking rental rates in Loomis are approximately $1.00 per month triple net, whereas regionally asking rates are closer to $1.38 per square foot. However, regional strip retail space, which best approximates the product type anticipated for the subject, is more in line with the Loomis asking rates. Overall, the surrounding area reflects smaller retail development that is 25 to 50+ years old and is in average condition. The area appeals to local businesses and retailers that serve the immediate neighborhood.

Brokers noted strong demand for land along the Sierra College corridor in proximity to Interstate 80 and, to some extent, the Sierra College campus. Development may be feasible for many of these properties, and sellers are able to achieve higher prices than other surrounding areas further from the existing Rocklin Commons and Rocklin Crossings retail development. Demand in these peripheral areas is more tepid and the timeline for development is more speculative.

CONCLUSION

The Sacramento region retail market has continually improved over recent years. However, as Colliers notes, there is a bifurcation in the market, with tertiary, Class B and C space not experiencing the same demand and growth as well-located Class A properties. New construction and absorption have been primarily relegated to these types of properties. Recreation, fitness, and dining have become the desired uses for existing retail developments, as these experiences cannot be replicated online.

The subject's specific location in Loomis is a very small, local market, with most all retail uses serving the immediate neighborhood. Developments are small in size and older, and current lease rates are not sufficient to justify speculative construction. At the same time the lack of construction has kept supply low, and there is essentially no vacancy in the market at the present. Based on the desirability of the surrounding area, the retail market is anticipated to remain stable into the near to mid future.

V. PROPERTY DESCRIPTION

GENERAL

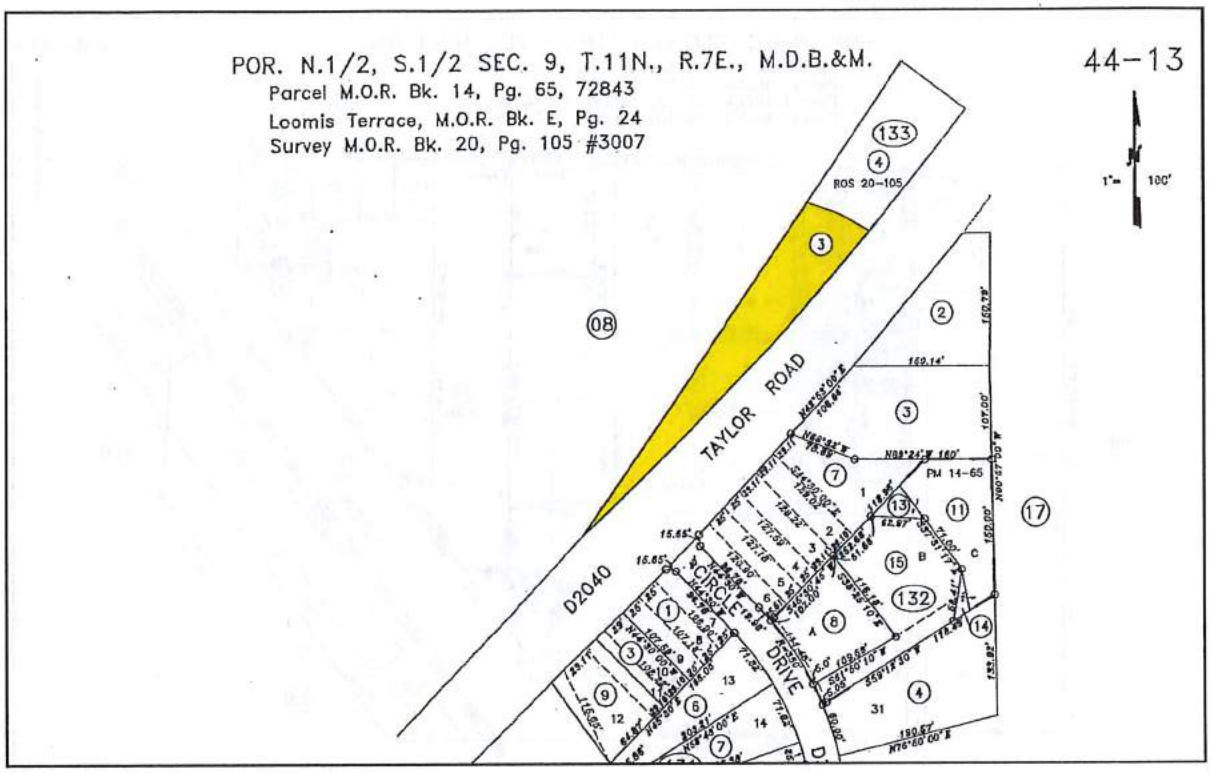
The subject property is located in the Town of Loomis. More specifically, the property appraised is along the north side of Taylor road, extending from Shawn Drive to just past Circle Drive. The property is bound to the north by the Union Pacific rail line and has a long, narrow shape. The site consists of three parcels of land zoned for general commercial development. The site is serviced by the Town of Loomis utilities. The property historically was operated as W&W Moulding for lumber milling and storage, however is currently used to manufacture tiny houses. All of the building and site improvements are owned by the tenant and are excluded from the analysis. The subject of this appraisal therefore consists of the land only. More detail is provided in the following sections.

SITE ATTRIBUTES

Size:	177,694 square feet, or 4.08 acres
Zoning:	CG (General Commercial) District on Taylor Road Northeast of Sierra College Boulevard. The requirements of this subsection apply to the site identified as special land use policy area 4 on the general plan land use diagram, as consistent with Specific Area Policy 4, Section G of the Land Use and Community Development Element of the general plan. Sites shall be developed with commercial uses along Taylor Road frontage, with office uses or multifamily residential behind the commercial, to buffer the adjacent single-family residential uses from the noise, glare, and activities associated with commercial uses.
General Plan:	General Commercial. The zoning conforms to the General Plan designation.
Surrounding Land Uses:	Land uses immediately surrounding the subject property include a nursery to the north, rural residential and hobby farms to the west, on the opposite side of the Union Pacific railroad line, and small commercial uses followed by single family residential development to the south, on the other side of Taylor Road.
Shape:	The subject has a long, tapered shape. Please refer to the following Assessor's map.

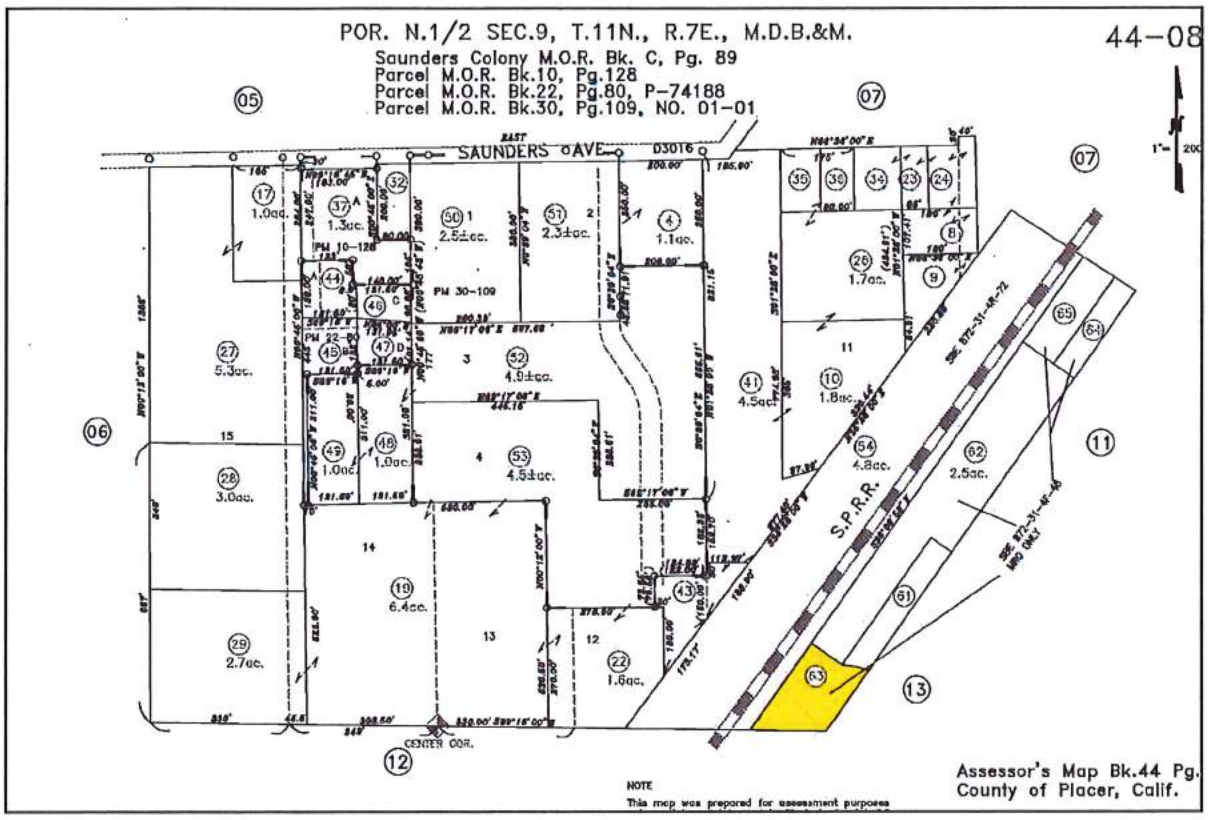
ASSESSOR'S PARCEL MAPS

APN 044-133-003



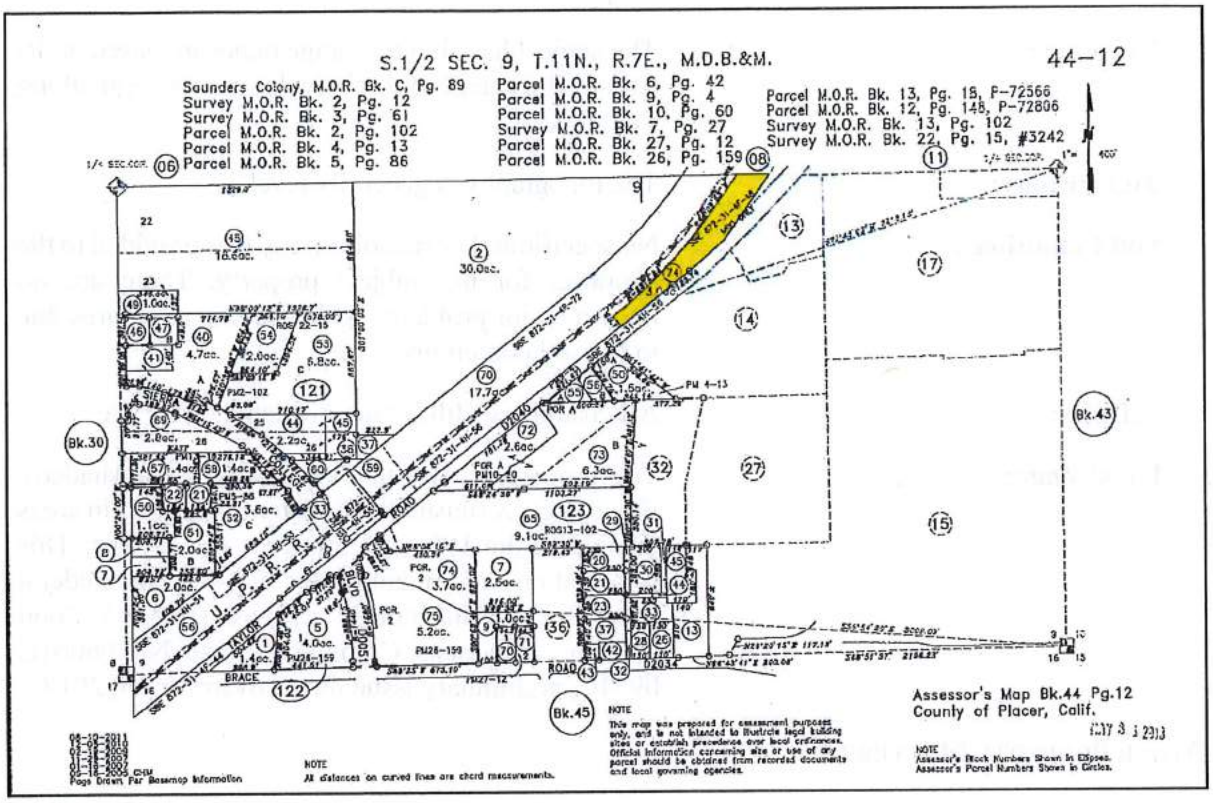
ASSESSOR'S PARCEL MAP

APN 044-080-063



ASSESSOR'S PARCEL MAP

APN 044-121-074



Frontage / Access: The site has approximately 1,395 linear feet of frontage along Taylor Road. There are several driveways accessing the subject from Taylor Road at the present.

Exposure: The subject has above average exposure based on its extended frontage and relatively narrow depth along Taylor Road.

Topography: The topography is generally level.

Soil Conditions: No specific soil or subsoil survey was provided to the appraiser for the subject property. There are no known major problems with building structures due to the soil conditions.

Utilities: All customary utilities are available to the site.

Flood Zone: The property is within Flood Zone X (unshaded). Flood Zone X (unshaded) is determined to be in areas outside of the 100- and 500-year floodplains. This information was obtained by viewing the Federal Emergency Management Agency (FEMA) flood insurance rate maps, Community Panel No. 06061C 0954C, preliminary issue date November 15, 2017.

OTHER PROPERTY MATTERS

Easements: A preliminary title report from Old Republic Title Insurance Company, dated March 22, 2018, was provided for review. The title report lists 16 exceptions, but most involve standard disclaimers that title companies insert into all of their policies. Examples in this regard include disclaimers relative to matters that are not of public record, property tax matters, lack of abutters' rights along the highway, and the ability of utility companies to lien properties for non-payment of bills. Exceptions of this type are common to all properties and need not be addressed individually. Comments regarding the other exceptions are presented below.

Exceptions 12, 13, 14, and 15 relate to easements for telecommunication, fiber optic, and sewer easements. These type of utility easements are typical of competing properties and do not negatively affect value.

Exception 16 relates to an encroaching chain link fence along the northern line of the property. Specifically the encroachment effects parcel 044-133-003. The encroachment consists of small triangle totaling 127 square feet. The encroachment is minimal and located along the perimeter of the property at the rear of the site, outside of any potential building envelope. The encroachment is believed to be easily remedied. However, even if not remedied the encroachment has nominal effect on the utility and value of the site. A surveyors map of the encroachment is located in the addenda to this report.

Drainage from the adjacent nursery to the north extends underneath one of the buildings on the subject site before flowing to a pond area at the rear of the property. The drainage has reportedly been in place for many years. We assume there is no prescriptive easement for the drainage, and that it could be relocated or removed from the site (please refer to Extraordinary Assumption #1).

Overall, there are no exceptions to title that negatively affect the utility or value of the site.

Seismic Information: The subject property is not within an Alquist-Priolo Special Studies Zone.

Cultural, Recreational, and Historical Significance: None known or suspected to be present.

External Influences: None significant.

Property Tax Data: The three subject parcels are owned by the Town of Loomis, and therefore these properties do not incur tax bills. It is noted that the tax rate is 1.041179%.

Overall Comments: The subject property is located along the Taylor Road corridor in the downtown portion of the Town of Loomis. The property has a long, narrow shape which enhances its visibility and exposure along Taylor Road. The property is bordered to the north by Union Pacific rail line.

VI. HIGHEST AND BEST USE ANALYSIS

Highest and best use may be defined as the reasonably probable use of property that results in the highest value. [8]

There are four criteria used in the highest and best use analysis process. These are:

1. **Legally Permissible Use.** What uses are permitted legally under existing zoning, building codes, historic district controls, environmental regulations, deed (private) restrictions, and long-term lease provisions on the site in question?
2. **Physically Possible Use.** What uses of the site are physically possible, given its size, shape, area, terrain, soils composition, accessibility, assembly potential, and risk potential from natural disasters?
3. **Financially Feasible Use.** Which possible and permissible uses will produce a positive net return to the owner of the property?
4. **Maximally Productive Use.** Among the feasible uses, which use will produce the highest residual land value consistent with the rate of return warranted by the market for that use?

HIGHEST AND BEST USE OF THE SITE

Legally Permissible Uses. Possible uses are constrained by legal restrictions on a property both private and public. The subject property is zoned CG (General Commercial) on Taylor Road Northeast of Sierra College Boulevard. Specifically, the zoning calls for commercial uses along the Taylor Road frontage. The zoning is in conformance with the General Plan designation which also calls for commercial uses.

Furthermore, discussions with the Town of Loomis indicate that they desire a commercial use with at least some sort of retail component for the subject site. The neighboring High Hand Nursery was cited as an example of an acceptable use. Storage or yard uses, such as landscape material sales or RV storage, were described as undesirable. Therefore, the legally permissible uses are all those retail or exposure-based commercial uses allowed under the General Commercial zoning.

Physically Possible Uses. The size, topography, and location of the subject are important factors in determining the use of the property. The size of the site can significantly affect the type of development that is possible, as the "economies of scale" notion often comes into play. The site area appraised is considered sufficient to support many of the legally permitted uses. In fact, the site may be too large for a single development, and therefore a phased project might be appropriate. The shape of the site is narrow relative to its width, however this feature enhances the visibility and exposure of the site along Taylor Road. The narrowest portion of the site is 69 feet deep, whereas most commercial sites along Taylor Road are 120 feet deep. The narrow portion of the property may be more appropriate for parking or other less intensive uses, however overall the shape only minimally affects the utility of the site. Surrounding uses include retail along the Taylor Road frontage. Based on the subjects' physical attributes, as well as surrounding land uses, retail or other exposure-based commercial uses are considered to be physically possible.

[8] The Appraisal of Real Estate, Appraisal Institute, 14th Edition, P. 332-334

Financially Feasible Uses. A proposed property improvement must be able to deliver an income return that, in turn, generates a market value sufficient to pay for the developmental costs, the undertaking of the risks involved, and a profit appropriate for the development.

The legally permissible and physically possible uses of the site consist of retail or other exposure-based commercial uses. Typical developments in the immediate area are 20 to 40+ years old and in average condition. An analysis of lease, vacancy, and capitalization rates, as well as costs of construction, indicate that retail development is only financially feasible in prime locations, or when a developer has a tenant already in-hand. It is noted that there is significant retail development planned for construction to the south of the subject, along Sierra College Boulevard. This location has far superior visibility and exposure along Sierra College Boulevard, is in closer proximity to access from Interstate 80, and benefits from the synergy of the substantial retail development within the neighboring Rocklin Commons and Rocklin Crossings. However, in the case of the subject, based on its specific location attributes, sustained improvement in rental rates would be required prior to speculative development. It is noted that of the three comparable sales, presented in the following section, that are also located along the Taylor Road corridor, two were bought speculatively with no plans or timeline for development. The third was purchased by an owner-user who developed an 11,000-square foot home goods store.

Maximally Productive Use – Conclusion. The maximally productive use of the subject as vacant is for future retail or exposure-based commercial development at some point in the mid to distant future (2+ years) when rental rates increase to a point that construction is feasible. Development will likely occur in a phased manner.

Most Probable Buyer. The most probable buyer of the subject property would be an investor with plans to hold the site until market conditions make development feasible.

VII. VALUATION ANALYSIS

VALUATION METHOD AND CONSIDERATIONS

The initial stages of the appraisal process include the investigation, organization, and analysis of relevant market data and other information that relate to the market value of the subject property. Factors discussed previously that influence value include the Placer County region demographics and economic conditions, neighborhood characteristics and features, the market for commercial land, and subject property attributes. All of these need to be considered when rendering the highest and best use conclusion. After a highest and best use conclusion has been made, the possibilities for the property have been sufficiently narrowed so that a proper valuation process can be pursued. This section of the report contains the comparable data, the interpretation, analysis, and processing of these data and the conclusions reached about the property's market value.

SALES COMPARISON APPROACH

The Sales Comparison Approach involves direct comparison of the appraised property with other properties that have sold or have been offered for sale in the open, competitive market. This approach is based upon the principle that a prudent investor would pay no more for real property than the cost of acquiring an equally desirable substitute property of similar utility. While buyers of income-producing properties typically focus on a property's economic characteristics, sales of similar properties analyzed from a physical viewpoint (i.e., based on price per acre or per lot) can indicate value patterns and trends in the market.

The Sales Comparison Approach requires several steps. They include:

- Researching the market for information on sales transactions, listings, and offers to purchase or sell involving properties that are similar to the subject property.
- Verifying the information by confirming that the data are factually accurate and that the transactions reflect arm's-length, market considerations.
- Selecting the relevant units of comparison and develop a comparative analysis for each.
- Comparing sale properties with the subject property using the elements of comparison and adjust the price of each relative to the subject property.
- Reconciling the various value indications produced from the analysis of comparables into a single value indication or a range of values.

The following market transactions were considered in this analysis. The sales are considered the best available data and are utilized based on their location, size, and/or utility. Efforts were made to locate properties within Loomis, however due to the small size of the town the search was expanded geographically to include other competing areas within South Placer County. Furthermore, the search was expanded chronologically to include sales that occurred from 2015 to the present.

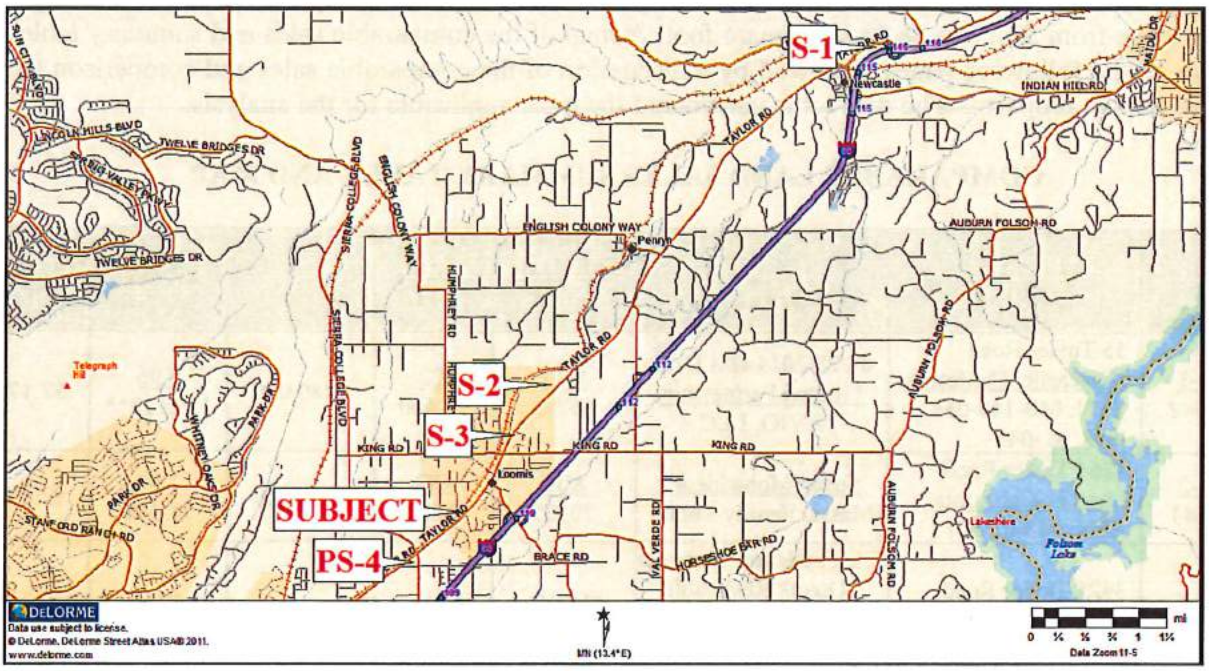
We have utilized a unit price per square foot of land area, consistent with the market. Data on four primary land sales were obtained for this analysis. The unadjusted comparables provide a range in value from $2.17 to $8.61 per square foot. A map of the comparable sales and summary table are on the following pages, followed by a discussion of the comparable sales and comparison to the subject property. The data set is considered the most applicable for the analysis.

COMPARABLE LAND SALES SUMMARY TABLE AND MAP

Sale # BRI #	Location APN	Grantor Grantee	Sale Date Doc. #	Zoning ADT*	Price	Size Acres SF	Price / SF
S-1 2642	55 Taylor Road Newcastle, California APN: 040-140-044, -048, & -049	08/28/2014 GM DAS Limited Partnership AVIO, LLC	8/17 65785	C2 10,000	$280,000	2.96 129,112**	$2.17
S-2 2641	3264 Taylor Road Loomis, California APN: 043-014-011	Seyed Mohaddess Massie Family Trust	8/16 70975	CG 7,380	$209,000	1.80 78,408	$2.67
S-3 2643	3425 Taylor Road Loomis, California APN: 043-030-025	The Frank and Teresa D Duarte Revocable Trust M&M Ventures Company LLC	12/15 111798	CG 7,380	$65,000	0.23 10,019	$6.49
PS-4 2896	SWC Sierra College Boulevard & Taylor Road Loomis, California APN: 044-122-005	Sierra Taylor, LLC Confidential	12/17 Pending	CG 23,081	$1,500,000	4.00 174,240	$8.61
Subject	3800 Taylor Road Loomis, California APNs: 044-133-003, 044-080-063, and 044-121-074	N/A	N/A	CG 10,435	N/A	4.08 177,694	N/A

** Average Daily Traffic Count*
*** Useable area*

COMPARABLE LAND SALES MAP



Comparable Land Sale Discussion. The subject consists of three commercially-zoned parcels that total 4.08 acres in size. The property has a long, tapered shape that results in extensive frontage along Taylor Road, which is the major north/south thoroughfare in Loomis. The site improved with several buildings, however as per the client's request we appraise the subject as vacant land. Municipal utilities are available to the site.

Quantitative adjustment of the sales is difficult because the properties have significant differences; therefore, we have considered a qualitative analysis of the comparable sales as discussed below. The adjustments considered for the comparable sales include property rights transferred, condition of sale, market conditions, financing, and physical characteristics including size, location, offsite improvements, availability of utilities, visibility/exposure, shape, topography, and utility. The comparable sales utilized in this analysis are considered to be the most similar available in the market based on size, utility, and location.

Sale Comparable #1. This sale is 4.94 acres of vacant commercial land located at 55 Taylor Road, in Newcastle. Specifically, the property is 400± feet west of the intersection of Taylor Road, Ophir Road, and Interstate-80, and has 880± feet of frontage on Taylor Road. The central square of Newcastle is one-half-mile to the southwest via Taylor Road, Old State Highway, and Main Street. The immediate neighborhood, Taylor Road between the Newcastle tunnel and Interstate-80, is zoned for and built-out as general commercial properties, with mostly service commercial uses. Off of Taylor Road, the area is primarily large-acre rural residences and orchards. All municipal utilities are available in Taylor Road and the street frontages are unimproved. The property is hilly and the shape is irregular, with only 60% of the site (2.96± acres) buildable due to the presence of an irrigation canal and steep slopes. Development costs will be concentrated on grading a building pad. The Placer County General Plan has the property designated as CG, General Commercial, and zoning is C2-DC, General Commercial, combining Design Scenic Corridor.

The property sold in August 2017 for $280,000, or $2.17 per useable square-foot. This was an all-cash transaction. The seller and buyer owned adjacent properties and were acquainted, but were not on friendly terms. The confirming broker stated that the fact that the buyer owned an adjacent property had no effect on the sales price. The buyer purchased the property to extinguish an access easement across his existing property which the buyer felt was unnecessary due to available access to the marketed site via Taylor Road. The buyer plans on reselling the property after the easement is extinguished and a reasonable amount of time has elapsed.

This comparable is the most recent sale and best reflects current market conditions as of the date of value. The site is slightly smaller in size to the subject (when considering the usable area) and has a similar commercial zoning. The overall location is inferior, however. For this reason the comparable is a low indicator of value for the subject.

Sale Comparable #2. This sale is 1.8± acres of vacant commercial land located at 3264 Taylor Road, Loomis, one-half mile south of Horseshoe Bar Road. The intersection of Taylor Road and Horseshoe Bar Road is one-half-mile to the south. The site has 158± feet of primary frontage on Taylor Road. Access to Interstate-80 is 1± mile to the south via Taylor Road and Horseshoe Bar Road. The immediate neighborhood, a pocket formed by Rippey Road and Taylor Road, is zoned for and built-out as industrial properties, with the exception for the majority of the Taylor Road frontage, which is zoned for commercial uses. Taylor Road, the main thoroughfare in Loomis, is primarily composed of commercial properties. The property is level and the shape is irregular, and the confirming broker stated 90% to 95% of the property was suitable as building sites. The street frontages are unimproved. All municipal utilities were available in Taylor Road except for sewer. The Town of Loomis General Plan and zoning have the property designated as CG, General Commercial.

The property sold in August 2016 for $209,000, or $2.67 per square-foot. Only two to three offers were received. This was an all-cash transaction. According to the seller's broker, the sale was a little below market value because the seller had purchased the property at tax delinquency sale, and was willing to negotiate a slightly below market sale price.

This sale is zoned CG and is located along Taylor Road, within Loomis, similar to the subject. The specific location is inferior, however, as the stretch of Taylor Road south of Horseshoe Bar Road has a much higher traffic count than the portion north of King Road, where the comparable is located. In addition, this portion of Taylor Road has less commercial development than where the subject is located. Furthermore, the comparable has significantly less street frontage than the subject. Despite the smaller size, this comparable is a low indicator for the subject due to the specific location characteristics, seller's motivation, and the lack of sewer service at the time of sale.

Sale Comparable #3. This is the sale of a 0.23-acre, vacant commercial site located at 3425 Taylor Road, Loomis. The property is 170± feet southwest of the intersection of Taylor Road and Rachel lane, and has 72± feet of primary frontage on Taylor Road. Access to the Interstate-80 is 1± mile to the south via Taylor Road and Horseshoe Bar Road. The immediate neighborhood is built-out as single-family properties. On the opposite, northwest side of Taylor Road is a mobile home park. Taylor Road, the main thoroughfare in Loomis, is primarily composed of commercial properties. The property is level and the shape is rectangular. Except for asphalt sidewalks the street frontages are unimproved. All utilities are available in Taylor Road. The Town of Loomis General Plan and zoning have the property designated as CG, General Commercial.

The property sold in December 2016 for $65,000, or $6.49 per square-foot. The seller financed a loan of $60,000. According to the buyer, who is also a broker at the listing office, the sale was a little below market value because the seller was motivated to close by December 31, 2015 for tax purposes. The buyer believes the property would have sold for between $70,000 and $75,000 had the seller been patient. The buyer stated that the seller financing effected the sale by $5,000, and that he would have been able to pick-up the property for $60,000 if he paid cash. The buyer currently has the property listed on the market for $99,000, or $9.88 per square foot. He has no motivation to sell immediately, and is willing to either wait for his price to be met, or build to lease.

This comparable is also located along Taylor Road, similar to the subject. The specific location is outside of the downtown area and is slightly more residential in nature than where the subject is located. The sale also occurred during slightly inferior market conditions. In addition, the seller was atypically motivated to sell. However, the site is significantly smaller than the subject in size. This characteristic more than offsets all of the inferior qualities, and the subject is a high indicator of value accordingly.

Pending Sale Comparable #4. This 4.0-acre site is located at the southwest corner of Sierra College Boulevard and Taylor Road, in Loomis, which is a major intersection in the region and provides good exposure and visibility to the site. The site is zoned General Commercial. The roughly rectangular parcel is level but heavily treed. Approximately half of the site is in a floodplain and cannot be improved with permanent structures. The property was originally listed for sale at a price of $2,100,000, but over time the asking price was reduced to $1,800,000. The list price was based on what the seller had previously purchased the site for in 2008. Currently, the site is in contract from $1,500,000, contingent upon the buyer gaining approvals for an RV dealership. The process is anticipated to take approximately one year. The Town of Loomis and City of Rocklin want all of the street frontages to be fully improved as a condition of approval.

This property has a similar size to the subject is has the same CG zoning. Furthermore, it is located in Loomis and reflects current market conditions. The property is closer to the existing retail development at the Sierra College Boulevard and Interstate 80 interchange, and benefits from significantly superior visibility. Based on the superior location attributes, coupled with the fact that the sale is only pending and may not close, a value well below $8.31 per square foot is warranted for the subject.

It is noted that the overall range in value presented by the comparables is narrow, from $2.67 to $6.49 per square foot.

Land Sale Comparable	ADT	Price / SF
PS-4	23,081	$8.61
S-3	7,380	$6.49
Subject Range $2.67/SF to $6.49/SF		
S-2	7,380	$2.67
S-1	10,000	$2.17

The defining characteristics of the subject parcel is the large size, extensive frontage along Taylor Road, and location in Loomis.

Both Comparables S-2 and S-3 are located along Taylor Road in Loomis and have the same General Commercial zoning as the subject. Their specific locations outside of the downtown core in areas with a lower traffic count are inferior to the subject, however. While it is noted that Comparable S-2 lacked access to sewer, this sale is given somewhat greater weight in the reconciliation process because it is much more similar to the subject in terms of size, and because it is a more recent sale. For these reasons, a value of **$4.00 per square foot** is concluded for the subject. The indicated value by the Sales Comparison Approach is shown below.

177,694 SF	x	$4.00/SF	=	$710,776
Rounded				**$710,000**

This concludes the report.

VIII. APPRAISER'S CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased and professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. 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.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. I made a personal inspection of the property that is the subject of this report.
11. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
12. I have performed no services as an appraiser, or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Jared M. Calabrese, MAI, CCIM
Certified General Real Estate Appraiser
California Certificate No. AG042740

ADDENDA

ITEM 1

PRELIMINARY TITLE REPORT

Guarantee No.:	CTG-8000863

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
GUARANTEE

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, AND THE GUARANTEE CONDITIONS ATTACHED HERETO AND MADE A PART OF THIS GUARANTEE, OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, A FLORIDA CORPORATION, HEREIN CALLED THE COMPANY,

GUARANTEES

the Assured named in Schedule A of this Guarantee,

against loss or damage not exceeding the Amount of Liability stated in Schedule A sustained by the Assured by reason of any incorrectness in the assurances set forth in Schedule A.

SCHEDULE A
IS ATTACHED HERETO AS A SEPARATE PAGE AND MADE A
PART OF THIS GUARANTEE

IN WITNESS WHEREOF, OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY has caused this Guarantee to be signed and sealed as of the Date of Guarantee shown in Schedule A.

Issued By:

Placer Title Company
5828 Lonetree Blvd., Suite 200
Rocklin, CA 95765
Agent ID: A04360

Authorized Countersignature

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

By _____ *President*

Attest _____ *Secretary*

Condition of Title Guarantee
SCHEDULE A

Order No.:	P-256592
Guarantee No.:	CTG-8000863
Date of Guarantee:	March 22, 2018 at 7:30AM
Amount of Liability:	$1,000.00
Premium:	$800.00

1. Name of Assured:

   Town of Loomis, a Municipal Corporation

2. The estate or interest in the Land which is covered by this Guarantee is:

   Fee Simple

3. The Land referred to in this Guarantee is described as follows:

   See Exhibit "A" for Legal Description

4. Assurances

   According to the Public Records as of the Date of Guarantee:

   a. Title to the estate or interest in the Land is vested in:

   Town of Loomis, a Municipal Corporation

   b. Title to the estate or interest is subject to defects, liens, or encumbrances shown in Schedule B which are not necessarily shown in the order of their priority

Condition of Title Guarantee
SCHEDULE B

1. Taxes, special and general, assessment districts and service areas for the fiscal year 2018-2019, a lien, not yet due or payable.

2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5, (commencing with Section 75) of the Revenue and Taxation Code, of the State of California.

3. Any taxes or assessments levied by:

   A. Placer County Water Agency
   B. South Placer Municipal Utility District

   No taxes assessed for the fiscal year 2017-2018 for the following:

   APN`S: 044-133-003, 044-080-063 and 044-120-074

4. Rights incidental to any claim of ownership by the Union Pacific Railroad Company, to any portion of the herein described property, which boundaries may be disclosed on various railroad maps.

5. Any claim based upon an alleged failure to comply with 43 USC 913.

6. The terms, provision, conditions, limitation, reversionary rights and other matters contained in that certain Act of Congress, dated July 1, 1862 (CF. 12 Stats 489) and the amendments thereto.

7. The terms, conditions and provisions as contained in the document entitled "Synopsis of Terms and Conditions", by and between Central Pacific Railway Company and Southern Pacific Company, recorded September 26, 1918, as (book) 172 of Deeds (page) 1.
   Document Link

8. An easement over said land for public highway and incidental purposes, as granted to State of California, in deed recorded August 27, 1937, (book) 370 (page) 400, Official Records.

   Affects: a portion of said property.

   No representation is made as to the current ownership of said easement.
   Document Link

9. Lack of Abutters Rights in and to the freeway or highway adjacent to said property, said rights having been released and relinquished by deed to the State of California, recorded October 10, 1950, (book) 576 (page) 614, Official Records.
   Document Link

10. Lack of Abutters Rights in and to the freeway or highway adjacent to said property except at established points, said rights having been released and relinquished by deed to the State of California, recorded June 30, 1960, (book) 840 (page) 426, Official Records.
    Document Link

11. The terms, conditions and provisions as contained in the document entitled "Resolution of the town council of the Town of Loomis establishing a road circulation improvement fee for all development within the Town of Loomis", executed by Town of Loomis, dated December 12, 1995, recorded February 27, 1997, as (instrument) 97-0011730-00, Official Records.
Document Link

12. An easement over said land for telecommunications transmission system and incidental purposes, as granted to Williams Communications, Inc., (formerly known as VYVX, Inc.) a Delaware Corporation, in deed recorded August 11, 2005, (instrument) 2005-0106337, Official Records.

Affects: a portion of said property.

No representation is made as to the current ownership of said easement.
Document Link

13. An easement over said land for fiber optic cable easement (#1) and incidental purposes, as reserved by Union Pacific Railroad Company, in deed recorded December 12, 2008, (instrument) 2008-0095584, Official Records.

Affects: a portion of said property.

No representation is made as to the current ownership of said easement.
Document Link

14. An easement over said land for fiber optic cable easement (#2) and incidental purposes, as reserved by Union Pacific Railroad Company, in deed recorded December 12, 2008, (instrument) 2008-0095584, Official Records.

Affects: a portion of said property.

No representation is made as to the current ownership of said easement.
Document Link

15. An easement over said land for existing sanitary sewer easement and incidental purposes, as reserved by Union Pacific Railroad Company, in deed recorded December 12, 2008, (instrument) 2008-0095585, Official Records.

Affects: a portion of said property.

No representation is made as to the current ownership of said easement.
Document Link

16. The following matters as disclosed by Map filed December 24, 2008, in Book 20 of Surveys, Page 105, Official Records:
A.) Possible chain link fence line encroachment over area as shown.
B.) Existing encroachment over a Northerly portion (+ 6.7 feet) as shown on map.
Document Link

EXHIBIT "A" – LEGAL DESCRIPTION

The land described herein is situated in the State of California, County of Placer, unincorporated area, described as follows:

Parcel One:

Beginning at a point on the Northwesterly boundary of the Victory Highway right of way near the Town of Loomis, Placer County, California, from which point the 1/4 Section Cor. between Section 9 and 10, Township 11 North, Range 7 East, M.D.B.&M., bears South 83° 42' East a distance of 1,404.0 feet and running thence North 53°38' West 100.0 feet, thence South 36° 22' West 75.0 feet thence East 125.0 feet to the point of beginning, being the same land conveyed to the County of Placer November 8, 1923 in Book 211, Page 88, Official Records.

Parcel Two:

Beginning at a point on the Northwesterly boundary of the State Highway, from which point Engineer's Station 360-92.1 bears South 36° 38' West 187.12 feet, and running thence North 35° 57' East 72.7 feet; thence North 88° 45' East 43.8 feet to a point on the Northwesterly boundary of said Highway; thence South 55° 19' West 104.25 feet along said boundary of said Highway 10 the place of beginning; being further described as being a fractional part of the Northeast quarter of Section 9, Township 11 North, Range 7 East M.D.B.&M., being the same land conveyed to the County of Placer, in deed recorded September 6, 1923 in Book 209, Page 449, Official Records.

Parcel Three:

That portion of State Highway right of way in Section 9, Township 11 North Range 7 East M.D.B.&M., described as follows:

Commencing at the point of intersection of the South line of a triangular parcel of land owned by the County of Placer with a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works' Survey between Loomis and Newcastle, Road III-PLA-17-A, from which point Engineer's Equation Station 369+89.5 = 369+90.9 of said survey bears North 44° 56' 30" East 326.14 feet, and from which point the East quarter corner of said Section 9 bears North 89° 10' East 12.0 feet and South 83° 42' East 1,404.0 feet; thence, from a tangent that bears South 39° 45' 30" West along said concentric curve, to the right with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet; thence, South 64° 29' West 176.2 feet to the Southeasterly right of way line of the Southern Pacific Company; thence, along said Southeasterly line North 35° 45' East 166.8 feet to the most Westerly corner of said triangular parcel; thence, along the South line of said triangular parcel North 89° 10' East 113.0 feet to the point of beginning; being the same land relinquished to the County of Placer by Instrument recorded November 29, 1937 in Book 375, Page 74, Official Records.

Parcel Four:

All that portion of State Highway 40 as conveyed to the County of Placer from the State of California in that certain "Relinquishment of Superseded State Highway in the County of Placer, road III PLA 17-A", recorded June 30, 1960 in Volume 840 at Page 426, Official Records of Placer County that lies Northwesterly of the following described line:

Commencing at the most Easterly corner of the above described Parcel Two being on a curve concentric with and 40.0 feet Westerly, measured radially, from the centerline of the Department of Public Works Survey between Loomis and Newcastle, Road III PLA-17-A, from which point Engineers Equation Station 369+89.5 - 369+90.9 of said survey bears North 44° 56' 30" East, 326.14 feet, and from which point the

East quarter corner of said Section 9 bears North 89° 10' East, 12.0 feet and South 83° 42' East 1,404.0 feet; thence from said point of commencement, along the Southeasterly line of said parcel from a tangent that bears South 39° 45' 30" West, along said concentric curve, to the right, with a radius of 4,960 feet, through an angle of 0° 55' 20", a distance of 79.8 feet to the Southeast corner of said Parcel Two, the true point of beginning; thence continuing along the arc said concentric curve, with a radius of 4,960 feet, for a distance of 520 feet, more or less, to the Southeasterly right of way line of the Union Pacific Railroad (formally Southern Pacific Railroad).

EXCEPTING THEREFROM Parcels One, Two, Three and Four above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

APN: 044-133-003

Parcel Five:

All of parcels 1, 2, 3, and 7 as described in the Quitclaim Deed to the Town of Loomis, and Parcel 4 as described in the Donation Quitclaim Deed to the Town of Loomis recorded on December 12, 2008, as Document No. 2008-0095584 and 2008-0095585 respectively, Placer County Official Records, and all that Real property described in the Quitclaim Deed to the Town of Loomis, recorded on December 28, 2000, Placer County Official Records, lying within the East half of Section 9, Township 11 North, Range 7 East, M.D.B. & M., in the County of Placer, State of California, described as follows:

Commencing at the Northeast corner of said Section 9, thence South 26° 13' 03" West 1,476.42 feet to the most Easterly corner of said Parcel 4, said point being the point of beginning; thence along the Southeasterly line of said Parcel 4, South 36° 09' 53" West 2,059.80 feet to a point on the Northerly right of way line of Taylor Road (80 feet in width); said point being the beginning of a non-tangent curve concave to the Northwest, having a radius of 4,960.00 feet, and a radial bearing of South 42° 16' 10" East; thence along said Northerly right of way line, 387.99 feet Southwesterly along said curve through a central angle of 04° 28' 55"; thence continuing along said Northerly right of way line, South 52° 12' 45" West 361.96 feet to the most Southerly corner of said Parcel 7; thence leaving said Northerly right of way line, North 39° 45' 45" West 69.15 feet to the most Westerly corner of said Parcel 7; thence along the Westerly, Northeasterly, and Southeasterly lines of said Parcels 7, 3, 2, 1 and said real property to the Town of Loomis the following five courses:

1. North 51° 49' 22" East 11.19 feet to the beginning of a curve to the left, having a radius of 2,874.84 feet;

2. 785.65 feet North along said curve through a central angle of 15° 39' 29";

3. North 36° 09' 53" East 2,539.39 feet;

4. South 54° 09' 57" East 150.00 feet;

5. South 36° 09' 53" West 559.41 feet to the point of beginning, as described on Boundary Line Adjustment recorded January 11, 2011, Instrument No 2011-0003828, Official Records.

EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris Enterprises, Inc. in Deed recorded July 13, 2012, as Instrument No. 2012-0062694-00, Official Records.

ALSO EXCEPTING THEREFROM Parcel Five above, all that portion lying Northeast of the Southwesterly line of the property conveyed to Scott Paris, et ux. in Deed recorded February 27, 2015, as Instrument No. 2015-0014060-00, Official Records.

APN: 044-080-063 & 044-120-074

********** END OF LEGAL DESCRIPTION **********

Note: For informational purposes only, for which the Company assumes no liability for any inaccuracies or omissions, the purported street address and assessor's parcel number of said Land as determined from the latest county assessor's roll is:

APN: 044-133-003, 044-080-063, 044-121-074, Loomis, CA 95650

No inspection of said Land has been made, and no assurances are hereby given or implied as to the location of the Land herein described.

CLTA GUARANTEE EXCLUSIONS AND CONDITIONS (06-05-14)

EXCLUSIONS FROM COVERAGE

Except as expressly provided by the assurances in Schedule A, the Company assumes no liability for loss or damage by reason of the following:

(a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the Land.
(b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the Public Records (1) that are created, suffered, assumed or agreed to by one or more of the Assureds; or (2) that result in no loss to the Assured.
(c) Defects, liens, encumbrances, adverse claims or other matters not shown by the Public Records.
(d) The identity of any party shown or referred to in any of the schedules of this Guarantee.
(e) The validity, legal effect or priority of any matter shown or referred to in any of the schedules of this Guarantee.
(f) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the Public Records.
(g) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the Public Records.

GUARANTEE CONDITIONS

1. **Definition of Terms.**
The following terms when used in the Guarantee mean:
(a) the "Assured": the party or parties named as the Assured in Schedule A, or on a supplemental writing executed by the Company.
(b) "Land": the Land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "Land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.

(c) "Mortgage": mortgage, deed of trust, trust deed, or other security instrument.
(d) "Public Records": those records established under California statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
(e) "Date of Guarantee": the Date of Guarantee set forth in Schedule A.
(f) "Amount of Liability": the Amount of Liability as stated in Schedule A.

2. **Notice of Claim to be Given by Assured.**
The Assured shall notify the Company promptly in writing in case knowledge shall come to the Assured of any assertion of facts, or claim of title or interest that is contrary to the assurances set forth in Schedule A Schedule A and that might cause loss or damage for which the Company may be liable under this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of the Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

3. **No Duty to Defend or Prosecute.**
The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

GUARANTEE CONDITIONS (continued)

4. **Company's Option to Defend or Prosecute Actions; Duty of Assured to Cooperate.**
Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:
(a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in Paragraph 4 (b), or to do any other act which in its opinion may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
(b) If the Company elects to exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of the Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
(c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.
(d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, the Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Assured for this purpose. Whenever requested by the Company, the Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured.. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

5. **Proof of Loss or Damage.**
(a) In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Assured furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.
(b) In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this paragraph shall not be disclosed to others unless, in the reasonable judgment of the Company, it is

necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

GUARANTEE CONDITIONS (continued)

6. **Options to Pay or Otherwise Settle Claims: Termination of Liability.**
In case of a claim under this Guarantee, the Company shall have the following additional options:
(a) To pay or tender payment of the Amount of Liability together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.
(b) To pay or otherwise settle with the Assured any claim assured against under this Guarantee. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that that the Company is obligated to pay; or
(c) To pay or otherwise settle with other parties for the loss or damage provided for under this Guarantee, together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment and that the Company is obligated to pay.
Upon the exercise by the Company of either of the options provided for in 6 (a), (b) or (c) of this paragraph the Company's obligations to the Assured under this Guarantee for the claimed loss or damage, other than the payments required to be made, shall terminate, including any duty to continue any and all litigation initiated by the Company pursuant to Paragraph 4.

7. **Limitation of Liability.**
(a) This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in Schedule A and only to the extent herein described, and subject to the Exclusions From Coverage of this Guarantee.
(b) If the Company, or the Assured under the direction of the Company at the Company's expense, removes the alleged defect, lien or, encumbrance or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
(c) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom.
(d) The Company shall not be liable for loss or damage to the Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

8. **Reduction of Liability or Termination of Liability.**
All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 4 shall reduce the Amount of Liability under this Guarantee pro tanto.

9. **Payment of Loss.**
(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions, the loss or damage shall be payable within thirty (30) days thereafter.

10. **Subrogation Upon Payment or Settlement.**
    Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.
    The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had

against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.
If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

11. Arbitration.

Either the Company or the Assured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision, or to any other controversy or claim arising out of the transaction giving rise to this Guarantee. All arbitrable matters when the amount of liability is $2,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. Arbitration pursuant to this Guarantee and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

12. Liability Limited to This Guarantee; Guarantee Entire Contract.

(a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.
(c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

13. Severability

In the event any provision of this Guarantee, in whole or in part, is held invalid or unenforceable under applicable law, the Guarantee shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

14. Choice of Law; Forum

(a) Choice of Law: The Assured acknowledges the Company has underwritten the risks covered by this Guarantee and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of Guaranties of the jurisdiction where the Land is located.
Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims that are adverse to the Assured and to interpret and enforce the

terms of this Guarantee. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
(b) Choice of Forum: Any litigation or other proceeding brought by the Assured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

GUARANTEE CONDITIONS (continued)

14. Choice of Law; Forum

(a) Choice of Law: The Assured acknowledges the Company has underwritten the risks covered by this Guarantee and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of Guaranties of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims that are adverse to the Assured and to interpret and enforce the terms of this Guarantee. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
(b) Choice of Forum: Any litigation or other proceeding brought by the Assured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

15. Notices, Where Sent.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at 3000 Bayport Drive, Suite 1000, Tampa, Florida 33607-5402 (612) 371-3825.

PRIVACY POLICY NOTICE

Purpose Of This Notice

Title V of the Gramm-Leach-Bailey Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of a persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document which notifies you of the privacy policies and practices of:

Montana Title and Escrow Company
National Closing Solutions, Inc.
National Closing Solutions of Alabama, LLC
National Closing Solutions of Maryland, Inc.
Texas National Title
Placer Title Company
Placer Title Insurance Agency of Utah
Premier Title Agency
North Idaho Title Insurance Company
Wyoming Title and Escrow Company

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as an application or other forms.

- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finances, securities and insurance.
- Nonfinancial companies such as envelope stuffers and other fulfillment service providers.

We do not disclose any nonpublic personal information about you with anyone for any purpose that is not specifically permitted by law.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

FACTS	WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

Questions	Go to www.oldrepublictitle.com (*Contact Us*)

Who we are	
Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

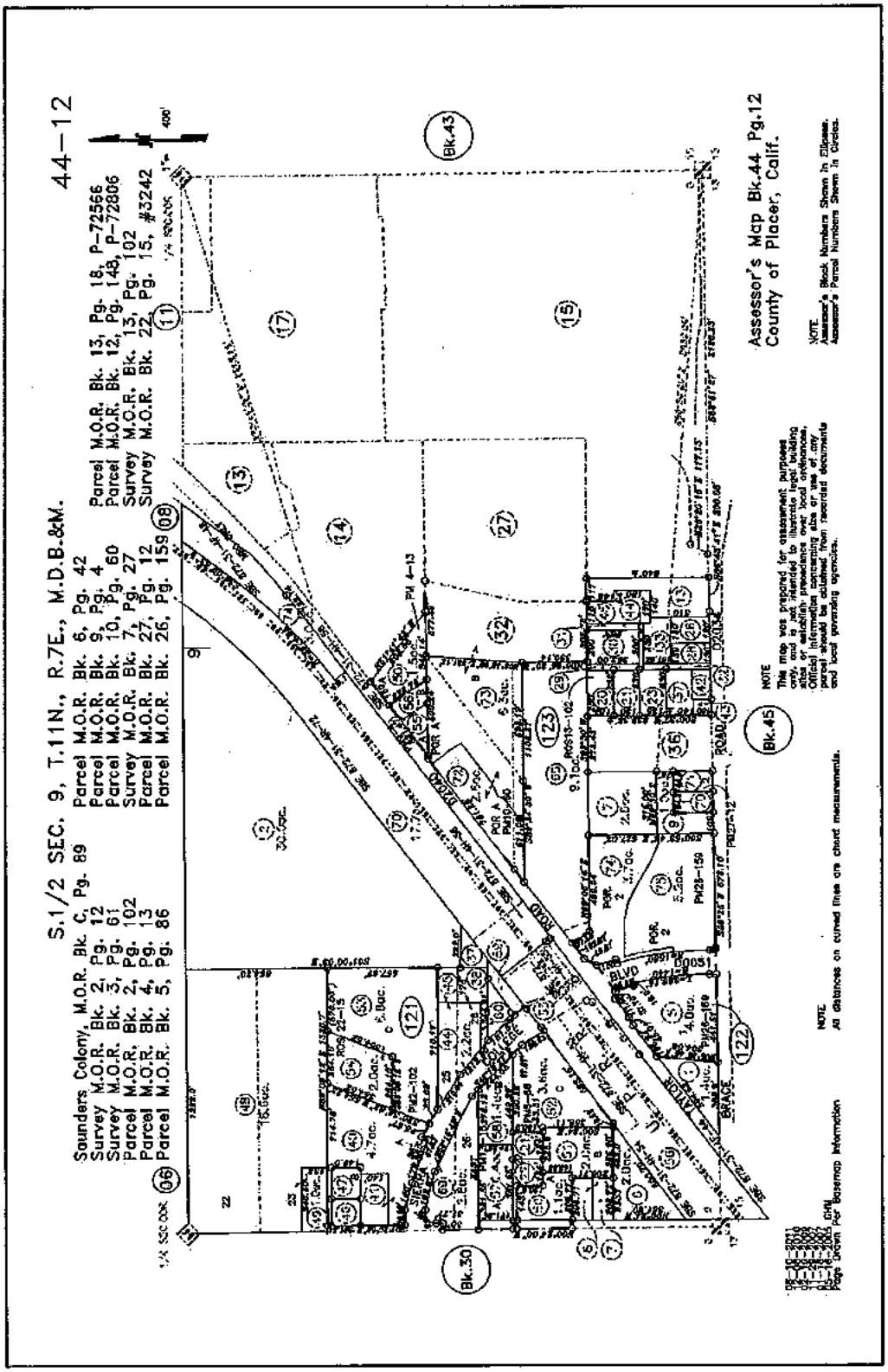
What we do	
How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit http://www.OldRepublicTitle.com/newnational/Contact/privacy.
How does Old Republic Title collect my personal information?	We collect your personal information, for example, when you: • Give us your contact information or show your driver's license • Show your government-issued ID or provide your mortgage information • Make a wire transfer We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: • Sharing for affiliates' everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you. State laws and individual companies may give you additional rights to limit sharing. See the "Other important information" section below for your rights under state law.

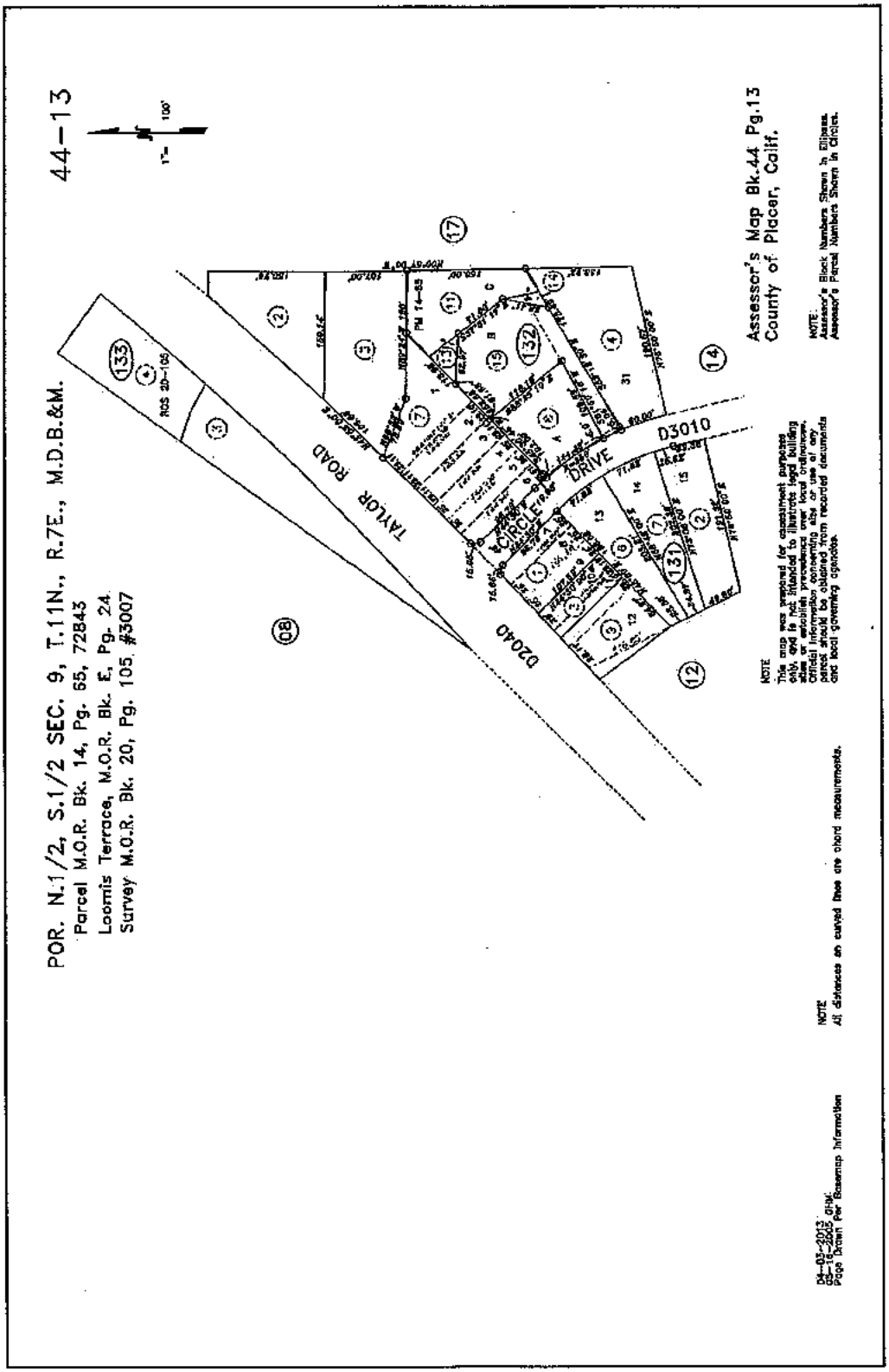
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies • Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.
Non-affiliates	Companies not related by common ownership or control. They can be financial and non-financial companies.

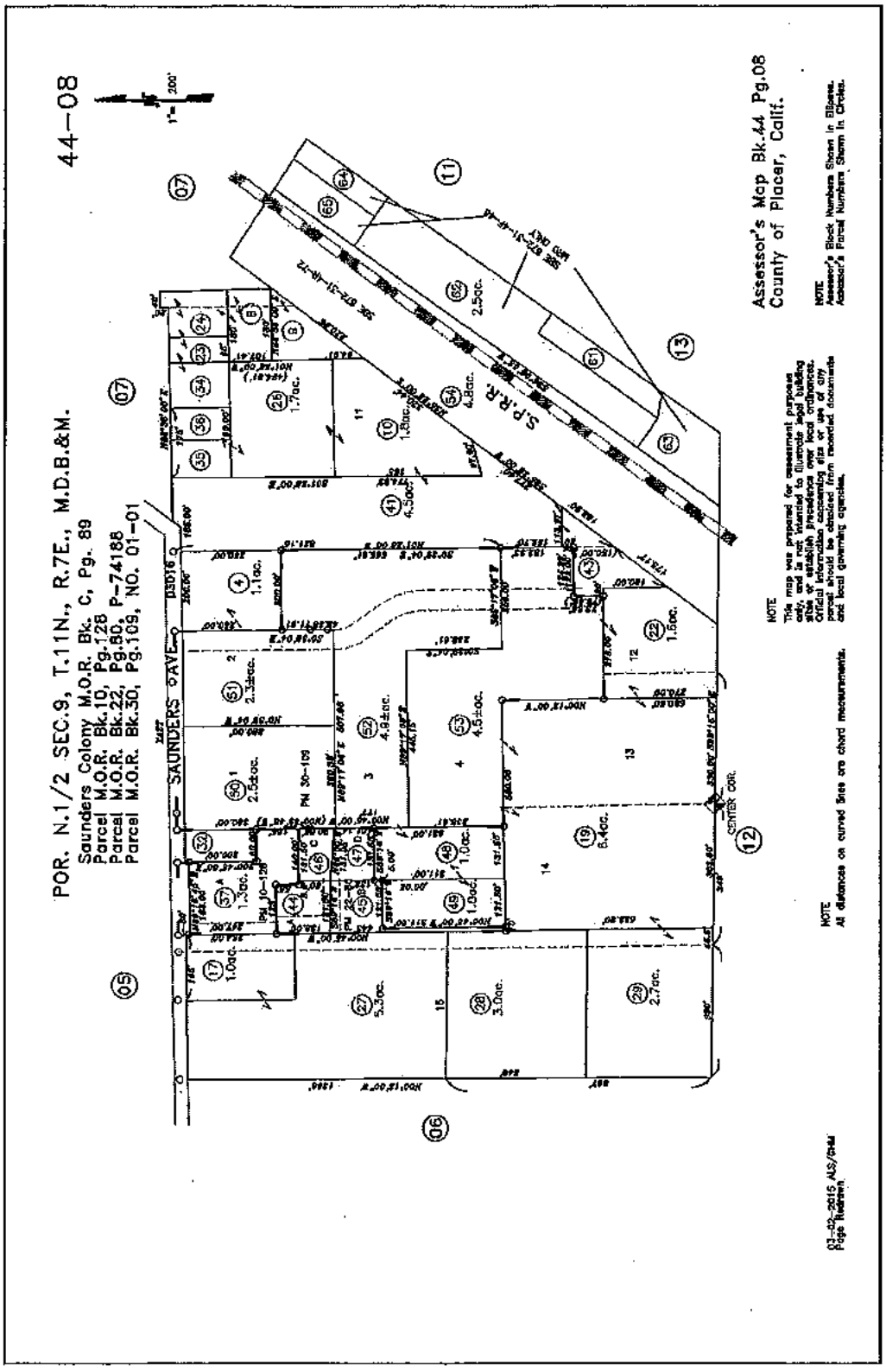
	• Old Republic Title does not share with non-affiliates so they can market to you
Joint Marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. • Old Republic Title doesn't jointly market.

Other Important Information
Oregon residents only: We are providing you this notice under state law. We may share your personal information (described on page one) obtained from your or others with non-affiliate service providers with whom we contract, such as notaries and delivery services, in order to process your transactions. You may see what personal information we have collected about you in connection with your transaction (other than personal information related to a claim or legal proceeding). To see your information, please click on "Contact Us" at www.oldrepublictitle.com and submit your written request to the Legal Department. You may see and copy the information at our office or ask us to mail you a copy for a reasonable fee. If you think any information is wrong, you may submit a written request online to correct or delete it. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement.

Affiliates Who May be Delivering This Notice				
American First Abstract, LLC	American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.
eRecording Partners Network, LLC	Genesis Abstract, LLC	Kansas City Management Group, LLC	L.T. Service Corp.	Lenders Inspection Company
Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mara Escrow Company	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Exchange Company	Old Republic National Title Insurance Company	Old Republic Title and Escrow of Hawaii, Ltd.
Old Republic Title Co.	Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma
Old Republic Title Company of Oregon	Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.
Old Republic Title, Ltd.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	The Title Company of North Carolina	Title Services, LLC
Trident Land Transfer Company, LLC				


44-12
S.1/2 SEC. 9, T.11N., R.7E., M.D.B.&M.
Saunders Colony, M.O.R. Bk. C, Pg. 89
Survey M.O.R. Bk. 2, Pg. 12
Survey M.O.R. Bk. 3, Pg. 61
Parcel M.O.R. Bk. 2, Pg. 102
Parcel M.O.R. Bk. 4, Pg. 13
Parcel M.O.R. Bk. 5, Pg. 86
Parcel M.O.R. Bk. 6, Pg. 42
Parcel M.O.R. Bk. 9, Pg. 4
Parcel M.O.R. Bk. 10, Pg. 60
Survey M.O.R. Bk. 7, Pg. 27
Parcel M.O.R. Bk. 27, Pg. 12
Parcel M.O.R. Bk. 26, Pg. 159
Parcel M.O.R. Bk. 13, Pg. 18, P-72566
Parcel M.O.R. Bk. 12, Pg. 148, P-72806
Survey M.O.R. Bk. 13, Pg. 102
Survey M.O.R. Bk. 22, Pg. 15, #3242
Assessor's Map Bk.44 Pg.12
County of Placer, Calif.
Bk.43
Bk.45
Bk.30
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.
NOTE
This map was prepared for assessment purposes only. No liability is assumed for the accuracy of the data delineated hereon for any other purpose. Official information concerning size or use of any parcel should be solicited from recorded documents and local governing agencies.
NOTE
All distances on curved lines are chord measurements.


POR. N.1/2, S.1/2 SEC. 9, T.11N., R.7E., M.D.B.&M.
Parcel M.O.R. Bk. 14, Pg. 65, 72843
Loomis Terrace, M.O.R. Bk. E, Pg. 24
Survey M.O.R. Bk. 20, Pg. 105 #3007
44-13
TAYLOR ROAD
D2040
CIRCLE DRIVE
D3010
Assessor's Map Bk.44 Pg.13
County of Placer, Calif.
NOTE
All distances on curved lines are chord measurements.


44-08
POR. N.1/2 SEC.9, T.11N., R.7E., M.D.B.&M.
Saunders Colony M.O.R. Bk. C, Pg. 89
Parcel M.O.R. Bk.10, Pg.128
Parcel M.O.R. Bk.22, Pg.80, P-74188
Parcel M.O.R. Bk.30, Pg.109, NO. 01-01
Assessor's Map Bk.44 Pg.08
County of Placer, Calif.
SAUNDERS AVE.
S.P.R.R.
CENTER COR.
NOTE
All distances on curved lines are chord measurements.

ITEM 2

EXCEPTION 16

BOOK 20 OF SURVEYS, PAGE 105

RECORD OF SURVEY NO. 3007

A PORTION OF THE EAST ½ OF SECTION 9, T.11N.,R.7E., M.D.M. TOWN OF LOOMIS PLACER COUNTY, CALIFORNIA

BASIS OF BEARINGS:

THE MERIDIAN OF THIS SURVEY WAS ESTABLISHED FROM DEED CALLS IN BOOK 345 PAGE 140 O.R.P.C., MORE PARTICULARLY A BRASS CAPPED TWO INCH PIPE MARKING THE EASTERLY CORNER OF A COUNTY OF PLACER PARCEL AND THE QUARTER SECTION CORNER ON THE EAST LINE OF SECTION 9, T.11 N., R.7 E., M.D.M. REFERENCES IN SAID DEED ESTABLISH A RELATIONSHIP TO THE NORTHWESTERLY RIGHT OF WAY OF THE STATE HIGHWAY. A COUNTER CLOCKWISE ROTATION OF 0° 03'00" WAS APPLIED TO SAID DEED TO MATCH THE HIGHWAY PLANS, III PLA-17A DATED AUGUST 21, 1933. THEREFORE THE BEARING OF S 87°47' E SHOWN HEREON REFLECTS THIS ROTATION.

NOTES:

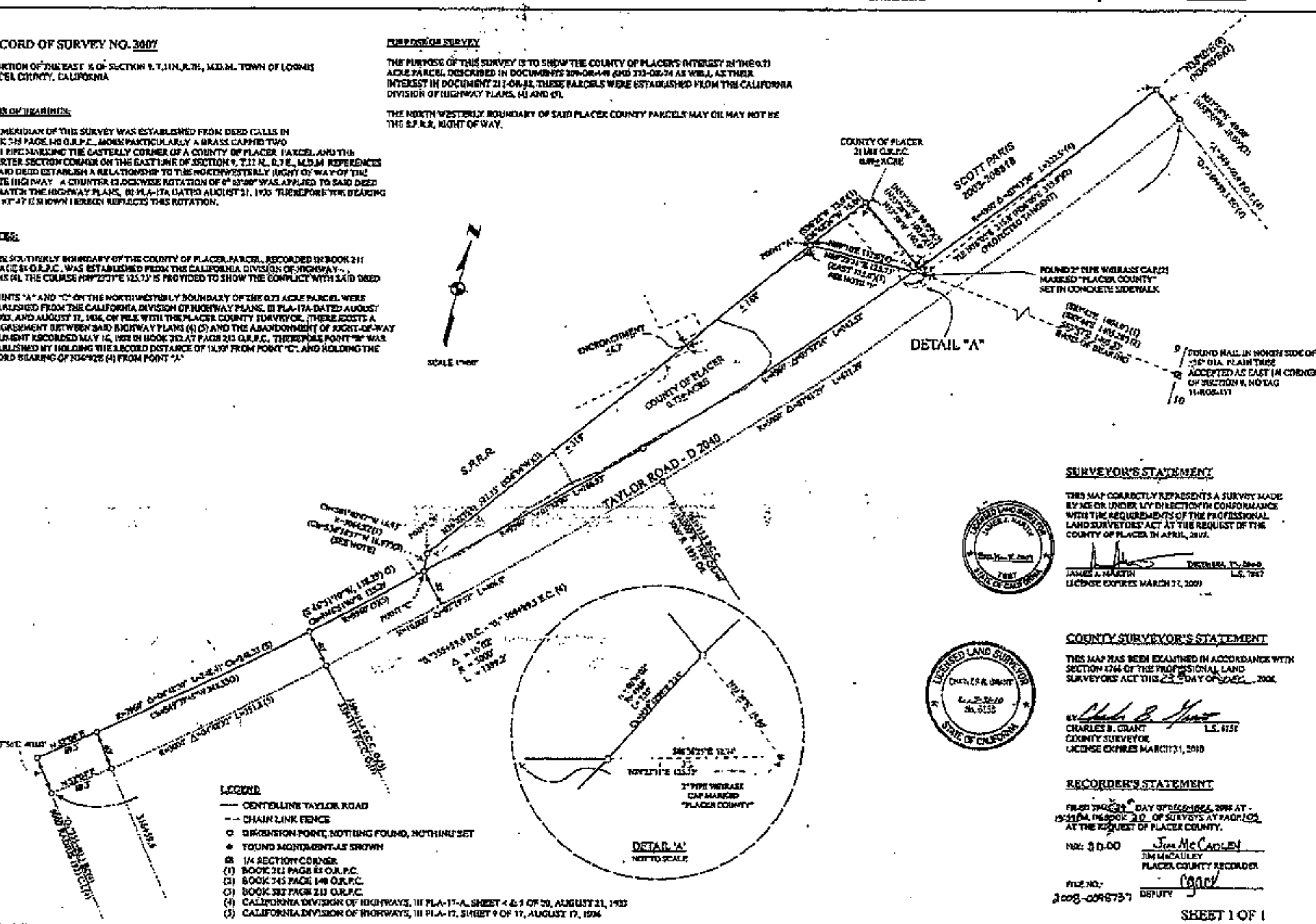
1) THE SOUTHERLY BOUNDARY OF THE COUNTY OF PLACER PARCEL, RECORDED IN BOOK 211 AT PAGE 83 O.R.P.C., WAS ESTABLISHED FROM THE CALIFORNIA DIVISION OF HIGHWAY PLANS (4). THE COURSE N49°23'31"E 125.73' IS PROVIDED TO SHOW THE CONFLICT WITH SAID DEED.

2) POINTS "A" AND "C" ON THE NORTHWESTERLY BOUNDARY OF THE 0.73 ACRE PARCEL WERE ESTABLISHED FROM THE CALIFORNIA DIVISION OF HIGHWAY PLANS, III PLA-17A DATED AUGUST 21, 1933, AND AUGUST 17, 1936, ON FILE WITH THE PLACER COUNTY SURVEYOR. THERE EXISTS A DISAGREEMENT BETWEEN SAID HIGHWAY PLANS (4) (5) AND THE ABANDONMENT OF RIGHT-OF-WAY DOCUMENT RECORDED MAY 16, 1958 IN BOOK 382 AT PAGE 213 O.R.P.C. THEREFORE POINT "B" WAS ESTABLISHED BY HOLDING THE RECORD DISTANCE OF 13.93' FROM POINT "C", AND HOLDING THE RECORD BEARING OF N56°02'E (4) FROM POINT "A".

PURPOSE OF SURVEY

THE PURPOSE OF THIS SURVEY IS TO SHOW THE COUNTY OF PLACER'S INTEREST IN THE 0.73 ACRE PARCEL DESCRIBED IN DOCUMENTS 209-OR-449 AND 213-OR-74 AS WELL AS THEIR INTEREST IN DOCUMENT 211-OR-83. THESE PARCELS WERE ESTABLISHED FROM THE CALIFORNIA DIVISION OF HIGHWAY PLANS, (4) AND (5).

THE NORTH WESTERLY BOUNDARY OF SAID PLACER COUNTY PARCELS MAY OR MAY NOT BE THE S.P.R.R. RIGHT OF WAY.



LEGEND

- —— CENTERLINE TAYLOR ROAD
- - - CHAIN LINK FENCE
- ○ DIMENSION POINT, NOTHING FOUND, NOTHING SET
- ● FOUND MONUMENT-AS SHOWN
- ⊠ 1/4 SECTION CORNER
- (1) BOOK 211 PAGE 83 O.R.P.C.
- (2) BOOK 345 PAGE 140 O.R.P.C.
- (3) BOOK 382 PAGE 213 O.R.P.C.
- (4) CALIFORNIA DIVISION OF HIGHWAYS, III PLA-17-A, SHEET 4 & 5 OF 20, AUGUST 21, 1933
- (5) CALIFORNIA DIVISION OF HIGHWAYS, III PLA-17, SHEET 9 OF 17, AUGUST 17, 1936

SURVEYOR'S STATEMENT

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE PROFESSIONAL LAND SURVEYORS' ACT AT THE REQUEST OF THE COUNTY OF PLACER IN APRIL, 2007.

JAMES J. MARTIN L.S. 7987
LICENSE EXPIRES MARCH 31, 2009

COUNTY SURVEYOR'S STATEMENT

THIS MAP HAS BEEN EXAMINED IN ACCORDANCE WITH SECTION 8766 OF THE PROFESSIONAL LAND SURVEYORS' ACT THIS 23 DAY OF DEC., 2008.

BY: CHARLES B. GRANT L.S. 6151
COUNTY SURVEYOR
LICENSE EXPIRES MARCH 31, 2010

RECORDER'S STATEMENT

FILED THIS 24th DAY OF DECEMBER, 2008 AT 12:51 PM, IN BOOK 20 OF SURVEYS AT PAGE 105 AT THE REQUEST OF PLACER COUNTY.

FEE: $10.00 Jim McCauley
JIM McCAULEY
PLACER COUNTY RECORDER

FILE NO.: 2008-0098737 DEPUTY

SHEET 1 OF 1

ITEM 3

PROFESSIONAL QUALIFICATIONS

PROFESSIONAL QUALIFICATIONS OF
JARED M. CALABRESE, MAI, CCIM
Certified General Real Estate Appraiser
CL# AG042740

Jared M. Calabrese was born in Visalia, California in 1975. He attended Jesuit High School and received a Bachelor of Science degree in Biology: Ecology, Behavior and Evolution from the University of California at San Diego in 1997, where he lettered in swimming and water polo.

PROFESSIONAL EDUCATION

University of California, San Diego

APPRAISAL INSTITUTE COURSES

Standard of Professional Practices, Parts A & B
Appraisal Principals
Appraisal Procedures
Basic Income Capitalization
Advanced Income Capitalization
Advanced Sales Comparison and Cost Approach
Advanced Applications
Computer Enhanced Cash Flow Modeling
Land Valuation Assignments
Land Valuation Adjustment Procedures
General Market Analysis and Highest and Best Use
Detrimental Conditions in Real Estate, Parts I & II
General Demonstration Report Writing
Advanced Concepts and Case Studies
Business Practices and Ethics
Federal and California Statutory and Regulatory Law
2012, 2013, 2014, 2015 & 2016 Economic Forecast
Tahoe Litigation Conference 2015
Detrimental Conditions in Real Estate Part 1 & 2
General Appraiser Report Writing and Case Studies

RELATED COURSES

Urban Development
CCIM 101 Financial Analysis for Commercial Investment Real Estate
CCIM 102 Market Analysis for Commercial Investment Real Estate
CCIM 103 User Decision Analysis for Commercial Investment Real Estate
CCIM 104 Investment Analysis for Commercial Investment Real Estate

REAL ESTATE EXPERIENCE

May 2008 – Present Certified Real Estate Appraiser - Bender Rosenthal, Inc. – Sacramento, California
August 2007 – February 2008 Certified General Real Estate Appraiser – Seevers, Jordan, Ziegenmeyer – Rocklin, California
August 1998 – July 2007 Certified General Real Estate Appraiser – Ferguson & Associates, Inc. – Sacramento, California

MEMBERSHIPS

Urban Land Institute, 2010-2013 Young Leaders Executive Subcommittee
Appraisal Institute, MAI, Sacramento-Sierra Chapter Board Member 2016-2018
Certified Commercial Investment Member (CCIM), Current Member
MENSA International