

R . P . L A U R A I N
& A S S O C I A T E S

INCORPORATED

Transmitted via email:
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October 9, 2024

City of Murrieta
1 Town Square
Murrieta, California 92562

Attention: Jarrett Ramaiya
Deputy Development Services Director

Subject: Real Estate Appraisal Services
972± Acres of Land
Murrieta Hills Specific Plan Project
Murrieta, California



3353 LINDEN AVENUE, SUITE 200
LONG BEACH, CALIFORNIA 90807
TELEPHONE (562) 426-0477
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Receipt is acknowledged of your invitation to submit a proposal for professional real estate appraisal services regarding the above-referenced property. The property to be appraised (subject property) contains approximately 972± acres of land area and is commonly known as the Murrieta Hills Specific Plan project owned by Pulte Homes.

Scenario 1 – Before Condition:

It is understood that the subject property was formerly approved for development via the Murrieta Hills Specific Plan (SP), consisting of approximately 362.6 acres of residential land supporting 1,585 dwelling units and 10 acres of commercial land, with the residual balance being open space land, a memorial park, an elementary school site, and applicable roadways/dedications. It is also understood that the SP was approved prior to the implementation of the MSHCP (Multiple Species Habitat Conservation Plan). The foregoing generally describes the subject property, in the “before” condition.

Scenario 2- After Condition:

Per our discussions and documents provided, it is understood that due, in large part, to the MSHCP, the property owner, in cooperation with the City of Murrieta, needed to amend the Murrieta Hills Specific Plan (SP-A) to facilitate certain additional open space areas. The revised SP-A includes 329 acres of single family land (528 units), 12.67 acres of multiple family land (222 units), and 18.23 acres of commercial land. The SP-A also includes 614.98 acres of open space land identified for conveyance to the RCA as part of the MSHCP, 43± acres of additional open space land, and applicable roadways/dedications.

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Further, it is understood that the City of Murrieta has determined that, as an incentive for the owner to redesign the project and convey the 614.98 acres of open space land to RCA to be conserved in perpetuity as MSHCP land, the project is eligible to receive MSHCP credits.

Based on the foregoing, and in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA – “Yellow Book”), and specifically Section 4.6 therein, the subject property will be appraised in both the Scenario 1 – Before Condition (without the MSHCP dedication) and in the Scenario 2 – After Condition (with the MSHCP dedication). The difference in value in the Before Condition, less the value in the “After Condition” will represent the market value of the MSHCP “partial acquisition” area, which in this case represents the dedicated land area zoned OS-1 as shown the amended Specific Plan Site Plan (which excludes the OS-2 and OS-3 open space land areas thereon). Further, in accordance with both the Yellow Book and the MSHCP a Hypothetical Condition will be employed stating:

“A Hypothetical Condition has been employed in the valuation of the subject property which, contrary to fact, disregards the known project. The subject property is in the Multiple Species Habitat Conservation Plan (MSHCP) area, which is deemed the project and is disregarded for the purposes of the appraisal in accordance with Sections 1.2.7.3.3 and 4.5 of the Uniform Appraisal Standards for Federal Land Acquisitions and Section 6.1.1 of the MSHCP.”

It should be clearly understood that, given the change in the Specific Plan land use areas, the “Before” and “After” valuations will be based on the SP maps, which allow for some differing land areas at differing portions of the larger subject site. The overall “before” and “after” values will be based on those land uses set forth on the mapping provided to the appraiser. The SP-A map applicable to the “after” condition is assumed to be reflective of the required MSHCP areas, as set forth in various documentation provided to the appraiser, inclusive of the July 5, 2023 letter from the City of Murrieta to RCA. Note that it is beyond the scope and expertise of the appraiser to determine or estimate which portion(s) of the subject property are subject to the MSHCP Project (which project is disregarded in the appraisal study). For the purpose of analysis, it will be assumed that, in the “after” condition, all of the OS-1 land area (614.98± acres) represents the “partial acquisition” area, to be conveyed to RCA as part of the MSHCP Project.

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Based on the amount of time estimated to complete the appraisal assignment, the fee for our services will be in the total amount of **\$27,500**. The report can be completed and delivered to your offices within **120 days** following receipt of a signed purchase order or other agreement authorizing appraisal services.

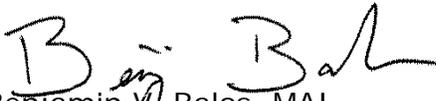
The appraisal report will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as a complete Appraisal Report, in narrative format. The appraisal will also be prepared in accordance with Uniform Appraisal Standards for Federal Land Acquisitions, portions of which may require departure from USPAP. The report will be delivered as an electronic PDF file. Hardbound copies can also be provided, upon request.

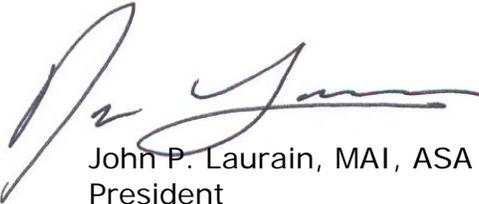
The client for the appraisal assignment will be the City of Murrieta. It is understood that the intended users of the Appraisal Report may include the property owner (Pulte Homes), the City of Murrieta, the Riverside County Transportation Commission acting on behalf of the Western Riverside County Regional Conservation Authority, and/or other applicable State or Federal agencies as identified by the client. Note that while there may be multiple intended users of the report, the appraisers will not provide copies or disclose the content of the Appraisal Report to anyone other than the client, or those authorized by the client, in accordance with and subject to USPAP.

Note that the principal appraiser for the subject appraisal will be either Benjamin Balos or John Laurain; the principal appraiser may be assisted by one or more associates.

If you have any questions regarding this proposal, please contact the undersigned at your convenience.

R. P. LAURAIN & ASSOCIATES, INC.


Benjamin W. Balos, MAI
Senior Appraiser


John P. Laurain, MAI, ASA
President