NEW ISSUE-FULL BOOK ENTRY **NOT RATED**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2023 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2023 Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

$3,540,000
CITY OF ROSEVILLE
WESTBROOK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2023

Dated: Date of Delivery **Due: September 1, as shown below**

The bonds captioned above (the "2023 Bonds"), are being issued by the City of Roseville (the "City") by and through its Westbrook Community Facilities District No. 1 (Public Facilities) (the "District"). The 2023 Bonds are special tax obligations of the City, authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Act"), and are issued pursuant to the Resolution of Issuance (as defined herein) and a Supplemental Agreement No. 3 to Fiscal Agent Agreement, dated as of May 1, 2023, which supplements the Fiscal Agent Agreement dated as of December 1, 2014, as previously supplemented by a Supplemental Agreement No. 1, dated as of July 1, 2018 and Supplemental Agreement No. 2 to Fiscal Agent Agreement, dated as of May 1, 2019 (collectively, the "Fiscal Agent Agreement") by and between the City and U.S. Bank Trust Company, National Association, as successor fiscal agent to The Bank of New York Mellon Trust Company, N.A. (the "Fiscal Agent"). The 2023 Bonds are being issued to (i) construct and acquire certain public facilities authorized for the District, (ii) provide for a deposit to a debt service reserve account for the 2023 Bonds, and (iii) pay costs of issuance of the 2023 Bonds. Interest on the 2023 Bonds is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2023. The 2023 Bonds represent the fourth series of special tax bonds issued for the District, and the issuance of additional parity bonds in the future is contemplated, subject to the conditions set forth in the Fiscal Agent Agreement. See "THE BONDS – Authority for Issuance" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Future Parity Bonds."

The 2023 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), and will be available to ultimate purchasers in the denomination of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. See "APPENDIX G – THE BOOK-ENTRY SYSTEM."

The 2023 Bonds are secured by and payable from a pledge of Special Tax Revenues (as defined herein) derived from Special Taxes (as defined herein) to be levied by the City on real property within the boundaries of the District, from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Taxes, and from amounts held in certain funds under the Fiscal Agent Agreement, all as more fully described herein. **Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the parcel of real property securing the delinquent Special Tax. There is no assurance the owners will be able to pay the Special Tax or that they will pay a Special Tax even though financially able to do so.** To provide funds for payment of the 2023 Bonds and the interest thereon as a result of any delinquent Special Taxes, the City will establish a debt service reserve account for the 2023 Bonds from proceeds of the 2023 Bonds, as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Property in the District subject to the Special Tax consists of 1,727 taxable residential units (998 LDR, 466 MDR and 263 HDR), which has been developing in three phases. The master developer has completed all of the required backbone infrastructure in phases 1 and 2 and nearly all of the required backbone infrastructure in phase 3. Homebuilding, site development and multi-family development is currently underway in phase 3. See "THE DISTRICT" and "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT."

The 2023 Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "THE BONDS — Redemption."

THE 2023 BONDS, THE INTEREST THEREON, AND ANY PREMIUM PAYABLE ON THE REDEMPTION OF ANY BONDS (IF ANY), ARE NOT AN INDEBTEDNESS OF THE CITY (EXCEPT TO THE LIMITED EXTENT DESCRIBED IN THIS OFFICIAL STATEMENT), THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF THEIR RESPECTIVE POLITICAL SUBDIVISIONS. NONE OF THE CITY (EXCEPT TO THE LIMITED EXTENT DESCRIBED IN THIS OFFICIAL STATEMENT), THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE FOR THE 2023 BONDS. OTHER THAN THE SPECIAL TAX REVENUES, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE 2023 BONDS. THE 2023 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY, BUT ARE LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE SPECIAL TAX REVENUES COLLECTED IN THE DISTRICT AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT

This cover page contains certain information for general reference only. It is not a summary of all of the provisions of the 2023 Bonds. Prospective investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "SPECIAL RISK FACTORS" herein for a discussion of the special risk factors that should be considered, in addition to the other matters and risk factors set forth herein, in evaluating the investment quality of the 2023 Bonds.

The 2023 Bonds are offered when, as and if issued, subject to approval as to their legality by Jones Hall, a Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed on by Jones Hall, as Disclosure Counsel and Kutak Rock LLP, Irvine, California, as counsel to the Underwriter. Certain legal matters will be passed upon for the City by the City Attorney. It is anticipated that the 2023 Bonds will be available for delivery to DTC on or about May 17, 2023.

PIPER | SANDLER

The date of this Official Statement is May 2, 2023.

CITY OF ROSEVILLE
WESTBROOK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2023

MATURITY SCHEDULE

Maturity (Sept. 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† (777870)
2024	$10,000	5.000%	3.400%	101.995	3L8
2025	15,000	5.000	3.340	103.623	3M6
2026	20,000	5.000	3.360	105.061	3N4
2027	25,000	5.000	3.460	106.084	3P9
2028	30,000	5.000	3.530	107.030	3Q7
2029	35,000	5.000	3.530	108.220	3R5
2030	40,000	3.250	3.550	98.084	3S3
2031	45,000	3.250	3.630	97.297	3T1
2032	50,000	3.375	3.700	97.461	3U8
2033	55,000	3.500	3.770	97.710	3V6

$395,000 - 4.250% Term Bond Due September 1, 2038; Yield 4.430%; Price: 98.010%
CUSIP†: 777870 3W4

$610,000 - 4.500% Term Bond Due September 1, 2043; Yield 4.700%; Price: 97.396%
CUSIP†: 777870 3X2

$1,135,000 - 4.750% Term Bond Due September 1, 2049; Yield 4.890%; Price: 97.933%
CUSIP†: 777870 3Y0

$1,075,000 - 4.750% Term Bond Due September 1, 2053; Yield 4.920%; Price: 97.330%
CUSIP†: 777870 3Z7

† CUSIP Global Services (CGS) is managed on behalf of American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Fiscal Agent or the Underwriter take any responsibility for the accuracy of the CUSIP data.

CITY OF ROSEVILLE, CALIFORNIA

City Council
Bruce Houdesheldt, *Mayor (District 3)*
Krista Bernasconi, *Vice Mayor (District 4)*
Scott Alvord, *Councilmember (District 5)*
Tracy Mendonsa, *Councilmember (District 1)*
Pauline Roccucci, *Councilmember (District 2)*

City Staff
Dominick Casey, *City Manager*
Dennis Kauffman, *Assistant City Manager/Chief Financial Officer*
Michelle Sheidenberger, *City Attorney*
Carmen Avalos, *City Clerk*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor
Hilltop Securities Inc.
Encino, California

Appraiser
Integra Realty Resources
Sacramento, California

Special Tax Consultant and Administrator
Willdan Financial Services
Temecula, California

Fiscal Agent
U.S. Bank Trust Company, National Association
San Francisco, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the 2023 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2023 Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the 2023 Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2023 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All summaries of the documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2023 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2023 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2023 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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OFFICIAL STATEMENT

$3,540,000
CITY OF ROSEVILLE
WESTBROOK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2023

This Official Statement, including the cover page and all Appendices hereto, is provided to furnish certain information in connection with the issuance by the City of Roseville (the "**City**") by and through its Westbrook Community Facilities District No. 1 (Public Facilities) (the "**District**") of the bonds captioned above (the "**2023 Bonds**").

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Definitions of certain terms used herein and not defined herein have the meaning set forth in the Fiscal Agent Agreement. See APPENDIX F.

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the 2023 Bonds to potential investors is made only by means of the entire Official Statement.

The City. The City is located in the County of Placer (the "**County**"), which is located in the Sacramento Valley near the foothills of the Sierra Nevada mountain range, about 16 miles northeast of Sacramento and 110 miles east of San Francisco. The City presently occupies 43 square miles in the southwestern part of the County and is the largest city in the County as well as the residential and business center of the County. It is bordered by Sacramento County to the south, the City of Rocklin to the north and unincorporated County to the east and west. For additional information on the City and the County, see APPENDIX C.

The District. The District was formed and established by the City Council of the City (the "**City Council**"), as legislative body of the District, under the Mello-Roos Community Facilities Act of 1982, as amended (the "**Act**"), and pursuant to a resolution adopted by the City Council on April 16, 2014 (the "**Resolution of Formation**").

Authority for Issuance of the 2023 Bonds. The 2023 Bonds are issued pursuant to the Act, a resolution adopted by the City Council on April 19, 2023 (the "**Resolution of Issuance**") and a Supplemental Agreement No. 3 to Fiscal Agent Agreement dated as of May 1, 2023, which supplements the Fiscal Agent Agreement dated as of December 1, 2014, as previously supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of July 1, 2018 and a Supplemental Agreement No. 2 to Fiscal Agent Agreement dated as of May 1, 2019 (collectively, the "**Fiscal Agent Agreement**") between the City and U.S. Bank Trust Company, National Association, as successor fiscal agent to The Bank of New York Mellon Trust Company, N.A. (the "**Fiscal Agent**"). The 2023 Bonds represent the fourth series of a total of $90,000,000 of bonds authorized for the District, and the issuance of additional parity bonds in the future is contemplated, subject to the conditions set forth in the Fiscal Agent Agreement.

Bond Terms. The 2023 Bonds will be dated as of and bear interest from the date of delivery thereof at the rate or rates set forth on the cover page of this Official Statement. Interest on the 2023 Bonds is payable on March 1 and September 1 of each year (each an "**Interest Payment Date**"), commencing September 1, 2023. The 2023 Bonds will be issued without coupons in denominations of $5,000 or any integral multiple thereof.

Registration of Ownership of 2023 Bonds. The 2023 Bonds will be issued only as fully registered bonds in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"). Ultimate purchasers of 2023 Bonds will not receive physical certificates representing their interest in the 2023 Bonds. So long as the 2023 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the 2023 Bonds. Payments of the principal, premium, if any, and interest on the 2023 Bonds will be made directly to DTC, or its nominee, Cede & Co. so long as DTC or Cede & Co. is the registered owner of the 2023 Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Direct Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – THE BOOK-ENTRY SYSTEM."

Use of Proceeds. Proceeds of the 2023 Bonds will primarily be used to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements (the "**Improvements,**" as described herein), consisting mainly of the Improvements required for Phase 3 of the development. The Improvements consist generally of water, wastewater, drainage, roadway and other infrastructure improvements necessary for development of property within the District, as well as park and open space improvements (which include environmental mitigation costs). See "THE IMPROVEMENTS." Proceeds of the 2023 Bonds will also be deposited to a debt service reserve account for the 2023 Bonds, and to pay costs of issuance.

Source of Payment of the Bonds. The 2023 Bonds are payable from special taxes (the "**Special Tax**" or "**Special Taxes**"), net of a 1% administration charge of the County (the "**Special Tax Revenues**") which are to be levied by the City on taxable real property within the boundaries of the District, on a parity with the 2014 Bonds, 2018 Bonds and 2019 Bonds (defined below). The 2023 Bonds are also payable from the proceeds of any foreclosure actions brought following a delinquency in payment of the Special Taxes, and from amounts held in certain funds and accounts pursuant to the Fiscal Agent Agreement, including a reserve fund, all as more fully described herein. The Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax liability determined by the City Council through the application of a rate and method of apportionment of Special Tax for the District (as amended, the "**Special Tax Formula**") which has been approved by the City Council. The Special Tax Formula is set forth in APPENDIX A hereto. The Special Taxes represent liens on the parcels of land subject to a Special Tax, and failure to pay the Special Taxes could result in proceedings to foreclose the delinquent property. The Special Taxes do not constitute the personal indebtedness of the owners of taxed parcels. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Tax Methodology" and "APPENDIX A — RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

Existing and Future Additional Parity Bonds. The maximum authorized indebtedness for the District is $90,000,000. The 2023 Bonds are secured on parity with the District's outstanding bonds captioned "$14,355,000 City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2014" (the "**2014 Bonds**"), which were issued on December 18, 2014, and are currently outstanding in the aggregate principal amount of $13,615,000, the District's outstanding bonds captioned "$11,615,000 City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2018" (the "**2018 Bonds**"), which were issued on July 26, 2018 and are currently outstanding in the aggregate principal amount of $11,355,000 and the District's outstanding bonds captioned "$14,010,000 City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2019" (the "**2019 Bonds**"), which were issued on May 2, 2019 and are currently outstanding in the aggregate principal amount of $13,830,000.

The District may issue additional bonds secured by Special Tax Revenues on parity with the 2014 Bonds, 2018 Bonds, 2019 Bonds and 2023 Bonds (or on a basis subordinate thereto), upon the satisfaction of certain conditions set forth in the Fiscal Agent Agreement. Following the issuance of the additional indebtedness of the 2023 Bonds in the amount of $3,540,000, the remaining authorized amount of indebtedness to be issued is $46,480,000. This is expected to be the last series of Bonds issued to finance Improvements for the Developer. Going forward, Bonds are expected only to be issued for deferred impact fees (as described below) and/or for refunding purposes. So long as the 2014 Bonds, 2018 Bonds, 2019 Bonds and 2023 Bonds are outstanding, any future bonds issued for the District and secured on parity therewith (herein, "**Additional Bonds**" and collectively with the 2014 Bonds, 2018 Bonds, 2019 Bonds and 2023 Bonds, the "**Bonds**") are required to meet certain conditions of issuance as set forth in the Fiscal Agent Agreement, and no bonds having a lien senior to the lien of the Bonds are allowed; see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Future Parity Bonds."

In connection with the approval of development in the District, the City agreed that payment of certain impact fees owed by the Developer and merchant builders will be deferred (referred to as the "Development Impact Fee Deferral" in the Special Tax Formula) to allow payment of the deferred fees after the 2014 Bonds have been fully paid. If the City chooses to issue bonds to pay deferred impact fees, the remaining authorization will be available to be utilized by the City therefor.

2023 Reserve Account of the Reserve Fund. In connection with the issuance of the 2014 Bonds, a Reserve Fund (the "**Reserve Fund**") was established under the Fiscal Agent Agreement, and within the Reserve Fund separate accounts are established for each series of Bonds. At the time of issuance of the 2023 Bonds, a reserve account for the 2023 Bonds will be established within the Reserve Fund (the "**2023 Reserve Account**") pursuant to the Fiscal Agent Agreement and held by the Fiscal Agent for the benefit of the 2023 Bonds. The 2023 Reserve Account is available solely for the payment of debt service on the 2023 Bonds and no other parity obligations. In connection with the issuance of the prior series of Bonds, the City deposited amounts within the 2014 Reserve Account, 2018 Reserve Account and 2019 Reserve Account of the Reserve Fund for the benefit of the 2014 Bonds, 2018 Bonds and 2019 Bonds, respectively, which amounts, similarly, are available solely for the payment of debt service on the applicable series of Bonds, and no other parity obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Reserve Fund." If there are additional delinquencies after depletion of funds in the 2023 Reserve Account of the Reserve Fund, the City is not obligated to pay the 2023 Bonds or supplement the 2023 Reserve Account of the Reserve Fund.

Property Subject to the Special Tax. The land in the District is located in the southwestern portion of the City within the City's Sierra Vista Specific Plan ("**SVSP**") and is geographically positioned as an extension of the adjoining Westpark project originally developed by principals of Westpark S.V. 400, LLC and WP Development Company, LLC. With the near-final completion of the Improvements, WP Development Company, LLC dissolved at the end of 2022, leaving Westpark S.V. 400, LLC as the sole remaining master developer (the "**Developer**").

The land in the District is known locally as "Westbrook." Property in the District subject to the Special Tax consists of 1,727 taxable residential units (998 LDR, 466 MDR and 263 HDR), which has been developing in three phases. There are also affordable HDR units in the District not subject to the Special Tax. The master developer has completed all of the required backbone infrastructure in phases 1 and 2 and nearly all of the required backbone infrastructure in phase 3. Homebuilding, site development and multi-family development is currently underway in phase 3. Land in the District also includes land planned for open space, schools and public parks that are not subject to the Special Tax. See "THE DISTRICT – Development in the District" and "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT." A summary of development in the District follows.

Development Status (1)	**No. of Planned Units**	**FY 2023-24 Maximum Special Tax**	**FY 2023-24 Special Tax Levy** (2)	**% of FY 2023-24 Special Tax Levy**
Completed Homes owned by Individuals	1,340	$2,429,678	$2,429,678	88.90%
Completed Homes owned by Merchant Builders(3)	32	51,054	51,054	1.87
Homes Under Construction	3	4,786	4,786	0.17
Finished Lots	26	41,482	41,482	1.52
Final Map Lots	63	100,512	100,512	3.68
Unimproved Multi-Family	263	95,864	95,864	3.51
Unimproved Non Residential (4)	0	9,531	9,531	0.35
Totals	**1,727**	**$2,732,907**	**$2,732,907**	**100.00%**

(1) Development status as of February 16, 2023.
(2) The District is expected to be levied at the Maximum Special Tax in FY 2023-24.
(3) Includes two models leased to one Merchant Builder.
(4) One 14.5 acre commercial parcel.
Sources: Development Status – Master Developer and Integra Realty Resources; Planned Residential Units - Special Tax Formula

Appraised Value of Property. Property in the District is security for the Special Tax. The City authorized the preparation of an appraisal report for certain real property within the District, which sets forth an aggregate value of appraised and assessed taxable property in the District of $769,799,178, as of February 16, 2023. The valuation assumes completion of the Improvements funded by the 2023 Bonds (but not any Additional Bonds that may be issued in the future) and accounts for the impact of the lien of the Special Tax. See "THE IMPROVEMENTS." In considering the estimates of value evidenced by the appraisal, it should be noted that the appraisal is based upon a number of standard and special assumptions, which affect the estimates as to value, in addition to the assumption of completion of the Improvements and the availability of certain of the proceeds of the 2023 Bonds to reimburse for completed Improvements. The Improvements to be paid for with proceeds of the 2023 Bonds are not complete. See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT" and Appendix B. The aggregate combined value (assessed values and appraised values) of property in the District is 18.2 times the $42,340,000 aggregate amount of Bonds of the District, and 13.7 times the $56,136,129 aggregate principal amount of the Bonds plus overlapping general obligation bond debt in the District. See "VALUE OF PROPERTY WITHIN THE DISTRICT – Value to Special Tax Burden Ratios."

Risks of Investment. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of special factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the 2023 Bonds.

Limited Obligation of the City. The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of the interest on, or principal of or redemption premiums, if any, on the 2023 Bonds. The 2023 Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the City or any of its income or receipts, except the money in the Special Tax Fund (described herein) established under the Fiscal Agent Agreement, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the 2023 Bonds is a general debt, liability or obligation of the City. The 2023 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restrictions, and neither the City Council, the City nor any officer or employee thereof are liable for the payment of the interest on or principal of or redemption premiums, if any, on the 2023 Bonds other than from the proceeds of the Special Taxes and the money in the Special Tax Fund, as provided in the Fiscal Agent Agreement.

Summary of Information. Brief descriptions of certain provisions of the Fiscal Agent Agreement, the Bonds and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the Chief Financial Officer of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

ESTIMATED SOURCES AND USES OF FUNDS

A summary of the estimated sources and uses of funds associated with the sale of the 2023 Bonds follows:

Sources:	
Principal Amount of 2023 Bonds	$3,540,000.00
Less Net Original Issue Discount	(72,157.45)
Total	$3,467,842.55
Uses:	
Deposit to Improvement Fund	$2,837,509.99
Deposit to 2023 Reserve Account of the Reserve Fund(1)	294,179.56
Costs of Issuance(2)	336,153.00
Total	$3,467,842.55

(1) Equal to the Reserve Requirement for the 2023 Bonds.
(2) Includes fees of bond and disclosure counsel, fees, expenses and charges of the Fiscal Agent, printing costs, fees of the special tax administrator, appraiser, and municipal advisor, Underwriter's discount, and other costs of issuance.

THE BONDS

Authority for Issuance

The 2023 Bonds are issued pursuant to the Fiscal Agent Agreement, the Resolution of Issuance and the Act.

On April 16, 2014, the City Council adopted Resolution No. 14-131 (the "**Resolution of Formation**"), which formed the District and followed a Resolution of Intention adopted March 5, 2014. On the same day that the City Council adopted the Resolution of Formation, the District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed $90,000,000 at a special election held in the District. Under the provisions of the Act, since there were fewer than 12 registered voters residing within the District at a point during the 90-day period preceding the adoption of the Resolution of Formation, the qualified electors entitled to vote in the special election consisted solely of the Developer, the only eligible landowner/voter in the District, who cast one vote for each gross acre or portion of an acre of land owned within the District. The sole landowner in the District at the time voted to incur the indebtedness and to approve the annual levy of Special Taxes to be collected within the District, for the purpose of paying for the Improvements, including repaying any indebtedness of the District, replenishing the Reserve Fund and paying the administrative expenses of the District. See "THE DISTRICT" herein. A complete copy of the Special Tax Formula, as amended to date, is set forth as APPENDIX A.

Description of the Bonds

Bond Terms. The 2023 Bonds will be dated as of and bear interest from the date of delivery thereof at the rates and mature in the amounts and years, as set forth on the cover page hereof. The 2023 Bonds are being issued in the denomination of $5,000 or any integral multiple thereof.

Interest on the 2023 Bonds will be payable semiannually on March 1 and September 1 of each year (each an "**Interest Payment Date**"), commencing September 1, 2023. The principal of the 2023 Bonds and premiums due upon the redemption thereof, if any, will be payable in lawful money of the United States of America at the designated corporate trust office of the Fiscal Agent in Los Angeles, California, or such other place as designated by the Fiscal Agent, upon presentation and surrender of the 2023 Bonds; provided that so long as any 2023 Bonds are in book-entry form, payments with respect to such 2023 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC.

Book-Entry Only System. The 2023 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to ultimate purchasers under the book-entry system maintained by DTC. Ultimate purchasers of 2023 Bonds will not receive physical certificates representing their interest in the 2023 Bonds. So long as the 2023 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the 2023 Bonds. The Fiscal Agent will make payments of the principal, premium, if any, and interest on the 2023 Bonds directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the 2023 Bonds. Disbursements of such payments to DTC's Participants are the responsibility of DTC and disbursements of such payments to the Beneficial Owners are the responsibility of DTC's Direct Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – THE BOOK ENTRY SYSTEM" below.

Calculation and Payment of Interest. Interest on the 2023 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the 2023 Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on each Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs whether or not such day is a Business Day (the "**Record Date**") preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date, of any Owner of $1,000,000 or more in aggregate principal amount of 2023 Bonds; provided that so long as any 2023 Bonds are in book-entry form, payments with respect to such 2023 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC. See "APPENDIX G – BOOK ENTRY SYSTEM" below.

Each 2023 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the Dated Date; provided, however, that if at the time of authentication of a 2023 Bond, interest is in default thereon, such 2023 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. So long as the 2023 Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the 2023 Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's Participants are the responsibility of DTC and disbursements of such payments to the Beneficial Owners are the responsibility of DTC's Direct Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – THE BOOK ENTRY SYSTEM" below.

Redemption

Optional Redemption. The 2023 Bonds may be redeemed prior to maturity at the option of the City from any source of available funds, as a whole or in part, on any date on or after September 1, 2030 at the following respective redemption prices (expressed as percentages of the principal amount of the 2023 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates	Redemption Price
September 1, 2030 through August 31, 2031	103%
September 1, 2031 through August 31, 2032	102
September 1, 2032 through August 31, 2033	101
September 1, 2033 and any date thereafter	100

Mandatory Redemption From Prepayments. The 2023 Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2023 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates	**Redemption Price**
September 1, 2023 through and including March 1, 2031	103%
September 1, 2031 and March 1, 2032	102
September 1, 2032 and March 1, 2033	101
September 1, 2033 and any Interest Payment Date thereafter	100

Mandatory Sinking Fund Redemption. The Term 2023 Bonds maturing September 1, 2038, September 1, 2043, September 1, 2049 and September 1, 2053 are subject to mandatory sinking payment redemption in part on September 1, 2034, September 1, 2039, September 1, 2044 and September 1, 2050, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term 2023 Bonds Maturing September 1, 2038

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
2034	$65,000
2035	70,000
2036	80,000
2037	85,000
2038 (maturity)	95,000

Term 2023 Bonds Maturing September 1, 2043

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
2039	$105,000
2040	110,000
2041	120,000
2042	130,000
2043 (maturity)	145,000

Term 2023 Bonds Maturing September 1, 2049

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
2044	$155,000
2045	170,000
2046	180,000
2047	195,000
2048	210,000
2049 (maturity)	225,000

Term 2023 Bonds Maturing September 1, 2053

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
2050	$240,000
2051	260,000
2052	280,000
2053 (maturity)	295,000

The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially uniform debt service, as a result of any prior partial optional redemption or mandatory redemption of the 2023 Bonds.

Purchase In Lieu of Redemption. In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2023 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2023 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

Redemption Procedure by Fiscal Agent. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2023 Bonds designated for redemption, at their addresses appearing on the registration books in the Principal Office of the Fiscal Agent; but such mailing is not a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such 2023 Bonds.

Such notice will state the redemption date and the redemption price and, if less than all of the then Outstanding 2023 Bonds are to be called for redemption, will designate the CUSIP numbers and bond numbers of the 2023 Bonds to be redeemed by giving the individual CUSIP number and bond number of each 2023 Bond to be redeemed or will state that all 2023 Bonds between two stated bond numbers, both inclusive, are to be redeemed or that all of the 2023 Bonds of one or more maturities have been called for redemption, will state as to any 2023 Bond called in part the principal amount thereof to be redeemed, and will require that such 2023 Bonds be surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and will state that further interest on such 2023 Bonds will not accrue from and after the redemption date.

The City has the right to rescind any notice of the optional redemption of 2023 Bonds and such notice may be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2023 Bonds then called for redemption.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2023 Bonds of any maturity, the City will select the 2023 Bonds to be redeemed, from all 2023 Bonds or such given portion thereof of such maturity by lot in any manner which the City in its sole discretion deems appropriate. Upon surrender of 2023 Bonds redeemed in part only, the City will execute and the Fiscal Agent will authenticate and deliver to the registered Owner, at the expense of the City, a new 2023 Bond or 2023 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2023 Bond or 2023 Bonds.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2023 Bonds so called for redemption are deposited in the Bond Fund, such 2023 Bonds so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Transfer or Exchange of Bonds

So long as the 2023 Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of 2023 Bonds will be made in accordance with DTC procedures. See "APPENDIX G – THE BOOK ENTRY SYSTEM." Any 2023 Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2023 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any 2023 Bond or 2023 Bonds are surrendered for transfer or exchange, the City will execute and the Fiscal Agent will authenticate and deliver a new 2023 Bond or 2023 Bonds, for a like aggregate principal amount of 2023 Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any fees or expenses incurred by the Fiscal Agent in connection with any such transfer or exchange will be paid by the City. The Fiscal Agent will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfers or exchanges of 2023 Bonds will be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of 2023 Bonds for redemption or (ii) with respect to a 2023 Bond after such 2023 Bond has been selected for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Special Taxes

The Bonds (consisting of the 2014 Bonds, 2018 Bonds, 2019 Bonds, 2023 Bonds and any future Additional Bonds) are payable from and secured by proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, and net of a 1% administration charge of the County (the "**Special Tax Revenues**"). All of the Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, in the Improvement Fund and the Special Tax Fund are pledged to secure the repayment of the Bonds. In addition, with respect to each Series of Bonds, all moneys in the applicable subaccount of the Reserve Fund for such Series is pledged to secure the repayment of the applicable Series. The Special Tax Revenues and all moneys deposited into such funds (except as otherwise provided in the Fiscal Agent Agreement) are dedicated to the payment of the principal of, including any mandatory sinking fund payments, and interest and any premium on, the Bonds as provided in the Fiscal Agent Agreement and in the Act until all of the Bonds have been paid and retired or defeased in accordance with the Fiscal Agent Agreement.

A Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax amount determined by the City Finance Director through the application of the Special Tax Formula administered by Willdan Financial Services, Temecula, California (the "**Special Tax Administrator**") and set forth in APPENDIX A hereto for all taxable properties in the District. Prior to remittance of the Special Tax collections to the City, the County deducts and retains a 1% County administration fee, as noted above. Interest and principal on the Bonds is payable from the annual Special Tax Revenues to be paid to the City from Special Tax levies and collections on taxable property within the District, from amounts held in the funds and accounts established under the Fiscal Agent Agreement (other than the Rebate Fund) and from the proceeds, if any, from the sale of such property for delinquency of such Special Taxes.

The Special Taxes are exempt from the property tax limitation of Article XIIIA of the California Constitution, pursuant to Section 4 thereof as a "special tax" authorized by a two-thirds vote of the qualified electors. The levy of the Special Taxes was authorized by the City pursuant to the Act in an amount determined according to the Special Tax Formula approved by the City. See "Special Tax Methodology" below and "APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

The amount of Special Taxes that the District may levy in any year, and from which principal and interest on the Bonds is to be paid, is strictly limited by the maximum rates approved by the qualified electors within the District, which is set forth as the annual "**Maximum Special Tax**" in the Special Tax Formula. Under the Special Tax Formula, Special Taxes for the purpose of making payments on the Bonds will be levied annually in an amount not in excess of the Maximum Annual Special Tax. The Special Taxes and any interest earned on the Special Taxes constitute a trust fund for the principal of and interest on the Bonds pursuant to the Fiscal Agent Agreement and, so long as the principal of and interest on these obligations remain unpaid, the Special Taxes and investment earnings thereon will not be used for any other purpose, except as permitted by the Fiscal Agent Agreement, and will be held in trust for the benefit of the owners thereof and will be applied pursuant to the Fiscal Agent Agreement. The Special Tax Formula apportions the Annual Costs (as defined in the Special Tax Formula and described below) among the taxable parcels of real property within the District according to the rate and methodology set forth in the Special Tax

Formula. See “Special Tax Methodology” below. See also “APPENDIX A — RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The City may levy the Special Tax at the Maximum Annual Special Tax rate authorized by the qualified electors within the District, as set forth in the Special Tax Formula, if conditions so require. The City has covenanted to annually levy the Special Taxes in an amount at least sufficient to pay the Annual Costs (as defined below). Because each Special Tax levy is limited to the Maximum Annual Special Tax rates authorized as set forth in the Special Tax Formula, no assurance can be given that, in the event of Special Tax delinquencies, the amount of the Annual Costs will in fact be collected in any given year. In addition, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. See “SPECIAL RISK FACTORS — Tax Delinquencies” herein. The Special Taxes are collected for the City by the County in the same manner and at the same time as *ad valorem* property taxes.

Special Tax Methodology

The Special Tax authorized under the Act applicable to land within the District will be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate as described in the Special Tax Formula set forth in “APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” Capitalized terms set forth in this section and not otherwise defined have the meanings set forth in the Special Tax Formula.

Determination of Annual Costs. Each year, the City will determine the Annual Costs of the District for the upcoming fiscal year. The “**Annual Costs**” includes the following amounts (less any available earnings or revenues that may be used to fund Annual Costs):

(i) debt service on the bonds issued for the District;

(ii) administrative expenses and County fees;

(iii) any amounts needed to replenish bond reserve funds to the level required by Bond documents, to the extent not included in a computation of Annual Costs in a previous Fiscal Year;

(iv) the amount needed to (i) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year, (ii) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on Bonds which are expected to occur in such Fiscal Year; and

(iv) pay-as-you-go expenditures for authorized improvements.

The Annual Costs is the basis for the amount of Special Tax to be levied within the District. In no event may the City levy a Special Tax in any year above the Maximum Annual Special Tax identified for each parcel in the Special Tax Formula.

Parcels Subject to the Special Tax. The Special Tax Formula designates three zones within the District, corresponding to the three planned phases of development. The City will prepare a list of the parcels subject to the Special Tax using the records of the City and the County Assessor. The City will tax parcels within each zone within the District pursuant to the Special Tax Formula. Taxable Parcels that are acquired by a public agency after the District is formed will remain subject to the Special Tax unless a "trade" resulting in no loss of Special Tax revenue can be made, as described in the Special Tax Formula.

Limitation on Increases in Special Tax Levy. If owners are delinquent in the payment of Special Taxes, the City may not increase Special Tax levies to make up for delinquencies for prior Fiscal Years above the Maximum Special Tax rates specified for each category of property within the District. In addition, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the Bonds. See "SPECIAL RISK FACTORS."

Termination of the Special Tax. The Special Tax will be levied and collected (up to maximum allowable amount) for as long as needed to pay the principal and interest on the Bonds and other costs incurred in order to construct and acquire the authorized District-funded facilities and to pay the Annual Costs. The Special Tax Formula provides that the Special Tax may not be levied on any parcel in the District after Fiscal Year 2075-76. After the final maturity date of the 2014 Bonds, the City expects to continue to levy Special Taxes for payment of the "Development Impact Fee Deferral" (as defined in the Rate and Method of Apportionment) which levy may secure future bonds issued after payment in full of the Bonds issued under the Fiscal Agent Agreement.

Prepayment of the Special Tax. The Special Tax Formula provides that landowners may permanently satisfy all or a portion of the Special Tax by a cash settlement with the City. The amount of the prepayment required is to be calculated according to a formula set forth in the Special Tax Formula, which is generally based on the net present value of the remaining years in which the Special Tax will be collected (up to 30 years or termination of the District, whichever is lesser), including the effect of a 2% per year escalation factor applicable for the time Bonds remain outstanding using a discount rate equal to the most current yield for the 30-year Treasury Constant Maturity as the discount factor, plus an amount representing the Development Impact Fee Deferral Amount, all as described in Section 7 of the Rate and Method of Apportionment set forth in Appendix A. Prepayment is only allowed if the City determines that the prepayment does not jeopardize its ability to make timely payments of debt service on outstanding Bonds. A parcel may be partially prepaid, so long as at least 25% of the Special Tax obligation is prepaid.

Levy of Annual Special Tax; Maximum Special Tax

The annual Special Tax will be calculated by the City and levied to provide money for debt service on the Bonds, replenishment of the Reserve Fund, certain delinquencies, administration of the District, and for payment of pay-as-you-go expenditures (to the extent permitted by the City) of the authorized District-funded facilities not funded from Bond proceeds. In no event may the City levy a Special Tax in any year above the Maximum Annual Special Tax identified for each parcel in the Special Tax formula.

As land uses have changed in the District, the Special Tax Formula has been updated to reflect the new land uses. See APPENDIX A for the complete copy of the Special Tax Formula.

The Maximum Annual Special Tax for Fiscal Year 2022-23 ranges from $1,523 to $1,857 per detached single-family unit (Low-Density Residential (LDR) and Medium Density Residential (MDR)) and $357 per High Density Residential (HDR) unit (excluding low income affordable units and very-low income affordable units, which are exempt from the Special Tax). However, these amounts are subject to adjustment based upon the actual number of units built (in the event that less homes are built than are expected in the Special Tax Formula). The Maximum Annual Special Tax for Fiscal Year 2022-23 for taxable non-residential parcels is $644 per acre. For Large Lot Parcels, the Special Tax is based upon the number of units planned for such parcels. For Undeveloped Parcels, the Special Tax is based upon the gross acres of such parcels. Affordable Low and Affordable Very-Low units are exempt from the Special Tax. The Annual Maximum Special Tax is allowed to escalate by 2% per year for the first 45 years following fiscal year 2014-15 or until all bonds of the District have been paid and the City has covenanted in the Fiscal Agent Agreement to apply the 2% escalator annually through Fiscal Year 2052-53. See "APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" and for a table showing the expected land uses and assigned Maximum Special Taxes, see "Attachment 2" in such Appendix.

Annual Special Tax Levy. The Special Tax will be levied each year by calculating the Annual Costs which need to be generated by all Taxable Parcels in the District; the Special Tax (up to the maximum allowable amount) will be levied against each Taxable Parcel until the Special Tax revenue equals the Annual Costs; however, the Special Tax Formula establishes a priority for which properties will be levied a Special Tax. First, all "Developed Parcels" in all three zones described in the Special Tax Formula receive a Special Tax levy. If additional Special Taxes are needed to pay Annual Costs, a levy is made against a "Small Lot Tentative Map Parcel," then a "Large Lot Parcel," then an "Undeveloped Parcel" in each zone, with the priority of such levy first being applied to all such parcels in Zone 1, then Zone 2 and finally Zone 3. For single-family detached property, Developed Parcels are parcels shown on a Final Small Lot Subdivision Map recorded prior to July 1st of each Fiscal Year. See "APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

The Special Tax Formula provides that the maximum Annual Special Tax may be increased annually by the Tax Escalation Factor which for each Fiscal Year is equal to 2% of the Maximum Special Tax in effect in the prior Fiscal Year, applied for the first 45 years following fiscal year 2014-15 or until all bonds of the District have been paid. The City has covenanted in the Fiscal Agent Agreement to apply the 2% escalator annually through fiscal year 2052-53. The City covenants in the Fiscal Agent Agreement to fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the Special Tax Formula. The Special Tax is authorized to be levied in an amount not to exceed the Maximum Special Tax levy as described in the Special Tax Formula notwithstanding that a lower amount is sufficient to pay debt service on the Bonds. The Special Tax Formula provides a mechanism whereby the City may utilize the pay-as-you-go component to pay for and/or reimburse developers for a portion of the cost of Improvements not funded by proceeds of the bonds issued for the District. Proceeds of the annual Special Tax levy will first be used to pay the Annual Costs (which include debt service payments on the Bonds) other than pay-as-you-go expenditures, and the City contemplates that the levy will include a pay-as-you-go component for reimbursement of authorized costs not funded from Bond proceeds. See "THE IMPROVEMENTS" and "APPRAISAL OF PROPERTY WITHIN THE DISTRICT." See also "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Tax Methodology" above. See "APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" for a copy of the Special Tax Formula.

Special Tax Fund

When received, the Special Tax Revenues are required under the Fiscal Agent Agreement to be deposited into a Special Tax Fund to be held by the City in trust for the benefit of the City and the Owners of the Bonds. Within the Special Tax Fund, the City has established and will maintain the Surplus Account, to the credit of which the City will deposit surplus Special Tax Revenue, if any, as described below. Moneys in the Special Tax Fund will be disbursed as provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds.

All Special Tax Revenue will be deposited in the Special Tax Fund upon receipt. Prior to each Interest Payment Date, the City will withdraw from the Special Tax Fund and transfer (i) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement, and (ii) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date; provided, however, that as soon as practicable after the receipt by the City of any prepayments of Special Taxes, but no later than ten (10) Business Days after such receipt, the City shall transfer such prepayments to the Fiscal Agent for deposit into the Prepayment Account to be used for the redemption of Bonds. At such time as deposits to the Special Tax Fund equal the principal, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the Reserve Fund balance to the Reserve Requirement, the amount in the Special Tax Fund in excess of such amount may, at the discretion of the City, be transferred to the Surplus Account, which will occur on or after September 15th of each year. From time to time, the City may withdraw from the Surplus Account of the Special Tax Fund amounts needed to pay the City's administrative expenses and County fees; provided that such transfers will not be in excess of the portion of the Special Tax Revenues collected by the City that represent levies for administrative expenses. Moneys in the Surplus Account may also be transferred, at the City's discretion, to the Improvement Fund to pay for costs of the Improvements (including reimbursements to developers for the cost of Improvements not funded from proceeds of bonds issued for the District) or authorized facility contributions, to pay the principal of, premium, if any, and interest on the Bonds or to replenish the Reserve Fund to the amount of the Reserve Requirement. See "THE IMPROVEMENTS – Construction and Acquisition of the Improvements."

Deposit and Use of Proceeds of Bonds

The Bonds are additionally secured by amounts generated from proceeds of the Bonds, together with interest earnings thereon pledged under the Fiscal Agent Agreement. The proceeds of the Bonds will be paid to the Fiscal Agent, who will deposit such proceeds in the Reserve Fund, Bond Fund, Improvement Fund and Costs of Issuance Fund established under the Fiscal Agent Agreement. See "– 2023 Reserve Account of Reserve Fund" and "– Improvement Fund" below.

Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure

The Special Tax will be collected in the same manner and the same time as *ad valorem* property taxes, except at the City's option, the Special Taxes may be billed directly to property owners or collected at a different time to meet the City's financial obligations. In the event of a delinquency in the payment of any installment of Special Taxes, the City is authorized by the Act to order institution of an action in superior court to foreclose the lien therefor.

The City has covenanted in the Fiscal Agent Agreement with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior fiscal year, and if the City determines on the basis of such review that the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in the District in such Fiscal Year, it will within 30 days thereafter institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in the District for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; *provided,* that if the City determines on the basis of such review that (a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the District in such Fiscal Year, but that property owned by any single property owner in the District is delinquent by more than $5,000 with respect to the Special Tax due and payable by such property owner in such Fiscal Year, or (b) property owned by any single property owner in the District is delinquent cumulatively by more than $3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the District), then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner.

Under the Act, foreclosure proceedings are instituted by the bringing of an action in the superior court of the county in which the parcel lies, naming the owner and other interested persons as defendants. The action is prosecuted in the same manner as other civil actions. In such action, the real property subject to the special taxes may be sold at a judicial foreclosure sale for a minimum price that will be sufficient to pay or reimburse the delinquent special taxes.

The owners of the Bonds benefit from the Reserve Fund established pursuant to the Fiscal Agent Agreement; however, if delinquencies in the payment of the Special Taxes with respect to the Bonds are significant enough to completely deplete the Reserve Fund, there could be a default or a delay in payments of principal and interest to the owners of the Bonds pending prosecution of foreclosure proceedings and receipt by the City of the proceeds of foreclosure sales. Provided that it is not levying the Special Tax at the Maximum Annual Special Tax rates set forth in the Special Tax Formula, the City may adjust the Special Taxes levied on all property within the District subject to the Special Tax to provide an amount required to pay debt service on the Bonds and to replenish the Reserve Fund. However, such adjustment is subject to the Maximum Annual Special Tax and to the limitation described under the caption “Special Tax Methodology – Limitation on Increases of Special Tax Levy” above.

Under current law, a judgment debtor (property owner) has at least 120 days from the date of service of the notice of levy to redeem the property to be sold. If a judgment debtor fails to redeem and the property is sold, his or her only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (California Code of Civil Procedure Section 701.680).

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent upon the nature of the defense, if any, put forth by the debtor and the condition of the calendar of the superior court of the county. Such foreclosure actions can be stayed by the superior court on generally accepted equitable grounds or as the result of the debtor’s filing for relief under the Federal bankruptcy laws. The Act provides that, upon foreclosure, the Special Tax lien will have the same lien priority as is provided for *ad valorem* taxes and special assessments. See “APPRAISAL OF PROPERTY WITHIN THE DISTRICT – Priority of Lien.”

No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the District becomes the purchaser under a credit bid, the District must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

2023 Reserve Account of Reserve Fund

In connection with the issuance of the first series of the Bonds, a Reserve Fund (the "**Reserve Fund**") was established under the Fiscal Agent Agreement. The Fiscal Agent Agreement specifies that within the Reserve Fund is also established a reserve account for each series of bonds covered by the Reserve Fund. Accordingly, in connection with the issuance of the 2023 Bonds, a reserve account for the 2023 Bonds (previously defined as the "**2023 Reserve Account**") will be established within the Reserve Fund to be held by the Fiscal Agent for the benefit of the 2023 Bonds.

Upon delivery of the 2023 Bonds, the Fiscal Agent will deposit an amount of the proceeds into the 2023 Reserve Account of the Reserve Fund so that the amount therein equals the "**Reserve Requirement**" for the 2023 Bonds, which means, calculated separately as to each series of Bonds, an amount equal to the lesser of (a) Maximum Annual Debt Service on the respective Outstanding Bonds, (b) 125% of the respective average Annual Debt Service, or (c) 10% of the principal amount of the respective Bonds (or the issue price of the respective Bonds excluding accrued interest, if the net original issue discount or premium is less than 98% or more than 102% of the principal amount of the respective Bonds), as calculated by the City, provided, that the Reserve Requirement for the 2023 Bonds will not be increased from the amount established upon issuance of the 2023 Bonds.

The 2023 Reserve Account of the Reserve Fund is available solely for the payment of debt service on the 2023 Bonds and no other parity obligations, including the 2014 Bonds, 2018 Bonds and 2019 Bonds. In connection with the issuance of the 2014 Bonds, 2018 Bonds and 2019 Bonds, the City deposited amounts to the 2014 Reserve Account, 2018 Reserve Account and 2019 Reserve Account, respectively, of the Reserve Fund, which amounts, similarly, are available solely for the payment of debt service on the applicable series of Bonds, and not other parity obligations.

The City is required to maintain an amount of money or other security equal to the Reserve Requirement with respect to the 2023 Bonds in the 2023 Reserve Account of the Reserve Fund at all times that the 2023 Bonds are outstanding. All amounts deposited in the 2023 Reserve Account of the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest on, the 2023 Bonds. Whenever transfer is made from the 2023 Reserve Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the City.

Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund (and accounts therein) exceeds the Reserve Requirement for the applicable series of Bonds, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund or the Improvement Fund as provided below, except that investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the Federal government to comply with rebate requirements.

Moneys in the Reserve Fund will be invested and deposited in accordance with the Fiscal Agent Agreement and investment income thereon will be subject to rebate requirements under applicable tax laws. Interest earnings and profits resulting from the investment of moneys in the Reserve Fund and other moneys in the Reserve Fund will remain therein until the balance exceeds the Reserve Requirement; any amounts in excess of the Reserve Requirement will be transferred to the Improvement Fund, if the Improvements have not been completed, or if the Improvements have been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Bonds in accordance with the Fiscal Agent Agreement.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and make any other transfer required under the Fiscal Agent Agreement, the Fiscal Agent will transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date, to the payment and redemption of all of the Outstanding Bonds. If the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the outstanding Bonds, the balance in the Reserve Fund will be transferred to the City, after payment of any amounts due the Fiscal Agent, to be used for any lawful purpose of the City.

Improvement Fund

Under the Fiscal Agent Agreement, there is established an Improvement Fund, which is to be held in trust by the Fiscal Agent and will be disbursed as provided in the Fiscal Agent Agreement for the payment or reimbursement of the costs of the construction and acquisition of the Improvements in accordance with the Acquisition Agreement (as described herein). Interest earnings from the investment of amounts in the Improvement Fund will be retained in the Improvement Fund to be used for the purposes of the Improvement Fund.

Upon completion of the Improvements and payment to the Developer or other entities that are due reimbursement for Improvements, the Fiscal Agent will transfer the amount, if any, remaining in the Improvement Fund to the Bond Fund for application to the payment of principal of and interest on the Bonds in accordance with the Fiscal Agent Agreement, and the Improvement Fund will be closed. See "THE IMPROVEMENTS."

Future Parity Bonds

The Resolution of Formation authorizes the issuance of up to $90 million of bonds, of which the 2023 Bonds represent the fourth series. The City expects that it will, by a Supplemental Fiscal Agent Agreement, authorize the issuance of one or more additional series of Bonds (previously defined as the "**Additional Bonds**") payable from Special Taxes and secured by the Special Tax Revenues on a parity with the 2014 Bonds, 2018 Bonds, 2019 Bonds and 2023 Bonds, as development progresses in the District and upon compliance by the City with the conditions set forth in the Fiscal Agent Agreement, which include the following:

(i) A separate account in the Reserve Fund shall be established in an amount equal to the Reserve Requirement, calculated with respect to the Additional Bonds.

(ii) For each Bond Year that the Additional Bonds will be outstanding, projected Maximum Special Taxes (net of County administration charges) in each Fiscal Year are equal to or greater than 110% of maximum Debt Service due in the Bond Year that begins in the corresponding Fiscal Year.

(iii) The aggregate value of all parcels in the District subject to the Special Tax, including then existing improvements and any facilities to be constructed or acquired with the proceeds of the proposed series of bonds, as determined by an MAI appraisal or, in the alternative, the assessed value of all such parcels and improvements thereon (and improvements to be financed from proceeds of the bonds proposed to be issued) as shown on the then current County tax roll, or by a combination of both methods is at least 4.00 times the sum of (i) the aggregate principal amount of all bonds then outstanding plus (ii) the aggregate principal amount of the series of bonds proposed to be issued, plus (iii) the aggregate principal amount of any bonds then outstanding and payable from assessments which are a lien against property in the District, plus (iv) a portion of the aggregate principal amount of all Mello-Roos bonds, other than the Bonds then outstanding, and payable at least partially from special taxes to be levied on parcels of land subject to the Special Tax within the District (the "**Other Mello-Roos Bonds**") equal to the aggregate principal amount of the Other Mello-Roos Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other Mello-Roos Bonds on parcels of land within the District subject to the Special Tax, and the denominator of which is the total amount of special taxes levied for the Other Mello-Roos Bonds on all parcels of land subject to the Special Tax against which the special taxes are levied to pay the Other Mello-Roos Bonds (such fraction to be determined based upon the special taxes which could be levied the year in which maximum annual debt service on the Other Mello-Roos Bonds occurs), based upon information from the most recent available fiscal year.

In connection with the approval of development in the District, the City has agreed that payment of certain impact fees owed by the Developer will be deferred (referred to as the "Development Impact Fee Deferral" in the Special Tax Formula) to allow payment of the deferred fees after the 2014 Bonds have been fully paid. The City expects to receive payment for the deferred impact fees either through continued collection of Special Taxes or through the issuance of future bonds after the 2014 Bonds have matured. If the City chooses to issue bonds to pay deferred impact fees, the remaining authorization will be available to be utilized by the City as a means therefor.

DEBT SERVICE SCHEDULES

The annual debt service on the 2023 Bonds, based on the interest rates and maturity schedule set forth on the cover of this Official Statement and assuming no early redemptions, is set forth below.

City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Special Tax Bonds Series 2023
Debt Service – 2023 Bonds

Year Ending (Sept. 1)	Principal	Interest	Total
2023	--	$46,897.50	$46,897.50
2024	$10,000.00	162,337.50	172,337.50
2025	15,000.00	161,837.50	176,837.50
2026	20,000.00	161,087.50	181,087.50
2027	25,000.00	160,087.50	185,087.50
2028	30,000.00	158,837.50	188,837.50
2029	35,000.00	157,337.50	192,337.50
2030	40,000.00	155,587.50	195,587.50
2031	45,000.00	154,287.50	199,287.50
2032	50,000.00	152,825.00	202,825.00
2033	55,000.00	151,137.50	206,137.50
2034	65,000.00	149,212.50	214,212.50
2035	70,000.00	146,450.00	216,450.00
2036	80,000.00	143,475.00	223,475.00
2037	85,000.00	140,075.00	225,075.00
2038	95,000.00	136,462.50	231,462.50
2039	105,000.00	132,425.00	237,425.00
2040	110,000.00	127,700.00	237,700.00
2041	120,000.00	122,750.00	242,750.00
2042	130,000.00	117,350.00	247,350.00
2043	145,000.00	111,500.00	256,500.00
2044	155,000.00	104,975.00	259,975.00
2045	170,000.00	97,612.50	267,612.50
2046	180,000.00	89,537.50	269,537.50
2047	195,000.00	80,987.50	275,987.50
2048	210,000.00	71,725.00	281,725.00
2049	225,000.00	61,750.00	286,750.00
2050	240,000.00	51,062.50	291,062.50
2051	260,000.00	39,662.50	299,662.50
2052	280,000.00	27,312.50	307,312.50
2053	295,000.00	14,012.50	309,012.50
Total	**$3,540,000.00**	**$3,588,297.50**	**$7,128,297.50**

The combined annual debt service on the 2014 Bonds, 2018 Bonds, 2019 Bonds and 2023 Bonds, assuming no early redemptions, is set forth below.

City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Special Tax Bonds Series 2023
Combined Debt Service – 2014 Bonds, 2018 Bonds, 2019 Bonds and 2023 Bonds

Year Ending (Sept. 1)	2014 Bonds	2018 Bonds	2019 Bonds	2023 Bonds	Total
2023(1)	$528,737.50	$366,178.13	$417,259.38	$46,897.50	$1,359,072.51
2024	884,637.50	627,756.26	754,768.76	172,337.50	2,439,500.02
2025	900,500.00	642,556.26	769,018.76	176,837.50	2,488,912.52
2026	918,500.00	656,556.26	787,268.76	181,087.50	2,543,412.52
2027	935,000.00	669,756.26	804,268.76	185,087.50	2,594,112.52
2028	955,000.00	682,156.26	820,018.76	188,837.50	2,646,012.52
2029	973,250.00	695,856.26	834,518.76	192,337.50	2,695,962.52
2030	994,750.00	708,956.26	852,768.76	195,587.50	2,752,062.52
2031	1,014,250.00	726,143.76	869,518.76	199,287.50	2,809,200.02
2032	1,036,750.00	737,206.26	885,668.76	202,825.00	2,862,450.02
2033	1,057,000.00	752,618.76	905,668.76	206,137.50	2,921,425.02
2034	1,075,000.00	771,818.76	919,731.26	214,212.50	2,980,762.52
2035	1,100,750.00	779,568.76	937,543.76	216,450.00	3,034,312.52
2036	1,118,750.00	801,618.76	959,381.26	223,475.00	3,103,225.02
2037	1,144,250.00	812,443.76	979,531.26	225,075.00	3,161,300.02
2038	1,166,750.00	831,856.26	998,500.00	231,462.50	3,228,568.76
2039	1,191,250.00	845,000.00	1,018,000.00	237,425.00	3,291,675.00
2040	1,212,500.00	865,250.00	1,040,250.00	237,700.00	3,355,700.00
2041	1,235,500.00	883,250.00	1,060,000.00	242,750.00	3,421,500.00
2042	1,260,000.00	904,000.00	1,077,250.00	247,350.00	3,488,600.00
2043	1,285,750.00	922,250.00	1,102,000.00	256,500.00	3,566,500.00
2044	1,312,500.00	938,000.00	1,123,750.00	259,975.00	3,634,225.00
2045	--	936,250.00	1,147,500.00	267,612.50	2,351,362.50
2046	--	937,750.00	1,168,000.00	269,537.50	2,375,287.50
2047	--	937,250.00	1,190,250.00	275,987.50	2,403,487.50
2048	--	939,750.00	1,214,000.00	281,725.00	2,435,475.00
2049	--	--	1,239,000.00	286,750.00	1,525,750.00
2050	--	--	--	291,062.50	291,062.50
2051	--	--	--	299,662.50	299,662.50
2052	--	--	--	307,312.50	307,312.50
2053	--	--	--	309,012.50	309,012.50
Totals(2)	**$23,301,375.00**	**$20,371,797.03**	**$25,875,434.52**	**$7,128,297.50**	**$76,676,904.05**

(1) Does not include debt service that was due on March 1, 2023.
(2) Totals may not sum, due to rounding.
Source: Fiscal Agent for 2014, 2018 and 2019 debt service and Underwriter for 2023 debt service.

City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Special Tax Bonds Series 2023
Debt Service Coverage – 2014 Bonds, 2018 Bonds, 2019 Bonds and 2023 Bonds

Year Ending (Sept 1)	FY 2023-24 Projected Special Tax from Completed Single Family Homes [(1)]	FY 2023-24 Projected Special Tax from Completed and Final Mapped Single Family Homes [(1)]	FY 2023-24 District Maximum Tax [(1)]	Less: Priority Administrative [(2)]	FY 2023-24 Net Maximum Facilities Special Tax	2014 Series Debt Service	2018 Series Debt Service	2019 Series Debt Service	2023 Debt Service	Total Debt Service	Debt Service Coverage from Completed Single Family Homes	Debt Service Coverage from Final Mapped and Completed	Debt Service Coverage from District Max Tax
2024	$2,480,732	$2,627,512	$2,732,907	($27,329)	$2,705,578	$884,638	$627,756	$754,769	$172,338	$2,439,501	1.006x	1.066x	1.109x

(1) Other than unimproved multi-family parcel WB-31, the 2022-23 Special taxes were levied at the maximum rate under the Rate and Method, to allow "pay-as-you-go" financing for Improvements. In addition to the maximum annual Special Tax rate limitation in the Rate and Method, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2023 Bonds.
(2) Priority admin calculated as 1% of the revenues.
Sources: Projected Special Tax and Maximum Special Tax – Willdan Financial Services; Remaining Data - Underwriter

THE SIERRA VISTA SPECIFIC PLAN

The Sierra Vista Specific Plan ("**SVSP**") is the primary land use, policy and regulatory document used to guide development of the project area. The Specific Plan establishes a development framework for land use, affordable housing, resource protection, circulation, utilities and services, implementation and design. The intent is to promote the systematic and orderly development of the plan area. All subsequent development projects and related activities in the SVSP area are required to be consistent with the SVSP. The SVSP implements the goals and policies of the City of Roseville General Plan and augments these goals and policies by providing specific direction to reflect conditions unique to the project and Plan Area. The General Plan serves as the long-term policy guide for the physical, economic and environmental growth of the City. The property within the District was annexed into the SVSP in June 2012 and is a component of the SVSP. The full text of the Sierra Vista Specific Plan is available on the City's website.

The SVSP land use plan includes a blend of residential, service, employment, open space and public uses. The Plan Area is statistically projected to house approximately 22,045 residents and in excess of 9,000 employees. The SVSP includes a total of 8,679 dwelling units on approximately 2,064 acres. Proposed land uses include a total of approximately 317 acres set aside in open space; 106 acres for dedication to parks; 71 acres of public/quasi-public uses; 190 acres of community commercial; 27 acres of business professional; and 41 acres of commercial mixed use.

THE DISTRICT

Formation of the District

On March 5, 2014, the City Council adopted a Resolution of Intention to form a community facilities district under the Act, to levy a special tax and to incur bonded indebtedness for the purpose of financing the Improvements and making contributions to certain public facilities. After conducting a noticed public hearing, on April 16, 2014, the City Council adopted the Resolution of Formation, which established the District, set forth the Special Tax Formula within the District and set forth the necessity to incur bonded indebtedness in a total amount not to exceed $90 million. On the same day, an election was held within the District in which the only landowner/voter in the District, the Developer, approved the proposed bonded indebtedness and the levy of the Special Tax. The Special Tax Formula was amended pursuant to Resolution No. 14-509 adopted November 19, 2014, and is attached in its current form as APPENDIX A hereto. See "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT" below.

Location and Description of the District and the Immediate Area

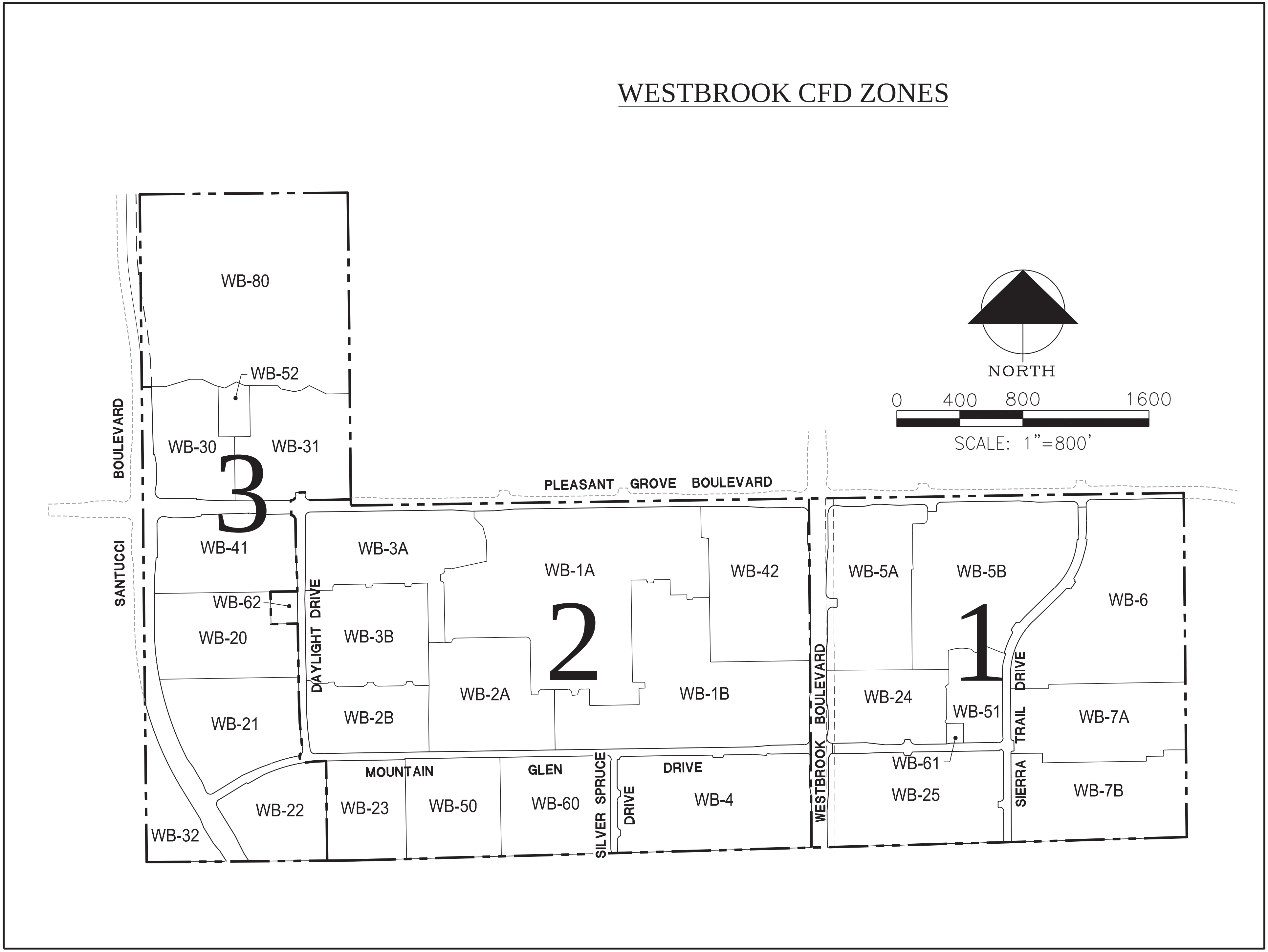
The District is located within a portion of the SVSP area (described above), in the southwest portion of the City and is approximately 20 miles northeast of the central business district of Sacramento. The process of annexation of the area to the City was completed in January 2012. The District is located along the south side of the extension of Pleasant Grove Boulevard, immediately south and west of the Westpark master planned community and the West Roseville Specific Plan. Access to the District is provided by Pleasant Grove Boulevard, an existing four-lane roadway.

The land in the District is generally built out with a variety of housing types. Homebuilding, site development and multi-family development is underway within the Phase 3 portion of the property. All required infrastructure, with the exception of a small extension of Santucci Boulevard north of Pleasant Grove Boulevard, has been constructed and accepted by the City. The SVSP has targeted a majority of the creek corridors and a portion of the seasonal wetlands for preservation in permanent open space/park use. All environmental permits (404, 401b, 1602 Streambed Alteration Agreements) for the District have been obtained and all mitigation required satisfied.

Subsequent to formation of the District, parcels were created by subdivision into large lots that correspond to Developer designated development “villages,” which are listed below. Large lot parcel maps were recorded for the villages in Phases 1, 2 and 3. Final maps have subsequently been recorded for all 1,464 single family lots planned within the District. Homebuilding is ongoing in Villages WB-20, WB-21, WB-22 and WB-23 all within Phase 2 or Phase 3 of the District. Village WB-41, containing 63 MDR lots is completing land development work which is expected to be completed in the summer 2023, with homebuilding commencing in the latter part of 2023. See “– Development in the District” for additional information on ongoing development activity In the District.

Maps. A final large lot parcel map is shown on the following page, followed by an aerial overview map of land in the District and the surrounding area.

MAP 1


WESTBROOK CFD ZONES
NORTH
0 400 800 1600
SCALE: 1"=800'
PLEASANT GROVE BOULEVARD
SANTUCCI BOULEVARD
DAYLIGHT DRIVE
WESTBROOK BOULEVARD
SIERRA TRAIL DRIVE
MOUNTAIN GLEN DRIVE
SILVER SPRUCE DRIVE
1
2
3
WB-80
WB-52
WB-30
WB-31
WB-41
WB-62
WB-20
WB-21
WB-22
WB-32
WB-3A
WB-3B
WB-2B
WB-2A
WB-1A
WB-1B
WB-42
WB-23
WB-50
WB-60
WB-4
WB-5A
WB-5B
WB-6
WB-24
WB-51
WB-61
WB-7A
WB-7B
WB-25

AERIAL OVERVIEW MAP

Development in the District

The following information about development within the District has been provided by the Developer and merchant homebuilders that currently own lots within the District. No assurance can be given that all information is complete. No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. Since the ownership of the parcels is subject to change, the development plans outlined below may not be continued by the subsequent owner if the parcels are sold, although development by any subsequent owner will be subject to the SVSP, the Development Agreement described herein and the policies and requirements of the City. No assurance can be given that the plans or projections detailed below will actually occur.

Entitlements. Property within the District encompasses approximately 354.3 gross acres, and is developing into a mix of residential, commercial and public/quasi-public uses.

The entitlements permit a development proposal related to a particular parcel to proceed through tentative map subdivision and design-review permitting processes to final mapping provided the development application is in accord with the entitlements and the final map conditions. See "–Development Agreement" below. The land received full land use approval on June 2012, including approval of Specific Plan Zoning and a Development Agreement, and subsequently received a Section 404 (wetlands) permit, a grading permit and other site improvement plans.

In May 2016, the Developer obtained approval of a Specific Plan Amendment for the land within Phases 2 and 3, modifying the prior entitlements to allow for a 493-lot, age-restricted community, which decreased the amount of multi-family housing. The resulting approvals increased the total single-family units and reduced the multi-family units, consistent with the zoning designations of the SVSP.

In January 2019, the Developer obtained approval of tentative maps for the three Phase 3 MDR properties (Parcels WB-20, WB-21 and WB-22), as well as the remaining MDR property in Phase 2 (Parcel WB-23), for a total of 250 medium density single family lots. The approvals included the transfer of 8 residential units from the MDR category to the HDR parcel in Phase 3 (WB-31). This resulted in a minor change to the residential mix, for a total of 1,464 single family units (LDR and MDR) and 628 multi-family (HDR) units (of which 263 will be subject to the Special Tax). The build-out of the affordable units is not a condition precedent to the build-out of the market-rate units.

In February 2022, the Developer obtained approval for the rezone of a parcel previously zoned for Community Commercial (CC) to Medium Density Residential (MDR). The tentative map contained 63 single family lots. A final map for this parcel was recorded in 2022, and the MDR lots are subject to the Special Tax at the rates applicable to the MDR land-use category.

Subdivision Maps. Large lot parcel maps were recorded for all of the villages in Phases 1, 2 and 3. Final small-lot maps have subsequently been recorded for all 1,464 LDR and MDR lots in Phases 1, 2 and 3. For additional details, see Table 2A and Table 2B, below. See also Attachment 2 of the Special Tax Formula in Exhibit A.

Affordable Units. Under the Development Agreement, the project is obligated to provide 365 units of affordable housing. The units are to be constructed in the District and will be available to persons in very-low to low income households. All of the units of affordable housing are being developed as part of Phase 3. The Developer is required to enter into an agreement with the City governing the availability of such units. The Developer currently anticipates that these units will be located on portions of Parcels WB-30 and WB-32. The Special Tax Formula does not allocate any tax to the very-low income affordable units or low-income affordable units. See "SECURITY FOR THE BONDS – Special Tax Formula."

Utilities. All typical urban utility services for finished lots are available at the lots or will be extended to the lots. These utilities include electric power, natural gas, telephone, cable television, water, refuse, and sanitary sewer and storm water facilities. The City provides electric, water, sewer refuse and storm water facilities, and police and fire services. Pacific Gas & Electric provides natural gas.

Current Status of Development. Development within the District thus far has been, and is expected to continue to be, consistent with the SVSP land uses, which primarily consist of low-density residential (LDR) neighborhoods and, to a lesser extent, supporting uses such as parks, recreation, open space and supporting neighborhood commercial land uses. Permitted land uses are configured to reinforce the neighborhood identity and sense of community. See "THE SIERRA VISTA SPECIFIC PLAN" above. Development is expected to be completed in three phases, Phase 1, Phase 2 and Phase 3, as described herein.

Phase 1. In Phase 1, the Developer sold 3 villages to Woodside Homes, 2 villages to D.R. Horton and 2 villages to Taylor Morrison Homes, for a total of 558 lots. Construction is complete, and all 558 homes are now owned by individual homeowners.

Phase 2. In Phase 2, the Developer sold 493 unfinished lots to Lennar Homes, 100 unfinished lots to Woodside Homes, and 71 unfinished lots to Tri Pointe Homes. The Developer's remaining ownership of taxable property in Phase 2 consists of Parcel WB-42, a commercial site, which the Developer is currently marketing for sale.

Lennar Homes and Woodside Homes have completed construction of all their respective homes in Phase 2, and the aggregate 593 homes are now owned by individual homeowners. Tri Pointe Homes has completed land development for its 71 lots (Parcel WB-23) and has commenced home construction.

Phase 3. The Developer has completed all backbone infrastructure for Phase 3, with the exception of a small extension of Santucci Boulevard north of Pleasant Grove Boulevard, construction of which is to be funded from proceeds of the 2023 Bonds. The Developer has sold all parcels within Phase 3 to the following homebuilders or apartment developers – K. Hovnanian Homes, Tri Point Homes, Beazer Homes and Pine Island Apartments.

K. Hovnanian Homes is completing the construction of homes within Villages WB-20 and WB-21. As of February 16, 2023 (the date of value of the Appraisal), K. Hovnanian Homes owned 29 homes/lots in the District. This included 14 completed homes owned by K. Hovnanian Homes, two models owned by HS-JC Finance Company LLC and leased to K. Hovnanian Homes with the remaining properties owned Brookfield Holdings Solaire LLC, a land banker for K. Hovnanian Homes

Tri Pointe Homes is completing the construction of homes within WB-22 (being constructed in conjunction with Phase 2 village WB-23) and has approximately 22 homes left to build and deliver to homebuyers. As of February 16, 2023 (the date of value of the Appraisal), Tri Pointe owned 32 homes/lots in the District (in Phase 2 and Phase 3).

Beazer Homes purchased the 63 final mapped lots in WB-41, and plans to construct homes starting in 2023. Of the total 63 lots, 47 lots are currently owned by KLLB AIV LLC, a land banker for Beazer Homes.

The finalization of the infrastructure needed for WB-41 in Phase 3 may be impacted by supply-chain constraints for electric transformers. The transformers are installed when the framing inspection has been completed on the houses associated with each transformer if transformers are available at that time. At the present time, the Developer does not anticipate this supply-chain issue materially impacting the timing of development of this village.

Pine Island Apartments, LLC ("Pine Island") owns all of the HDR parcels in the District (WB-30, WB-31 and WB-32), but only WB-31 is a Taxable Parcel. WB-31 will be developed as part of Pine Island's larger development plan in the area. Pine Island is planning a community with a mix of luxury townhomes of up to four bedrooms and market rate apartments with one to two bedrooms. Both components will be market-rate for-rent product. Planning efforts are underway to determine the final number of units but preliminarily Pine Island anticipates between 200 and 225 units. Pine Island will develop the site in a single phase with construction anticipated to start in 2027 or 2028.

The Developer expects to sell WB-42 once the adjacent development creates demand for the commercial needs. WB-42 is a "neighborhood serving" retail site, meaning they are likely to include uses required daily by local residents, such as grocery stores, pharmacies, and local food service outlets. The current sales forecast for these uses include the sale, anticipated in 2024, of a 14.5-acre retail parcel (WB-42), the only commercial parcel subject to the Special Tax. This sale is expected to be a commercial developer with tenants in tow to service the needs of the area where few retail services exist.

The following table provides a summary of the projected Fiscal Year 2023-24 special tax levy, categorized by the status of development in the District as of February 16, 2023 (the Appraiser's date of value), and on assumptions detailed therein.

Table 1
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Projected Fiscal Year 2023-24 Tax Levy by Development Status

Development Status (1)	No. of Planned Units	FY 2023-24 Maximum Special Tax	FY 2023-24 Special Tax Levy (2)	% of FY 2023-24 Special Tax Levy
Completed Homes owned by Individuals	1,340	$2,429,678	$2,429,678	88.90%
Completed Homes owned by Merchant Builders (3)	32	51,054	51,054	1.87
Homes Under Construction	3	4,786	4,786	0.17
Finished Lots	26	41,482	41,482	1.52
Final Map Lots	63	100,512	100,512	3.68
Unimproved Multi-Family	263	95,864	95,864	3.51
Unimproved Non Residential (4)	0	9,531	9,531	0.35
Totals	**1,727**	**$2,732,907**	**$2,732,907**	**100.00%**

(1) Development status as of February 16, 2023.
(2) The District is expected to be levied at the Maximum Special Tax in FY 2023-24.
(3) Includes two models leased to one Merchant Builder.
(4) One 14.5 acre commercial parcel.
Sources: Development Status – Master Developer and Integra Realty Resources; Planned Residential Units - Special Tax Formula

Table 2A
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
CFD Land Uses (as of Amendment #5 to Rate and Method of Apportionment)

Large Lot Number	Land Use Category	Net Acres	No. of Units
Zone 1 (Phase 1)			
WB-5A	LDR	11.7	71
WB-5B	LDR	18.8	86
WB-6	LDR	21.6	103
WB-7A	LDR	11.9	73
WB-7B	LDR	13.2	72
WB-24	MDR	7.5	53
WB-25	MDR	14.3	100
WB-51	Park*	4.4	-
WB-61	Well*	0.3	-
Zone 1–- Totals		**103.7**	**558**
Zone 2 (Phase 2)			
WB-1A	LDR	29.3	126
WB-1B	LDR	22.2	133
WB-2A	LDR	10.6	58
WB-2B	LDR	7.7	39
WB-3A	LDR	11.6	66
WB-3B	LDR	11.2	71
WB-4	LDR	16.0	100
WB-23	MDR	9.8	71
WB-42	Nonresidential(1)	14.5	-
WB-50	Park*	8.7	-
WB-60	School*	10.0	-
WB-62	Lift Station*	0.8	-
Zone 2–- Totals		**152.4**	**664**
Zone 3 (Phase 3)			
WB-20	MDR	8.4	66
WB-21	MDR	11.8	81
WB-22	MDR	4.8	32
WB-30	HDR–- Affordable Low*	5.6	169
WB-30	HDR–- Affordable Very-Low**	2.3	68
WB-31	HDR	11.1	263
WB-32	HDR–- Affordable Low*	3.7	92
WB-32	HDR–- Affordable Very-Low**	1.4	36
WB-41	MDR	10.0	63
WB-52	Park*	1.5	-
WB-80	Open Space*	36.6	-
Zone 3–- Totals		**97.2**	**870**
CFD Totals		**353.4**	**2,092**

(1) Nonresidential parcel WB-42 (in Phase 2) is taxed per acre.
* Not subject to special tax.
** Very-low income affordable and low income affordable units are not subject to Special Tax.
Source: Westpark Associates, MacKay & Somps Civil Engineers, Inc.

Table 2B
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Taxable Residential Parcels by Phase
(All Lots Have Received Final Map)

Phase 1

PARCEL	LAND USE	UNITS
WB-5A P1	LDR (Residential)	44
WB-5B P1	LDR (Residential)	55
WB-5A P2	LDR (Residential)	27
WB-5B P2	LDR (Residential)	31
WB-6	LDR (Residential)	103
WB-7A	LDR (Residential)	73
WB-7B	LDR (Residential)	72
WB-24	MDR (Residential)	53
WB-25	MDR (Residential)	100
	Sub-total LDR (Residential)	405
	Sub-total MDR (Residential)	153
	Total Phase 1	**558**

Phase 2

PARCEL	LAND USE	UNITS
WB-1A	LDR (Residential)	126
WB-1B	LDR (Residential)	133
WB-2A	LDR (Residential)	58
WB-2B	LDR (Residential)	39
WB-3A	LDR (Residential)	66
WB-3B	LDR (Residential)	71
WB-4	LDR (Residential)	100
WB-23	MDR (Residential)	71
	Sub-total LDR (Residential)	593
	Sub-total MDR (Residential)	71
	Total Phase 2	**664**

Phase 3

PARCEL	LAND USE	UNITS
WB-20	MDR (Residential)	66
WB-21	MDR (Residential)	81
WB-22	MDR (Residential)	32
WB-41	MDR (Residential)	63
WB-31	HDR (Residential)	263
	Sub-total MDR (Residential)	242
	Sub-total HDR (Residential)	263
	Total Phase 3	**505**

TOTALS	
LDR (Residential)	998
MDR (Residential)	466
HDR (Residential)	263
Total	**1,727**

Source: Developer.

Development Agreement

General. The Developer entered into the development agreement dated June 20, 2012 (as amended on May 4, 2016, the "**Development Agreement**") with the City in accordance with applicable state and local codes. The Development Agreement vests development rights, sets forth infrastructure improvements and dedication requirements, secures the timing and methods for financing improvements, and specifies other performance obligations as related to development in the Sierra Vista Specific Plan area. All of the property in the District is subject to the requirements of the Development Agreement as well as the SVSP. The Development Agreement was entered into in accordance with Sections 65864 through 65869.5 of the California Government Code, as implemented through Article V, Chapter 19.84 of the City's Zoning Ordinance No. 802.

Land use and development entitlements granted under the Development Agreement for property in the District is consistent with the SVSP as described under the caption "THE SIERRA VISTA SPECIFIC PLAN" and summarized above.

Improvements. The Development Agreement sets forth the responsibility of the Developer and its successors for a portion of the costs of certain public improvements required for its development within the SVSP, including an electric substation. Dedication and grading of this electric substation site in the SVSP has occurred and the City has completed construction of the electric substation.

Funding of the Improvements with 2023 Bond and Additional Bond proceeds will satisfy a portion, but not all, of the relevant obligations of the District for infrastructure improvements required by the Development Agreement. The improvements not funded from proceeds of the 2023 Bonds and Additional Bonds, or Special Taxes are required to be funded by the Developer, the merchant builders and/or other developers of land in the District to whom the Developer sells parcels in the District. See "THE IMPROVEMENTS" below.

Pine Island Apartments, LLC (pursuant to agreement with the Developer) is responsible for the cost of construction of the extension of Santucci Boulevard north of Pleasant Grove Boulevard and other costs of the development of its parcels. Proceeds of the 2023 Bonds will provide for the cost of those Improvements. Improvement costs greater than the net proceeds of the 2023 Bonds would be the responsibility of Pine Island Apartments, LLC. Remaining net proceeds of 2023 Bonds above Improvements costs will be used to reimburse the Developer for shortfalls in bond proceeds to construct the Improvements in Phase 1 and Phase 2 pursuant to the Pay-As-You-Go program provided for in the formation documents and the Funding, Construction and Acquisition Agreement between the Developer and the City. See "THE IMPROVEMENTS – Estimated Cost of the Improvements" below.

Environmental Matters

Flood Hazard Map Information. According to the Federal Emergency Management Agency's flood insurance rate maps (Community-Panel Number 060243-0457F, with an effective date of July 8, 1998), the developable portions of the property in the District are located within Flood Zone X, described as areas of minimal flooding (outside of the 100 and 500-year floodplains). The land in the District has been determined to be outside of the 500-year floodplain and is not a part of the Central Valley Flood Protection Plan (SB-5).

Wetland Conditions. In response to the City's planning department's confirmation that some jurisdictional wetlands would be affected by development within the District, the Developer completed wetland impact mitigation in 2014 at a total cost of $4,885,675, all or a portion of which was reimbursed from proceeds of the 2014 Bonds. No additional Section 404 environmental permits or stream alteration agreements are required for build-out of the District or any of the required infrastructure.

Seismic Conditions. The property in the District is not located within a seismic special studies zone, designated by the California State Division of Mines and Geology, in accordance with the Alquist-Priolo Special Study Zone Act of 1972.

Wildfire Risk. The property in the District is not located in a high or very-high fire hazard severity zone, as established by Cal-FIRE.

THE IMPROVEMENTS

Eligible Facilities

The Improvements eligible to be financed by the District are set forth in Appendix B of the Resolution of Intention of the City Council of the City of Roseville to Form a Community Facilities District and Levy a Special Tax in Westbrook Community Facilities District No. 1 (Public Facilities) to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District (the "**Resolution of Intention**"), adopted by the City Council of the City on March 5, 2014, in connection with the formation of the District, generally consisting of transportation improvements, water and wastewater improvements, parks and open space.

Estimated Cost of the Improvements

Overview. As of December 2022, the total cost of Phase 1 Improvements was approximately $22.1 million, of which approximately $11.8 million was financed by the 2014 Bonds. The total cost of the Improvements related to Phase 2 was approximately $17.0 million, approximately $10.5 million of which was financed by the 2018 Bonds, and the total cost of the Phase 3 Improvements was approximately $12.7 million of which $13.3 million was financed by the 2019 Bonds (the difference between the cost of the Improvements and the proceeds of the 2019 Bonds was used to reimburse the Developer for shortfalls in bond proceeds from the 2018 Bonds and 2014 Bonds). The remaining Improvements in Phase 3 are estimated to cost approximately $750,000 and are to be financed by the 2023 Bonds, with the remainder used to reimburse the Developer for shortfalls in Bond proceeds for the Phase 1, 2 and 3 Improvements.

The Special Tax Formula provides that the funding of Improvement costs can also be made from collections of the Special Tax available as the "pay-as-you-go" component of Special Taxes in an amount equal to Special Tax collections in excess of the amount needed to pay debt service and administration costs, which is expected to be provided through the annual Special Tax levy at the maximum rate during the first 30 years of the District.

These amounts are estimates and actual costs are expected to vary. The cost of the Improvements will initially be paid for by the Developer and/or Pine Island Apartments, LLC, which will be reimbursed for certain of such improvement expenditures from the proceeds of the 2023 Bonds. See "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT" below for a description of other sources of funding available to the Developer and/or Pine Island Apartments, LLC.

Table 3
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Summary of Authorized Facilities and Estimated Cost

Item	Approximate Projected Total Cost (in millions) (1)
Backbone Infrastructure	$51.5
Neighborhood Parks/Trails	5.1
Deferred Development Impact Fees	4.7
Total	$61.3

(1) All completed except for Santucci Boulevard.
Source: Developer.

Acquisition Agreement. In connection with the issuance of the 2014 Bonds, the City and the Developer entered into a Funding, Construction and Acquisition Agreement (as amended to date, the "**Acquisition Agreement**") which provides that Developer or its affiliate will construct (or cause to be constructed or funded) the Improvements and related facilities, and the City, upon completion of construction and acceptance by the City, or through progress payments prior to completion of the entire improvement, will purchase the Improvements or reimburse the Developer for expended amounts using a portion of the proceeds of the Bonds pursuant to the terms of the Acquisition Agreement.

OWNERSHIP OF PROPERTY WITHIN THE DISTRICT

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the property within the District. There is no assurance that the present property owners or any subsequent owners will have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay the Special Taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the City nor any Bond Owner will have the ability at any time to seek payment directly from the owners of property within the District of the Special Tax or the principal or interest on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

The Developer and certain merchant builders have provided the information set forth in this section entitled "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT." No assurance can be given that all information is complete. In addition, any Internet addresses included below are for reference only, and the information on those Internet sites is not a part of this Official Statement or incorporated by reference into this Official Statement.

No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner, as described herein. The Special Taxes are not personal obligations of the developers or of any subsequent landowners; the Bonds are secured only by the Special Taxes and moneys available under the Fiscal Agent Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "SPECIAL RISK FACTORS" herein.

Current Ownership in the District

The following table shows the ownership of taxable property in the District as of February 16, 2023.

Table 4
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Ownership of Taxable Property in the District

Property Owner (1)	Completed Homes	Partially Completed Homes	Finished Lots	Final Map Lots	Unimproved Multi-Family Units	Total Planned Residential Units	Unimproved Non Residential Parcels
MASTER DEVELOPER							1
MERCHANT BUILDERS							
K. Hovnanian Homes (2)	18	3	8			29	
Tri Pointe Homes	14	0	18			32	
Beazer Homes (3)	0	0	0	63		63	
Subtotal	32	3	26	63		124	
MULTI-FAMILY BUILDER							
Pine Island Apartments LLC					263	263	
INDIVIDUAL HOMEOWNERS	1,340					1,340	
Total	**1,372**	**3**	**26**	**63**	**263**	**1,727**	**1**

(1) Ownership and Development Status as of February 16, 2023.
(2) Represents 14 completed homes owned by K. Hovnanian Homes, two models owned by HS-JC Finance Company LLC and leased to K. Hovnanian Homes with the remaining properties owned by Brookfield Holdings Solaire LLC, a land banker for K. Hovnanian Homes.
(3) Includes 47 final lots owned by KLLB AIV LLC, a land banker for Beazer Homes.
Sources: Ownership, Development Status and number of homes/lots/units – Master Developer and Integra Realty Resources.

The Developer

General. At the time of formation of the District, all of the land within the District was owned by Westpark S.V. 400, LLC, an entity comprised of a management team that is responsible for the day-to-day management of the entitlement and development operations, and a group of capital investors that provide equity for the operations and development of the project. The Developer is a limited liability company formed in 2010 and registered to do business in California.

As development progressed, the Developer transferred areas of land to WP Development Company, LLC, a separate entity comprised of the same managing principals and capital members, for lot development and sales. WP Development Company, LLC was formed for the purpose of commencing land development and marketing of individual villages to merchant builders to separate the dealer activities of this entity from the investment purpose of the Developer and with the completion of the Improvements, the entity was dissolved at the end of 2022. Accordingly, the term "**Developer**" as used herein refers only to Westpark S.V. 400, LLC.

The managing members (the "**Members**") of the Developer are William Falik, John Murray and Jeff Jones. Mr. Falik is an attorney who has practiced land use, real estate, mediation and environmental law in Northern California for more than 40 years. Mr. Falik is also an Adjunct Professor at the Haas School of Business and a Visiting Professor at the Berkeley School of Law at the University of California where he teaches real estate investment and development. John Murray is a former Certified Public Accountant who, prior to joining Westpark, was the General Manager for the Del Webb Corporation's Northern California Communities where he led the development of Sun City Roseville and Sun City Lincoln Hills. Mr. Falik and Mr. Murray were principals in the development team that developed the adjacent Westpark community, a 4,500-unit master planned community, in 2004 and subsequently sold the project to a consortium of homebuilders that included Pulte Home Corporation, Lennar Communities of California and Centex Homes. Jeff Jones is Westpark's Chief Executive Officer. Prior to joining the Developer, Mr. Jones served as a part of the Del Webb Corporation's Northern California Communities executive management team where he oversaw the development of the Sun City Roseville and Sun City Lincoln Hills Communities.

The Members of the Developer are also principals in projects adjacent to the District where they control 250 acres that have the potential for approximately 1,000 residential units.

Developer Experience. Recent development experience of the principals of the Developer (affiliated entities wherein the managing members are at least one of the three principals of the Developer), is illustrated by the following projects:

Project Name	City	No. of Lots (res)	No. of Sq. Ft. (Office/ Industrial)	No. of Sq. Ft (Retail)	Owner/Developer	Status
Westpark	Roseville, CA	4,585	1,110,000	163,350	1600 Placer Investors, LP	Sold March 2005 to Pulte, Lennar & Centex
Sierra Vista/ Westpark-Federico	Roseville, CA	953	0	0	Westpark Sierra Vista, LLC	Entitlements Completed, completing federal permitting process
Education Foundation	Lincoln, CA	71	0	0	Westpark LR, LLC	Entitlements complete, completing federal permitting process. Sold in 2019.

As noted in the listing above, an entity comprised of the same principals as the Developer was the owner of the property located immediately north of the District in what is known as Westpark Phases 3 and 4, a portion of the "Westpark" community in the West Roseville Specific Plan. West Roseville, LLC, an entity comprised of the same ownership as Developer, acquired the Westpark property in December 2009. West Roseville, LLC disposed of portions of the Westpark property in 2012 and 2013 and today continues to own a small portion of the Westpark property. During the time between December 2009 and December 2013 West Roseville, LLC paid its Special Tax obligation as part of the Westpark community facilities district without issue. The special taxes over this time period were in excess of $6 million.

VALUE OF PROPERTY WITHIN THE DISTRICT

Assessed Values

The following table shows a history of assessed valuations of real property in the District since Fiscal Years 2014-2015 through 2022-2023.

Table 5
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Historical Assessed Values for the District
Fiscal Years 2014-15 through 2022-23

Fiscal Year	Land Value	Structure Assessed Value	Total Assessed Value	% Change in Total Assessed Value
2014-15	$11,496,355	$0	$11,496,355	--
2015-16	11,726,045	0	11,726,045	2.0%
2016-17	23,381,318	2,196,600	25,577,918	118.1%
2017-18	37,855,938	23,215,361	61,071,299	138.8%
2018-19	67,287,121	86,079,483	153,366,604	151.1%
2019-20	90,851,728	203,288,452	294,140,180	91.8%
2020-21	133,341,034	304,587,913	437,928,947	48.9%
2021-22	170,932,906	398,137,591	569,070,497	29.9%
2022-23	195,214,165	496,058,944	691,273,109	21.5%

Sources: City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2023, Annual Continuing Disclosure Information Statements for fiscal years 2013-14 through 2021-22 and Placer County July 1, 2022 Secured Property Roll, as compiled by Willdan Financial Services.

The Appraisal

General. Integra Realty Resources, Sacramento, California (the "**Appraiser**") prepared an appraisal report dated March 21, 2023, with a date of value of February 16, 2023 (the "**Appraisal**"). The Appraisal was prepared at the request of the City. The Appraisal is set forth in APPENDIX B hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions and qualifications which are set forth in the Appraisal.

Parcels Appraised. The appraised properties consist of 244 appraised properties. These consist of 150 single-family homes without complete assessment, 3 partially completed single family homes, 26 finished single family lots, 63 nearly finished single family lots, 1 HDR parcel and 1 commercial parcel. See APPENDIX B for additional details.

Value Estimates. The Appraisal provides a market value of the appraised properties by ownership and assessor's parcel, as well as a cumulative, or aggregate, value of the properties as of the date of value (based on the hypothetical condition the improvements to be financed by the 2023

Bonds were in place as of the date of valuation). The valuation accounts for the impact of the lien of the Special Tax and represents the hypothetical market value (based on the hypothetical condition cited below) of all the land in the District. The property appraised excludes property in the District designated for public and quasi-public purposes.

The aggregate value estimate for the appraised properties as of the February 16, 2023 date of value, using the methodologies described in the Appraisal and subject to the limiting conditions and special assumptions set forth in the Appraisal, and based on the ownership of the property as of that date, is not less than $104,909,000. The combined assessed value and appraised value of taxable property within the District was not less than $769,799,178.

The appraisal methodology utilizes the sales comparison and a land residual analysis, to estimate the market value for the property's various components. For the ownership held by the master developer, the aggregate value estimate is then integrated into a discounted cash flow (subdivision development method). See also "Assumptions and Limiting Conditions" below.

Hypothetical Condition. The value estimate is subject to a hypothetical condition, defined as that which is contrary to what exists but is supposed for the purposes of analysis. For purposes of the hypothetical condition, the Appraiser assumed that certain proceeds of the 2023 Bonds are available to reimburse for infrastructure improvements completed.

Aggregate Value. The aggregate value is the sum of the market values for the applicable property groupings. This value estimate excludes all allowances for carrying costs and is not equal to the market value of all the subject properties.

Market Value. The market value represents the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Assumptions and Limiting Conditions. In considering the estimate of value evidenced by the Appraisal, the Appraisal is based upon a number of standard and special assumptions which affect the estimates as to value, some of which include the following. See "APPENDIX B – THE APPRAISAL."

- The value estimates assume the completion of the public facilities to be financed by the 2023 Bonds, but not any Additional Bonds that may be issued in the future. See "THE IMPROVEMENTS."

- The Appraisal relies on infrastructure and development cost estimates from the Developer, as well as presumed Special Taxes and 2023 Bond proceeds expected to be available. Accordingly, the value estimate is connected to such estimates of infrastructure and development costs, Special Taxes and 2023 Bond proceeds; any changes to these variables may necessarily affect the estimated value. It is therefore an extraordinary assumption that the infrastructure and development costs are as represented in the Appraisal. The estimates of market value account for the impact of the Lien of the Special Taxes securing the Bonds.

- The Appraiser has assumed that there is no hazardous material on or in the property that would cause a loss in value. Should future conditions and events reduce the level of permitted development or delay the completion of any projected development, the value of the undeveloped land would likely be reduced from that estimated by the Appraiser. See "APPENDIX B – THE APPRAISAL" hereto for a description of certain assumptions made by the Appraiser. Accordingly, because the Appraiser arrived at an estimate of current market value based upon certain assumptions which may or may not be fulfilled, no assurance can be given that should the parcels become delinquent due to unpaid Special Taxes, and be foreclosed upon and offered for sale for the amount of the delinquency, that any bid would be received for such property or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Taxes.

Absorption Period. Typically, multiple product lines would be marketed in a subdivision to create characteristics appealing to as many potential purchasers as possible. Offering home products within a subdivision to different market segments is done with the aim of increasing absorption and reducing the overall development holding period for a project. Based on information presented in the residential market analysis section, as well as the subject's location and number of competing projects in West Roseville, the Appraiser estimates the subject property could achieve absorption rates of 6 sales per quarter. With sales beginning in Period 1, the subject's lots sell out in Period 11, with Period 12 needed to complete construction and close escrow. See APPENDIX B.

No assurance can be given that the estimated absorption will be achieved or attained over an extended period of time; real estate is cyclical in nature, and it is impossible to accurately forecast and project specific demand over a projected absorption period. See "SPECIAL RISK FACTORS – Property Values and Property Development."

Limitations of Appraisal Valuation. Property values may not be evenly distributed throughout the District; thus, certain parcels may have a greater value than others. This disparity is significant because in the event of nonpayment of the Special Tax, the only remedy is to foreclose against the delinquent parcel.

No assurance can be given that the foregoing valuation can or will be maintained during the period of time that the 2023 Bonds are outstanding in that the City has no control over the market value of the property within the District or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes. See "–Overlapping Liens and Priority of Lien" below.

For a description of certain risks that might affect the assumptions made in the Appraisal, see "SPECIAL RISK FACTORS" herein.

Value to Special Tax Burden Ratios

Value to Lien Ratios by Ownership. The following table sets forth appraised value, assessed value, maximum special tax, allocable CFD bonded debt, and average value to lien ratios by ownership as of February 16, 2023 (the Appraiser's date of value), and on assumptions detailed therein.

Table 6
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Value to Lien Ratios – By Ownership

Property Owner (1)	No. of Parcels	No. of Planned Units	Appraised Value (2)	Assessed Value (3)	FY 2023-24 Maximum Tax	FY 2023-24 Projected Special Tax Levy	Allocable Debt CFD Bonds (4)(5)	% of Total CFD Bonded Debt (4)	Overlapping Debt (6)	Total Direct & Overlapping Debt	Average Value to Lien Ratios
MASTER DEVELOPER											
Westpark S V 400 LLC (7)	1	0	$3,210,000	$0	$9,531	$9,531	$147,658	0.3%	$11,366	$159,024	20.19
MERCHANT BUILDERS											
Beazer Homes	63	63	$8,757,000	$0	$100,512	$100,512	$1,557,206	3.7%	$14,172	$1,571,378	5.57
Tri Pointe Homes	32	32	10,536,000	0	51,054	51,054	790,968	1.9%	39,803	830,771	12.68
K. Hovnanian Homes	29	29	10,121,000	1,008,780	46,268	46,268	716,815	1.7%	71,963	788,778	14.11
Subtotal	124	124	$29,414,000	$1,008,780	$197,834	$197,834	$3,064,989	7.3%	$125,938	$3,190,927	9.53
MULTI-FAMILY DEVELOPER											
Pine Island Apartments LLC	1	263	$6,840,000	$0	$95,864	$95,864	1,485,194	3.5%	$61,521	1,546,715	4.42
INDIVIDUAL HOMEOWNERS											
Completed Homes	1,340	1,340	$65,445,000	$663,881,398	$2,429,678	$2,429,678	37,642,159	88.9%	$13,597,304	51,239,463	14.23
Total	**1,466**	**1,727**	**$104,909,000**	**$664,890,178**	**$2,732,907**	**$2,732,907**	**$42,340,000**	**100.0%**	**$13,796,129**	**$56,136,129**	**13.71**

(1) Ownership as of February 16, 2023
(2) Appraised Values as of February 16, 2023. A portion of the District parcels were not valued by the appraiser. Existing single-family homes showing a complete assessed value for both land and improvements were not appraised. Those parcels not appraised are instead valued at assessed value.
(3) Assessed Values. The District parcels which were not valued by the appraiser are instead valued above using the most recent assessed value.
(4) This table allocates the CFD Debt based upon each parcel's share of the District's FY 2023-24 Maximum Special Tax.
(5) Represents the $38,800,000 outstanding principal balance of the 2014 Bonds, 2018 Bonds and 2019 Bonds together with the par amount of 2023 Bonds.
(6) Includes the general obligation bond debt as summarized under "Summary of Overlapping Debt" table from the overlapping debt report prepared by California Municipal Statistics, Inc. Direct charges related to PACE liens secured by Special Taxes were levied onto one home within the District in FY 2022-23; the lien amount of the home is not included in this table.
(7) Represents one 14.5 acre undeveloped commercial parcel.

Sources: Ownership – Master Developer and Integra Realty Resources; Planned Residential Units - Special Tax Formula; Appraised Value - Integra Realty Resources; Assessed Values - Placer County July 1, 2022 Secured Property Roll; Overlapping Debt - California Municipal Statistics, Inc, as compiled by Willdan Financial Services and PACE Lien Direct Charges - Placer County

Average Value to Lien Ratio Categories. The estimated value of all taxable property within the District is $769,799,178. The principal amount of direct and overlapping bonded debt in the District (including the Bonds) is $56,136,129. Consequently, the estimated value of the taxable property within the District is approximately 18.2 times the $42,340,000 aggregate amount of Bonds of the District, and 13.7 times the principal amount of the Bonds plus general obligation bond debt. The following table sets forth the appraised value, assessed value, maximum special tax, projected special tax levy tax and allocable CFD debt by value to lien ratio range categories.

Table 7
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Average Value to Lien Ratio Categories

Value-to-Lien Ratio Range	No. Parcels	No. of Planned Units	Appraised Value (1)	Assessed Value (2)	FY 2022-23 Maximum Tax	Projected FY 2022-23 Special Tax Levy*	Allocable Debt CFD Bonds (3)(4)	% Total CFD Bonded Debt (3)	Overlapping Debt (5)	Total Direct & Overlapping Debt	Average Value to Lien Ratios
20:1 to 24.99:1	73	72	$43,415,000	$0	$124,361	$124,361	$1,926,688	4.55%	$120,005	$2,046,693	21.21
15:1 to 19.99:1	342	342	38,620,000	174,763,760	617,804	617,804	9,571,413	22.61%	3,669,176	13,240,589	16.12
10:1 to 14.99:1	947	947	3,000,000	486,473,786	1,727,559	1,727,559	26,764,502	63.21%	9,808,273	36,572,775	13.38
6:1 to 9.99:1	14	14	585,000	3,652,632	25,324	25,324	392,336	0.93	89,489	481,825	8.79
4:1 to 5.99:1	90	352	19,289,000	0	237,859	237,859	3,685,061	8.70	109,186	3,794,247	5.08
Total	**1,466**	**1,727**	**$104,909,000**	**$664,890,178**	**$2,732,907**	**$2,732,907**	**$42,340,000**	**100.00%**	**$13,796,129**	**$56,136,129**	**13.71**

1) Appraised Values as of February 16, 2023. A portion of the District parcels were not valued by the appraiser. Existing single-family homes showing a complete assessed value for both land and improvements were not appraised. Those parcels not appraised are instead valued at assessed value.
2) Assessed Values. The District parcels which were not valued by the appraiser are instead valued above using the most recent assessed value.
3) This table allocates the CFD Debt based upon each parcel's share of the District's FY 2023-24 Maximum Special Tax.
4) Represents the $38,800,000 outstanding principal balance of the 2014 Bonds, 2018 Bonds and 2019 Bonds together with the par amount of 2023 Bonds.
5) Includes the general obligation bond debt as summarized under "Summary of Overlapping Debt" table from the overlapping debt report prepared by California Municipal Statistics, Inc. Direct charges related to PACE liens secured by Special Taxes were levied onto one home within the District in FY 2022-23; the lien amount of the home is not included in this table.

Sources: Planned Residential Units - Special Tax Formula; Appraised Value - Integra Realty Resources; Assessed Values - Placer County July 1, 2022 Secured Property Roll; Overlapping Debt - California Municipal Statistics, Inc, as compiled by Willdan Financial Services and PACE Lien Direct Charges - Placer County

In comparing the value of the real property within the District and the principal amount of the Bonds, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within the District unless all of the property is subject to a delinquent Special Tax. In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

Other public agencies whose boundaries overlap those of the District could, without the consent of the City and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the land within the District. Property owners can also voluntarily add Property Assessed Clean Energy (PACE) assessment liens on their property to finance energy efficiency improvements. The lien created on the land within the District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Tax. In addition, construction loans may be obtained by the Developers or home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within the District, however, will be subordinate to the lien of the Special Tax.

Overlapping Liens and Priority of Lien

The principal of and interest on the Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure. The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District.

Set forth below is an overlapping debt table showing the existing direct and overlapping bonded debt payable with respect to property within the District. This table has been prepared by California Municipal Statistics Inc. as of the date indicated, and is included for general information purposes only. The City has not reviewed the data for completeness or accuracy and makes no representations in connection therewith. In addition to bonded debt, property in the District is also subject to Fiscal Year 2022-23 special taxes authorized to be levied on behalf of the City's Westbrook Community Facilities District No. 2 (Public Services) and Community Facilities District No. 3 (Municipal Services) for municipal services, which districts provide for escalating annual special taxes on residential property currently in the respective approximate annual amount of $441 to $493 (low density and medium density), $345 (high density market rate)/$172 (high density affordable rate) for CFD No. 2 and $508 (low density)/$297 (medium density)/$149 (high density market rate)/$74 (high density affordable rate) for CFD No. 3. Beazer Homes intends to form a CFD on 63 lots located on Parcel WB-41 within the District. The approximate tax rates on those homes are projected to increase, as a result of the new overlapping CFD, to 1.75% - 1.80%.

Table 8
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Summary of Overlapping Debt
(As of March 1, 2023)

2022-23 Local Secured Assessed Valuation: $691,273,109 (Land and Improvements)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/23	
Sierra Joint Community College SFID No. 4 General Obligation Bonds	0.811%	$ 1,199,912	
Roseville Joint Union High School District General Obligation Bonds	1.671	1,798,421	
Roseville Joint Union High School District SFID No. 1 General Obligation Bonds	13.925	8,920,977	
Center Joint Unified School District General Obligation Bonds	1.594	1,620,464	
Roseville City School District General Obligation Bonds	2.779	256,355	
City of Roseville Westbrook Community Facilities District No. 1	**100.000**	**38,800,000**	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$52,596,129	
OVERLAPPING GENERAL FUND DEBT:			
Placer County Certificates of Participation	0.702%	$ 571,313	
Sierra Joint Community College District Certificates of Participation	0.537	5,358	
Roseville Union High School District Certificates of Participation	1.671	1,021,538	
Roseville City School District Certificates of Participation	2.779	190,300	
City of Roseville Certificates of Participation	2.335	372,570	
Placer County Mosquito and Vector Control District Certificates of Participation	0.702	13,015	
TOTAL OVERLAPPING GENERAL FUND DEBT		$2,174,094	
COMBINED TOTAL DEBT		$54,770,223	(2)

Ratios to 2022-23 Assessed Valuation:
Direct Debt ($38,800,000) 5.61%
Total Direct and Overlapping Tax and Assessment Debt.......... 7.61%
Combined Total Debt.. 7.92%

(1) Excludes the 2023 Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: *California Municipal Statistics, Inc.*

There can be no assurance that the Developer, its affiliates or any subsequent owner will not petition for the formation of other community facilities districts and improvement areas or for a special assessment district or districts and that parity special taxes or special assessments will not be levied by the County or some other public agency to finance additional public facilities; however, no other special districts are currently contemplated by the City or the Developer.

Private liens, such as deeds of trust securing loans obtained by the Developer, may be placed upon property in the District at any time. Under California law, the Special Taxes have priority over all existing and future private liens imposed on property subject to the lien of the Special Taxes.

Estimated Tax Burden on Single-Family Home

The Development Agreement specifies that the overall tax burden after formation of the District shall not exceed 2% of the estimated sales price of a single-family residential home. Based on estimated sales prices provided by the Developer, the Special Tax Administrator has projected that the overall tax burden for low-density-residential and medium-density-residential units located in the Roseville Joint Union High School District will be approximately 1.49%, as shown in the following table.

Table 9
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Projected Overall Tax Burden for Single-Family Residential Homes
Fiscal Year 2023-24 – Roseville Joint Union High School District

		Land Use Designation	
		MDR	**LDR**
Net Taxable Value		**Value**	**Value**
Average Assessed Value [1]		$610,000	$725,000
Less: Homeowner's Exemption		($7,000)	($7,000)
Net Taxable Value		$603,000	$718,000
Ad Valorem Property Taxes	**Rate[2]**	**Taxes**	**Taxes**
Base Property Tax	1.000000%	$6,030	$7,180
Sierra Coll SFID #4 B&I 2018 Series A	0.002407%	$15	$17
Sierra Coll SFID #4 B&I 2018 Series B	0.016193%	$98	$116
Rsvl City Elem B&I 2002 Series A Non Refunding	0.005087%	$31	$37
Rsvl City Elem B&I 2002 Series A&B Ref 2011	0.004040%	$24	$29
Rsvl High B&I 1992	0.003747%	$23	$27
Rsvl High B&I 2004 Series C Non Refunding	0.000737%	$4	$5
Rsvl High B&I 2004 A B & C Ref 2013	0.019471%	$117	$140
Rsvl High B&I 2008 SFID #1 11A Ref 2016B	0.003617%	$22	$26
Rsvl High B&I 2008 SFID #1 Series 2017	0.005978%	$36	$43
Rsvl High B&I 2008 SFID #1 Series 2018	0.016724%	$101	$120
Rsvl High B&I 2008 SFID #1 Series 2019	0.007618%	$46	$55
Rsvl High B&I 2016 Series A	0.003005%	$18	$22
Rsvl High B&I 2016 Series B	0.004940%	$30	$35
Rsvl High B&I 2016 Series C	0.002572%	$16	$18
Total Ad Valorem Property Taxes	1.096136%	$6,610	$7,870
Parcel Charges, Special Taxes and Assessments [3]		**Charges**	**Charges**
Placer Mosquito & Vector [4]		$33	$33
City of Roseville Westbrook CFD 1 (Public Facilities) [5]		$1,595	$1,894
City of Roseville Westbrook CFD 2 (Public Services) [6]		$512	$505
City of Roseville CFD 3, Municipal Services [7]		$309	$528
Total Parcel Charges, Assessments, and Special Taxes		$2,450	$2,961
Total Projected Taxes and Direct Charges		**$9,059**	**$10,831**
Total Effective Tax Rate		**1.49%**	**1.49%**

(1) Representative new home prices per Appraiser.
(2) 2022-23 Ad Valorem Rates.
(3) Assumes no PACE related Special Taxes.
(5) Equal to the applicable Maximum Public Facilities Special Tax for FY 2023-24.
(6) Equal to the applicable Maximum Public Services Special Tax for FY 2023-24.
(7) Projected applicable Maximum Municipal Services Special Tax for FY 2023-24.
Sources: FY 2022-23 Ad Valorem Tax Rates of TRA 005071 and Placer Mosquito & Vector charges - Placer County; Representative new home prices - Integra Realty Resources, Inc; Maximum Special Tax Rates CFD Nos 1, 2 and 3 - Willdan Financial Services

Based on estimated sales prices provided by the Developer, the Special Tax Administrator has projected that the overall tax burden for the medium-density-residential units located in the Center Joint Unified School District will be approximately 1.56%, as shown in the following table.

Table 10
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Projected Overall Tax Burden for Single-Family Residential Homes
Fiscal Year 2023-24 – Center Joint Unified School District

		Land Use Designation
		MDR
Net Taxable Value		**Value**
Average Assessed Value (1)		$610,000
Less: Homeowner's Exemption		($7,000)
Net Taxable Value		$603,000
Ad Valorem Property Taxes	**Rate(2)**	**Taxes**
Base Property Tax	1.000000%	$6,030
Sierra Coll SFID #4 B&I 2018 Series A	0.002407%	$15
Sierra Coll SFID #4 B&I 2018 Series B	0.016193%	$98
Center Joint Unif B&I	0.104100%	$628
Center Joint Unif B&I 2008 Series 2020A	0.007000%	$42
Center Joint Unif B&I 2008 Series 2020A Refunding	0.030700%	$185
Center Joint Unif B&I 2008 Series 2020B Refunding	0.002200%	$13
Center Joint Unif B&I 2008 Series 2021B Refunding	0.010000%	$60
Total Ad Valorem Property Taxes	1.172600%	$7,071
Parcel Charges, Special Taxes and Assessments (3)		**Charges**
Placer Mosquito & Vector (4)		$33
City of Roseville Westbrook CFD 1 (Public Facilities) (5)		$1,595
City of Roseville Westbrook CFD 2 (Public Services) (6)		$512
City of Roseville CFD 3, Municipal Services (7)		$309
Total Parcel Charges, Assessments, and Special Taxes		$2,450
Total Projected Taxes and Direct Charges		**$9,520**
Total Effective Tax Rate		**1.56%**

(1) Representative new home price per Appraiser.
(2) 2022-23 Ad Valorem Rates.
(3) Assumes no PACE related Special Taxes.
(4) FY 2022-23 Charge.
(5) Equal to the applicable Maximum Public Facilities Special Tax for FY 2023-24.
(6) Equal to the applicable Maximum Public Services Special Tax for FY 2023-24.
(7) Projected applicable Maximum Municipal Services Special Tax for FY 2023-24
Sources: FY 2022-23 Ad Valorem Tax Rates of TRA 005070 and Placer Mosquito & Vector charges - Placer County; Representative new home price - Integra Realty Resources, Inc.; Maximum Special Tax Rates CFD Nos 1, 2 and 3 - Willdan Financial Services.

Special Tax Collections and Delinquencies

Historical Special Tax collections and delinquencies in the District are presented in the table below.

Table 11
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Special Tax Collections and Delinquencies

Fiscal Year	Annual Special Taxes Levy	No. of Parcels Levied	Amount Collected (1)	Amount Delinquent (2)	No. of Parcels Delinquent	Percent Levy Delinquent
2017-18	$830,882	415	$830,882	$0	0	0.00%
2018-19	1,354,484	560	1,354,484	0	0	0.00
2019-20	2,158,145	930	2,158,145	0	0	0.00
2020-21	2,390,219	1,302	2,390,219	0	0	0.00
2021-22	2,438,021	1,402	2,436,528	1,493	1	0.06
2022-23 (1)	2,585,333	1,403	1,280,440	12,226	14	0.95

(1) Collections and Percent of Levy Delinquent for fiscal year 2022-23 reflect the collection of the first installment only as collection data for the second installment has not yet become available.
(2) Delinquent amounts and collections shown above do not include penalties, interest or fees.
Source: Placer County Tax Collector and City of Roseville, compiled by Willdan Financial Services.

SPECIAL RISK FACTORS

The purchase of the 2023 Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks that should be considered before making an investment decision.

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the 2023 Bonds in the event Special Tax collections are delinquent, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent, nor is the City obligated to advance funds to pay such debt service on the 2023 Bonds. The 2023 Bonds are not general obligations of the City but are limited obligations of the City and the District payable solely from the proceeds of the Special Tax and certain funds held under the Fiscal Agent Agreement, including amounts deposited in the Reserve Fund and investment income thereon, and the proceeds, if any, from the sale of property in the event of a foreclosure. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." Any tax for the payment of the 2023 Bonds will be limited to the Special Tax to be collected within the jurisdiction of the District.

Concentration of Ownership

Land in the District includes many homes owned by individual homeowners, however a significant amount of land within the District is currently owned by the Developer and certain merchant builders. The owners of property in the District are not personally obligated to pay the Special Tax attributable to their property. Rather, the Special Tax is an obligation only against the parcel of property, secured by the amount which could be realized in a foreclosure proceeding against the property, and not by any promise of the owner to pay. If the value of the property is not sufficient, taking into account other obligations also constituting a lien against the property, the City, Fiscal Agent and owners of the 2023 Bonds have no recourse against the owner, such as filing a lawsuit to collect money.

Failure of the Developer, the merchant homebuilders, or any future owner of significant property subject to the Special Taxes in the District to pay installments of Special Taxes when due could cause the depletion of the Reserve Fund prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax and, consequently, result in the delinquency rate reaching a level that would cause an insufficiency in collection of the Special Tax to meet the District's obligations on the 2023 Bonds. For a description of the Developer, see "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT." In that event, there could be a delay or failure in payments on the 2023 Bonds. See "SPECIAL RISK FACTORS – Bankruptcy and Foreclosure Delays" below and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

Appraised Values

The Appraisal summarized in APPENDIX B estimates the market value of certain taxable property within the District. This market value is merely the present opinion of the Appraiser, and is subject to the assumptions and limiting conditions stated in the Appraisal. The City has not sought the present opinion of any other appraiser of the value of the taxed parcels. A different present opinion of value might be rendered by a different appraiser.

The opinion of value relates to sale by a willing seller to a willing buyer as of the date of valuation, each having similar information and neither being forced by other circumstances to sell or to buy. Consequently, the opinion is of limited use in predicting the selling price at a foreclosure sale, because the sale is forced and the buyer may not have the benefit of full information.

In considering the estimates of value evidenced by the appraisal, it should be noted that the appraisal is based upon a number of standard and special assumptions which affect the estimates as to value, in addition to hypothetical conditions, as set forth in the Appraisal (see APPENDIX B hereto). The improvements to be financed by the 2023 Bonds were not in place as of the date of inspection; thus, the value estimate is subject to a hypothetical condition (of such improvements being in place)

In addition, the opinion is a present opinion. It is based upon present facts and circumstances. Differing facts and circumstances may lead to differing opinions of value. The appraised market value is not evidence of future value because future facts and circumstances may differ significantly from the present.

No assurance can be given that any of the appraised property in the District could be sold in a foreclosure for the estimated market value contained in the Appraisal. Such sale is the primary remedy available to Bondowners if that property should become delinquent in the payment of Special Taxes.

Property Values and Property Development

The value of Taxable Parcels within the District is a critical factor in determining the investment quality of the 2023 Bonds. If a property owner defaults in the payment of the Special Tax, the District's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land development and land values could be adversely affected by economic and other factors beyond the District's control, such as: a general economic downturn; adverse judgments in future litigation that could affect the scope, timing or viability of development; relocation of employers out of the area; stricter land use regulations; shortages of water, electricity, natural gas or other utilities; destruction of property caused by earthquake, flood or other natural disasters; environmental pollution or contamination. For example, the limited availability of electric transformers required to complete home construction could result in development delays.

The Appraisal information included as APPENDIX B sets forth certain assumptions of the Appraiser in estimating the market value of the property within the District as of the date indicated. No assurance can be given that the land values are accurate if these assumptions are incorrect or that the values will not decline in the future if one or more events, such as natural disasters or adverse economic conditions, occur. See "Appraised Values" above.

Neither the District, the Underwriter, nor the City has evaluated development risks. Since these are largely business risks of the type that property owners customarily evaluate individually, and inasmuch as changes in land ownership may well mean changes in the evaluation with respect to any particular parcel, the City is issuing the 2023 Bonds without regard to any such evaluation. Thus, the creation of the District and the issuance of the 2023 Bonds in no way implies that the District, the Underwriter, or the City has evaluated these risks or the reasonableness of these risks.

The following is a discussion of specific risk factors that could affect the timing or scope of property development in the District or the value of property in the District.

Land Development. Land values are influenced by the level of development in the area in many respects.

First, undeveloped or partially developed land is generally less valuable than developed land and provides less security to the owners of the 2023 Bonds should it be necessary for the District to foreclose on undeveloped or partially developed property due to the nonpayment of Special Taxes.

Second, failure to complete development on a timely basis could adversely affect the land values of those parcels that have been completed. Lower land values would result in less security for the payment of principal of and interest on the 2023 Bonds and lower proceeds from any foreclosure sale necessitated by delinquencies in the payment of the Special Tax. See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT –Value to Special Tax Burden Ratios." No assurance can be given that the proposed development within the District will be completed, and in assessing the investment quality of the 2023 Bonds, prospective purchasers should evaluate the risks of noncompletion.

The Developer provides no assurances to the City that the project will be developed or that sources of financing that will actually be available will be sufficient to complete the development. The Developer has no obligation to the City or to owners of the 2023 Bonds to complete the project.

Risks of Real Estate Investment Generally. Continuing development of land within the District may be adversely affected by changes in general or local economic conditions, fluctuations in the real estate market, increased construction costs, development, financing and marketing capabilities of individual property owners, water or electricity shortages, and other similar factors. Development in the District may also be affected by development in surrounding areas, which may compete with the District. In addition, land development operations are subject to comprehensive federal, state and local regulations, including environmental, land use, zoning and building requirements. There can be no assurance that proposed land development operations within the District will not be adversely affected by future government policies, including, but not limited to, governmental policies to restrict or control development, or future growth control initiatives. There can be no assurance that land development operations within the District will not be adversely affected by these risks.

Natural Disasters. The value of the parcels in the District in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the parcels in the District and the continued habitability and enjoyment of such private improvements. For example, the areas in and surrounding the District, like those in much of California, may be subject to earthquakes or other unpredictable seismic activity, however, the District is not located in a seismic special studies zone.

Other natural disasters could include, without limitation, landslides, floods, droughts, wildfires or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. Although the District is not in a high-risk area for landslides, floods, wildfires or tornadoes, natural disasters such as these are unpredictable and may occur anywhere throughout the State, with devastating consequences. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the parcels may well depreciate.

Drought. California has been subject to droughts from time-to-time in the past. Although 2022-2023 has been a very wet winter, with lots of rain and snow in the State, the City does not believe any future drought would impact development in the District, no assurances can be given in this regard.

The City employs a portfolio approach to its water supplies which includes the use of surface water, groundwater and recycled water. This portfolio approach is designed to provide a more reliable water supply. Surface water is the City's primary water supply which is delivered from the Folsom Reservoir under contracts with the Bureau of Reclamation and the Placer County Water Agency. The City also uses groundwater to supplement its surface water supplies during emergency and drought conditions. These ground water wells are designated to accommodate Aquifer Storage and Recovery (ASR). The City's ASR program allows for the storage of treated surface water in the groundwater basin through direct injection through the ASR wells. This water can be extracted later from the same wells for use during emergency or drought conditions. This water "banking" allows the City to use groundwater without significant impact to the ground water table when surface water supplies are limited. The City also uses recycled water generated from its wastewater treatment facilities for irrigation purposes in commercial landscaping, public rights-of way, parks and golf courses. The use of recycled water reduces the demand for treated water for these purposes and leaving more for domestic use.

Legal Requirements. Other events that may affect the value of a parcel include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures. Development in the District may also be adversely affected by the application of laws protecting endangered or threatened species.

Hazardous Substances. Any discovery of a hazardous substance detected on property within the District would affect the marketability and the value of some or all of the property in the District. In that event, the owners and operators of a parcel within the District may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws. California laws with regard to hazardous substances are also applicable to property within the District and are as stringent as the federal laws. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels be contaminated by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The values set forth in the Appraisal do not take into account the possible reduction in marketability and value of any of the parcels within the District by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition on a parcel. Although the City is not aware that the owner (or operator) of any of the property within the District has a current liability for a hazardous substance with respect to any of the parcels, it is possible that such liabilities do currently exist and that the City is not aware of them. A "Phase I" environmental site assessment was prepared for the property in the District (not including the specific plan Phase 3 property) in June 2014, which did not indicate the presence of any hazardous substance or other environmental concerns within the District.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels within the District resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel within the District that is realizable upon a foreclosure sale.

Endangered and Threatened Species. It is illegal to harm or disturb any plants or animals in their habitat that have been listed as endangered species by the United States Fish & Wildlife Service under the Federal Endangered Species Act or by the California Fish & Game Commission under the California Endangered Species Act without a permit. Although the Developer believes that no federally listed endangered or threatened species would be affected by the proposed development within the District, other than any that are permitted by the entitlements already received, the discovery of an endangered plant or animal could delay development of vacant property in the District or reduce the value of undeveloped property.

Levy and Collection of Special Taxes

General. The principal source of payment of principal of and interest on the 2023 Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the District.

Limitation on Maximum Special Tax Rate. The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Rate and Method. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2023 Bonds.

In addition to the maximum annual Special Tax rate limitation in the Rate and Method, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2023 Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax formula set forth in the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the 2023 Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities*.* The number of parcels of Taxable Property could be reduced through the acquisition of Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See "– Tax Delinquencies" below. For a summary of recent Special Tax collection and delinquency rates in the District, see "THE DISTRICT – Special Tax Collection and Delinquency Rates."

Delays Following Special Tax Delinquencies and Foreclosure Sales. The Fiscal Agent Agreement generally provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure" and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the 2023 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the Reserve Fund is depleted. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

The ability of the City to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the "**FDIC**") has or obtains an interest. The FDIC would obtain such an interest by taking over a financial institution that has made a loan that is secured by property within the District. See " – FDIC/Federal Government Interests in Properties" below.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

Bankruptcy Delays

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2023 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings and could result in the possibility of delinquent Special Tax installments not being paid in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2023 Bonds. To the extent that property in the District continues to be owned by a limited number of property owners, the chances are increased that the Reserve Fund established for the 2023 Bonds could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the Reserve Fund for transfer to the Bond Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the 2023 Bonds on a timely basis.

To the extent that bankruptcy or similar proceedings were to involve a large property owner, the chances would increase the likelihood that the Reserve Fund could be fully depleted during any resulting delay in receiving payment of delinquent Special Taxes. As a result, sufficient monies would not be available in the Reserve Fund for transfer to the Bond Fund to make up any shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the 2023 Bonds on a timely basis.

Parity Taxes and Special Assessments; Private Debt

The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District.

Property in the District is currently subject to certain overlapping tax and assessment liens, as shown in the overlapping debt statement. Property in the District is also subject to the special tax of two additional community facilities districts formed to fund services and known as the Westbrook Community Facilities District No. 2 (Public Services) and the City's Community Facilities District No. 3 (Municipal Services). The property is not subject to any other special tax or assessment liens (other than the lien of the Special Tax). See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT – Estimated Tax Burden on Single Family Home."

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of taxable property and may be secured by a lien on a parity with the lien of the Special Tax securing the 2023 Bonds. The principal of and interest on the 2023 Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure if unpaid. The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of taxable property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See "– Bankruptcy and Foreclosure Delays" above.

There can be no assurance that property owners within the District will not petition for the formation of other community facilities districts and improvement areas or for a special assessment district or districts and that parity special taxes or special assessments will not be levied by the County or some other public agency to finance additional public facilities. In addition to liens for special taxes or assessments to finance public improvements of benefit to land within the District, owners of property may obtain loans from banks or other private sources which loans may be secured by a lien on the parcels in the District. Such loans would increase amounts owed by the owner of such parcel with respect to development of its property in the District. However, the lien of such loans would be subordinate to the lien of the Special Taxes.

Tax Delinquencies

Under provisions of the Act, the Special Taxes will be billed to the properties within the District on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for nonpayment, as do regular property tax installments. Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax payments in the future.

The annual Special Tax will be billed and collected in two installments payable without penalty by December 10 and April 10. In the event such Special Taxes are not timely paid, moneys available to pay debt service on the 2023 Bonds becoming due on the subsequent respective March 1 and September 1 may be insufficient, except to the extent moneys are available in the Reserve Fund.

In the event of non-payment of Special Taxes, funds in the 2023 Reserve Account of the Reserve Fund, if available, may be used to pay principal of and interest on the 2023 Bonds. If funds in the 2023 Reserve Account of the Reserve Fund for the 2023 Bonds are depleted, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the 2023 Bond holders pursuant to the Fiscal Agent Agreement. However, no replenishment from the proceeds of a Special Tax levy can occur as long as the proceeds that are collected from the levy of the Special Tax against property within the District at the maximum Special Tax rates, together with other available funds, remains insufficient to pay all such amounts. Thus it is possible that the 2023 Reserve Account of the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.

See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure" for a discussion of the provisions which apply, and procedures which the City is obligated to follow, in the event of delinquency in the payment of Special Taxes. See also "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Tax Methodology - Limitation on Increases of Special Tax Levy" for a discussion of a limitation imposed by the Act applicable to Special Tax increases on residential property.

No Acceleration Provisions

The 2023 Bonds do not contain a provision allowing for the acceleration of the 2023 Bonds in the event of a payment default or other default under the terms of the 2023 Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a 2023 Bond holder is given the right for the equal benefit and protection of all 2023 Bond holders similarly situated to pursue certain remedies. So long as the 2023 Bonds are in book-entry form, DTC will be the sole 2023 Bond holder and will be entitled to exercise all rights and remedies of 2023 Bond holders.

Ballot Initiatives

From time to time, initiative measures qualify for the State ballot pursuant to the State's constitutional initiative process, and those measures could be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the City, the County or other local districts to increase revenues or to increase appropriations or on the ability of the landowners to complete the development of the District. See "Property Values and Property Development – Land Development" above. See also "Proposition 218" below.

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2023 Bonds.

Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIIIC and XIIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act". Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIIIA and XIIIC of the State Constitution. The amendments to Article XIIIA limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes ("special taxes") require a two-thirds vote.

The Special Taxes and the issuance of special tax bonds of the District were each authorized by not less than a two-thirds vote of the landowners within the District who constituted the qualified electors at the time of such voted authorization. The District believes, therefore, that issuance of the 2023 Bonds does not require the conduct of further proceedings under the Mello-Roos Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the District can be determined. Certain provisions of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

Case Law Related to the Mello-Roos Act

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997). The case involved a Convention Center Facilities District (the "**CCFD**") established by the City of San Diego. The CCFD is a financing district established under the City's charter (the "Charter") and was intended to function much like a community facilities district established under the Mello-Roos Act. The CCFD was comprised of all of the real property in the entire City. However, the CCFD special tax was to be levied only on properties in the CCFD that were improved with a hotel.

At the election to authorize the CCFD special tax, the CCFD proceedings limited the electorate to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel was located. Registered voters in the City of San Diego were not permitted to vote. This definition of the qualified electors of the CCFD was based on Section 53326(c) of the Mello-Roos Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed community facilities district whose property would be subject to the special tax.

The *San Diego* Court held that the CCFD special tax election did not comply with the City's Charter and with applicable provisions of the California Constitution -- specifically Article XIIIA, section 4 ("Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district….") and Article XIIIC, section 2(d) ("No local government may impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote.") -- because the electors in the CCFD election should have been the registered voters residing within the CCFD (the boundaries of which were coterminous with the boundaries of the City of San Diego).

As to the District, there were no registered voters within the District at the time of the election to authorize the Special Taxes. Significantly, the *San Diego* Court expressly stated that it was not addressing the validity of a landowner election to impose special taxes on residential property pursuant to the Mello-Roos Act in situations where there are fewer than 12 registered voters. Therefore, by its terms, the *San Diego* Court's holding does not apply to the special tax election in the District.

Moreover, Sections 53341 and 53359 of the Act establish a limited period of time in which special taxes levied under the Mello-Roos Act may be challenged by a third party:

> 53341. Any action or proceeding to attack, review, set aside, void, or annul the levy of a special tax or an increase in a special tax pursuant to [the Mello-Roos Act] shall be commenced within 30 days after the special tax is approved by the voters….

> 53359. An action to determine the validity of bonds issued pursuant to [the Mello-Roos Act] or the validity of any special taxes levied pursuant to [the Mello-Roos Act] … shall …. be commenced within 30 days after the voters approve the issuance of the bonds or the special tax …

Section 53326(b) of the Mello-Roos Act defines the authorized voters for an election in which the special taxes will be levied on residential property: "Except as otherwise provided in subdivision (c), if at least 12 persons, who need not necessarily be the same 12 persons, have been registered to vote within the territory of the proposed community facilities district for each of the 90 days preceding the close of the protest hearing, the vote shall be by the registered voters of the proposed district, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each person who is the owner of land at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the proposed community facilities district not exempt from the special tax…."

Landowner voters approved the Special Taxes and the issuance of bonds for the District in compliance with all applicable requirements of the Mello-Roos Act on April 16, 2014. Therefore, pursuant to Sections 53341 and 53359 of the Mello-Roos Act, the statute of limitations period to challenge the validity of the special tax has expired. Because the *San Diego* Court expressly stated that it did not consider the facts presented by the District and because the period for challenging the Special Taxes has passed, the City believes the Special Taxes are valid and cannot be challenged.

Changes in Tax Law

H.R. 1 of the 115th U.S. Congress, known as the "Tax Cuts and Jobs Act," was enacted into law on December 22, 2017 (the "**Tax Act**"). The Tax Act made significant changes to many aspects of the Code that could have an impact on property development. The Tax Act reduced the amount of mortgage interest expense and state local income tax and property tax expense that individuals may deduct from their gross income for federal income tax purposes, which could increase the cost of home ownership within the District and could adversely affect the sale of homes by the Developer and the merchant homebuilders. Future changes in tax law could also have a material adverse impact on home sales in the District.

COVID-19 Pandemic

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the WHO announced the official name for the outbreak of COVID-19, an upper respiratory tract illness. COVID-19 has since spread across the globe. The spread of COVID-19 is having significant adverse health and financial impacts throughout the world. The WHO has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the Governor of the State and the President of the United States.

The spread of the COVID-19 coronavirus pandemic, and responses intended to slow its spread, may result in negative impacts to the homebuilding operations and sales of homes within the District. In addition, no assurance can be given that the property tax payment dates will not be deferred in the future, which may cause a delay in the receipt of Special Taxes.

The COVID-19 outbreak is ongoing, and its duration and severity and economic effects are uncertain in many respects. Uncertain too are the additional actions that may be taken by federal, State and local governmental authorities to contain or mitigate the effects of the outbreak. Such actions may affect the ability of the Developer to complete its planned developments in the time periods and within the cost estimates described in this Official Statement. Negative impacts on the collection of Special Taxes could occur because Special Tax payments are deferred, or some taxpayers may be unable to make their property and special tax payments.

Cyber Security

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City or the District, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes, the fiscal agent, and the dissemination agent. No assurance can be given that the City, the District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Potential Early Redemption of Bonds from Prepayments

Property owners within the District, including the Developer, merchant homebuilders and individual homeowners, are permitted to prepay a portion of their Special Tax obligation at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such prepayments will result in a redemption of the 2023 Bonds on the interest payment date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of the prepayment. The resulting redemption of 2023 Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such 2023 Bonds.

CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS

Article XIIIA of the California Constitution, commonly known as "**Proposition 13**," provides that each county will levy the maximum *ad valorem* property tax permitted by Proposition 13 and will distribute the proceeds to local agencies in accordance with an allocation formula based in part on pre-Proposition 13 *ad valorem* property tax rates levied by local agencies.

Article XIIIA limits the maximum *ad valorem* tax on real property to 1% of "full cash value," which is defined as the County Assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. The full cash value may be adjusted annually to reflect increases of no more than 2% per year or decreases in the consumer price index or comparable local data, or declining property value caused by damage, destruction or other factors.

Article XIIIA exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and requires a vote of two-thirds of the qualified electorate to impose Special Taxes or any additional *ad valorem*, sales, or transaction taxes on real property. In addition, Article XIIIA requires the approval of two-thirds of all members of the State Legislature to change any State laws resulting in increased tax revenues. On June 3, 1986, California voters approved an amendment to Article XIIIA of the California Constitution to allow local governments and school districts to raise their property tax rates above the constitutionally mandated 1% ceiling for the purpose of paying off certain new general obligation debt issued for the acquisition or improvement of real property and approved by two-thirds of the votes cast by the qualified electorate. If any such voter-approved debt is issued, it may be on a parity with the lien of the Special Tax on the parcels within the District.

State and local government agencies in the State, and the State itself are subject to annual appropriation limits, imposed by Article XIIIB of the State Constitution. Article XIIIB prohibits government agencies and the State from spending "appropriations subject to limitation" in excess of the appropriations limits imposed. "Appropriations subject to limitation" are authorizations to spend "proceeds of taxes," which consist of tax revenues, certain state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed the cost reasonably borne by such entity in providing the regulation, product or service. No limit is imposed on appropriations of funds which are not "proceeds of taxes" such as debt service on indebtedness existing or authorized before January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, reasonable user charges or fees and certain other non-tax funds.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners of the 2023 Bonds to provide certain financial information and operating data relating to the District by not later than nine months after the end of the City's fiscal year (presently June 30) in each year (the "**Annual Report**") commencing with its report for the 2022-23 fiscal year (due April 1, 2024) and to provide notices of the occurrence of certain enumerated events.

The Annual Report and notices of material events will be filed with the Municipal Securities Rulemaking Board. The covenants of the City have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the City and the Developer is summarized in "APPENDIX E — FORM OF CONTINUING DISCLOSURE UNDERTAKINGS."

The City believes it currently is in material compliance with all of its continuing disclosure undertakings for the last five years. Notwithstanding the foregoing, in the last five years:

(1) The Annual Report for Fiscal Year 2019-20 for one series of the City's outstanding bonds did not initially fulfill all content requirements; a remedial filing was done approximately 3 months later.

(2) The City has not in a timely manner filed all significant event notices of changes in the ratings of certain then-outstanding obligations resulting from changes in ratings to the bond insurers who insured such obligations or the underlying rates for such obligations. However, the City has submitted all undisclosed significant event notices of changes in ratings occurring during the last five years on all currently outstanding obligations.

The City believes it has made corrective filings to address the known instances during the last five years of past delayed or failure to file annual reports, omissions of required information and/or rating changes to be filed under its prior continuing disclosure undertakings.

UNDERWRITING

The 2023 Bonds were purchased through negotiation by Piper Sandler & Co., as underwriter (the "**Underwriter**"). The Underwriter agreed to purchase the 2023 Bonds at a price of $3,416,689.55 (being 100% of the aggregate principal amount thereof, less a net original issue discount of $72,157.45, less an Underwriter's discount of $51,153.00).The initial public offering prices set forth on the cover page hereof may be changed by the Underwriter. The Underwriter may offer and sell the 2023 Bonds to certain dealers and others at a price lower than the public offering prices set forth on the cover page hereof.

MUNICIPAL ADVISOR

The City has retained Hilltop Securities Inc., Encino, California, as registered municipal advisor (the "**Municipal Advisor**") in connection with the issuance of the 2023 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The fees of the Municipal Advisor are contingent upon the sale and delivery of the 2023 Bonds.

LEGAL OPINION

The validity of the 2023 Bonds and certain other legal matters are subject to the approving opinion of Jones Hall, a Professional Law Corporation, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX D to this Official Statement, and the final opinion will be made available to registered owners of the 2023 Bonds at the time of delivery. The fees of Bond Counsel are contingent upon the sale and delivery of the 2023 Bonds.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2023 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2023 Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2023 Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2023 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2023 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2023 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2023 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2023 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2023 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2023 Bonds who purchase the 2023 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2023 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2023 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such 2023 Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2023 Bond (said term being the shorter of the 2023 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2023 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2023 Bond is amortized each year over the term to maturity of the 2023 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2023 Bond premium is not deductible for federal income tax purposes. Owners of premium 2023 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2023 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2023 Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2023 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2023 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2023 Bonds, or as to the consequences of owning or receiving interest on the 2023 Bonds, as of any future date. Prospective purchasers of the 2023 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2023 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2023 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2023 Bonds, the ownership, sale or disposition of the 2023 Bonds, or the amount, accrual or receipt of interest on the 2023 Bonds.

NO RATINGS

The City has not applied to a rating agency for the assignment of a rating to the 2023 Bonds and does not contemplate applying for a rating.

NO LITIGATION

At the time of delivery of and payment for the 2023 Bonds, the City Attorney will deliver her opinion that to the best of its knowledge there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or regulatory agency pending against the City affecting its existence or the titles of its officers to office or seeking to restrain or to enjoin the issuance, sale or delivery of the 2023 Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the 2023 Bonds, or in any way contesting or affecting the validity or enforceability of the 2023 Bonds, the Fiscal Agent Agreement or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the 2023 Bonds or any action of the City contemplated by any of said documents.

EXECUTION

The execution and delivery of this Official Statement by the City has been duly authorized by the City Council on behalf of the District.

CITY OF ROSEVILLE

By: /s/ *Dennis Kauffman*
Assistant City Manager/
Chief Financial Officer

NO RATINGS

The City has not applied to a rating agency for the assignment of a rating to the 2023 Bonds and does not contemplate applying for a rating.

NO LITIGATION

At the time of delivery of and payment for the 2023 Bonds, the City Attorney will deliver her opinion that to the best of its knowledge there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or regulatory agency pending against the City affecting its existence or the titles of its officers to office or seeking to restrain or to enjoin the issuance, sale or delivery of the 2023 Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the 2023 Bonds, or in any way contesting or affecting the validity or enforceability of the 2023 Bonds, the Fiscal Agent Agreement or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the 2023 Bonds or any action of the City contemplated by any of said documents.

EXECUTION

The execution and delivery of this Official Statement by the City has been duly authorized by the City Council on behalf of the District.

CITY OF ROSEVILLE

By: ______________________________
Assistant City Manager/
Chief Financial Officer

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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EXHIBIT A

City of Roseville
Westbrook Community Facilities District No. 1
(Public Facilities)
Placer County, California

AMENDED RATE, METHOD OF APPORTIONMENT, AND
MANNER OF COLLECTION OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in the Westbrook Community Facilities District No. 1 (Public Facilities) (CFD) of the City of Roseville (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"**Acre**" or "**Acreage**" means the land area of a County Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map or other Development Plan.

"**Act**" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"**Administrative Expenses**" means the actual or reasonably estimated costs related to the administration of the CFD, including, but not limited to, these:

a. Costs of computing Special Taxes and preparing annual Special Taxes collection schedules (whether by the City or any designee thereof or both).

b. Costs of collecting the Special Taxes (whether by the County, the City, or otherwise).

c. Costs of remitting the Special Taxes to the Trustee.

d. Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture.

e. Costs to the City, CFD, or any designee thereof of complying with arbitrage rebate requirements.

f. Costs to the City, CFD, or any designee thereof of complying with City, CFD, or obligated persons disclosure requirements.

g. Costs associated with preparing Special Taxes disclosure statements.

h. Costs incurred in responding to public inquiries regarding the Special Taxes.

i. Costs to the City, CFD, or designee thereof related to any appeal of the Special Taxes.

j. Costs associated with the release of funds from an escrow account, if any.

k. Costs to the City for the issuance of Bonds authorized by the CFD that are not recovered through the Bond sale proceeds.

l. Amounts estimated to be advanced or advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the special taxes and commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"**Administrator**" means the Finance Director, or his or her designee.

"**Affordable Housing Director**" means, at any point in time, the person in the City who serves as head of the department that is in charge of the City's affordable housing program.

"**Affordable Unit**" means a Unit built on a Residential Use Parcel for which an Affordable Housing Agreement has been entered into for the property designating the Unit as affordable. A Multifamily Use parcel may have only a portion of the Units assigned as Affordable Units. The City Manager, or its designee, shall determine which Units are designated as Affordable Units and maintain an Affordable Unit Listing, which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lots Parcels remaining before May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot Parcel; all entries shall indicate the effective date of designation. The Affordable Unit Listing also shall be updated to reflect those Units no longer qualifying as Affordable Units, also known as Market-Rate Units. The Affordable Unit Listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to the Administrator by July 1 of each year for purposes of determining the Maximum Special Tax for Parcels pursuant to **Section 4**.

"**Annual Costs**" means, for any Fiscal Year, the total of these:

a. Debt Service to be paid from Special Taxes.

b. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture, to the extent not included in a computation of Annual Costs in a previous Fiscal Year.

c. Administrative Expenses for such Fiscal Year.

d. The amount needed to (i) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year, (ii) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on Bonds which are expected to occur in such Fiscal Year.

e. Authorized Facilities Funded on a Pay-As-You-Go Basis, which shall be paid on a first in first out basis.

f. *Less* any available earnings on the reserve fund, Special Tax funds, or any other available revenues of the CFD or the City that may be used to fund Annual Costs.

"**Assessor's Parcel Map**" means an official map of the County Assessor designating parcels by Assessor's Parcel Number.

"**Assessor's Parcel Number**" means the Parcel and Parcel Number as assigned by the County Assessor on the equalized tax roll.

"**Authorized Facilities**" means those facilities to be financed as identified in the resolution forming the CFD.

"**Base Year**" means the Fiscal Year beginning July 1, 2014, and ending June 30, 2015.

"**Bond(s)**" means bond(s) issued or other indebtedness incurred by the City for the CFD under the Act.

"**Bond Indenture**" means the indenture, resolution, fiscal agent agreement, or other financing document pursuant to which any Bonds are issued.

"**Building Permit**" means a permit issued by the City for the construction of a Residential Use or Nonresidential structure.

"**CFD**" means the Westbrook Community Facilities District No. 1 (Public Facilities) of the City of Roseville, Placer County, California.

"**City**" means the City of Roseville in Placer County, California.

"**Council**" means the City Council of the City acting for the CFD under the Act.

"**County**" means the County of Placer, California.

"**County Assessor's Parcel**" means a lot or Parcel with an assigned Assessor's Parcel Number in the maps used by the County Assessor in preparing the tax roll.

"**Debt Service**" means the total amount of bond principal, interest, and the scheduled sinking fund payments of the Bonds.

"**Developed Parcel**" means, in any Fiscal Year:

- For Single-Family Parcels: All Parcels for which a Final Small Lot Subdivision Map was recorded during or prior to the preceding Fiscal Year.
- For Multifamily Parcels: All Parcels for which a Building Permit for new construction of a Residential Use structure was issued during or prior to the preceding Fiscal Year.
- For all Nonresidential Parcels: All Parcels for which a Building Permit for new construction of a Nonresidential Use structure was issued before May 1 of the preceding Fiscal Year.

"**Development Impact Fee Deferral**" means the deferred payment of development impact fees collected by the City or the South Placer Regional Transportation Authority (SPRTA) in the equivalent amount of $5,600 in the Base Year per one DUE. The $5,600 will ultimately be paid out of the CFD and therefore such amount will be increased by any inflation increases to the selected development impact fee, as determined solely by the City, in each Fiscal Year following the Base Year.

"**Development Plan**" means a condominium plan, apartment plan, site plan, or other development plan that identifies such information as the type of structure, acreage, square footage, or number of Units that are approved to be developed on Single-Family Parcel, Multifamily Parcel, and Nonresidential Parcel.

"**DUE**" means the dwelling unit equivalent of one single-family detached residential unit. Other land uses will be assigned DUEs based upon their usage factors or other means of comparison to that of single-family detached residential uses.

"**Final Use Small Lot Parcel**" means a Parcel designated for development as a single-family residence, which is part of a Final Small Lot Subdivision Map.

"**Final Small Lot Subdivision Map**" means a recorded map designating the final Parcel Subdivision for individual single-family residential Parcels.

"**Finance Director**" means the Finance Director for the City, or his or her designee.

"**Fiscal Year**" means the period starting July 1 and ending the following June 30.

"**Full Prepayment**" means the complete fulfillment of a Parcel's Special Tax obligation, as determined by following the procedures in **Section 7**.

"**Large Lot Parcel**" means a Parcel created by a Large Lot Subdivision Map.

"**Large Lot Subdivision Map**" means a recorded subdivision map creating Parcels by land use. However, the Large Lot Subdivision Map does not delineate Single-Family Parcels. A Final Small Lot Subdivision Map will create individual Single-Family Parcels.

"**Market-Rate Unit**" means a Unit that is not an Affordable Unit.

"**Maximum Annual Special Tax**" means the greatest amount of Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 1** and **2.**

"**Maximum Annual Special Tax Rate**" means the Maximum Annual Special Tax Rate per Unit or Acre as shown in **Attachment 2.**

"**Maximum Annual Special Tax Revenue**" means the greatest amount of revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Special Tax.

"**Maximum CFD Special Tax Revenue**" means the sum of the Maximum Annual Special Tax levied on all Taxable Parcels in the CFD in a Fiscal Year.

"**Multifamily**" or "**Multifamily Residential Use**" means any Parcel or Development Project designated or developed for more than one residential dwelling unit per parcel. Such uses may consist of apartments, condominiums, townhomes, time-share units, row houses, duplexes, or triplexes.

"**Nonresidential Use**" means a Taxable Parcel with land uses other than Residential Uses.

"**Original Parcel**" means a Taxable Parcel identified in **Attachment 1** at formation of the CFD.

"**Outstanding Bonds**" means the total principal amount of Bonds that have been issued and not fully repaid or legally defeased.

"**Parcel**" means any County Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

"**Partial Prepayment**" means the partial fulfillment of a Parcel's Special Tax obligation, as determined by following the procedures in **Section 7.**

"**Pay-As-You-Go Basis**" means the use of annual and one-time Special Tax revenues to directly fund the construction, maintenance or improvement of Authorized Facilities, on a first in first out basis.

"**Prepayment**" means the complete or partial fulfillment of a Parcel's Special Tax obligation, as determined by following the procedures in **Section 7**.

"**Public Parcel**" means any Parcel that is or is intended to be publicly owned, as designated in any final map that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets; schools; parks; and public drainageways, landscaping, wetlands, greenbelts, and open space.

"**Remainder Parcel**" means a Parcel that is created as the result of the recordation of a Large Lot Parcel Map or Final Small Lot Subdivision Map, which results in a Parcel within the boundaries of a Large Lot Parcel (defined in **Map 2**) that has not been mapped for final development approval. Such a Remainder Parcel may contain taxable and tax-exempt uses, such as Residential Uses, and Public Parcels, such as school or park sites. Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

"**Residential Use**" means a Parcel designated for residential use, such as single-family residential units, residential condominiums, townhouses, or apartments.

"**RMA**" means the Rate and Method of Apportionment of the Special Tax.

"**Single-Family Parcel**" means, in any Fiscal Year, all Parcels in the CFD for which a building permit was issued or may be issued for construction of a Unit that is a single-family residential, residential condominium, or townhouse Unit.

"**Small Lot Tentative Map**" means a map that is made for the purpose of showing the design of a proposed subdivision, including the individual buildable lots expected in the subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property in the map and is not recorded at the County Recorder's Office to create legal lots.

"**Small Lot Tentative Map Parcel**" means, in any Fiscal Year, all Parcels included in a Small Lot Tentative Map that was approved before May 1 of the prior Fiscal Year and which have not yet become a Developed Parcel.

"**Special Tax(es)**" mean(s) any tax levy under the Act in the CFD.

"**Subdivision**" or "**Subdivided**" means a division of a Parcel into two or more Parcels through the Subdivision Map Act process. A Subdivision also may include the merging of two or more Parcels to create new Parcels.

"**Tax Category**" means the categories of taxable land uses shown in **Attachment 2.**

"**Tax Collection Schedule**" means the document prepared by the Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

"**Tax Escalation Factor**" means a factor of 2 percent in all Fiscal Years following the Base Year by which the Maximum Annual Special Tax for the previous Fiscal Year will be increased for the first 45 Fiscal Years following the Base Year, or until all Outstanding Bonds have been redeemed.

"**Taxable Acreage**" means that area of a Parcel that is determined by the Administrator to become a Taxable Parcel or Parcels upon further Subdivision. An example might be that a Large Lot Parcel Map creates a remainder Parcel that, according to **Map 2**, contains both taxable and tax-exempt uses, such as a school or park site.

"**Taxable Parcel**" means any Parcel that is not a Tax-Exempt Parcel.

"**Tax-Exempt Parcel**" means a Parcel not subject to the Annual Special Tax. Tax-Exempt Parcels include (a) Public Parcels, and (b) Parcels owned by the City, school districts, special districts, or the state or federal government. A Taxable Parcel that is acquired by a public agency, the Parcel shall remain a Taxable Parcel as per the provisions of **Section 4.g**.

Certain privately owned Parcels also may be exempt from the levy of Annual Special Taxes, including common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the Administrator.

"**Trustee**" means a national banking association organized and existing under the laws of the United States.

"**Undeveloped Parcel**" means a Taxable Parcel that is not a Developed Parcel, Small Lot Tentative Map Parcel, or a Large Lot Parcel.

"**Unit**" means (a) for Single-Family Parcel dwelling unit; and (b) for Multifamily Parcel, such as an individual residential unit in an apartment building

"**Zone**" means Zone 1, Zone 2, or Zone 3.

"**Zone 1**" means that geographical area so designated in **Map 2**.

"**Zone 2**" means that geographical area so designated in **Map 2.**

"**Zone 3**" means that geographical area so designated in **Map 2.**

3. Duration of the Special Tax

The Special Tax will be levied and collected for as long as it is needed to pay Annual Costs; however, in no event shall the Special Tax be levied on any Parcel in the CFD after Fiscal Year 2075-2076.

When all Authorized Facilities and other Annual Costs incurred by the CFD have been paid, the Special Taxes under each of the Special Tax programs shall cease to be levied. The City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. In addition, the Notice of Cessation of Special Tax shall identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

4. Administrative Tasks

Tasks required of the Administrator are discussed below:

a. Annual Special Tax Escalation. The Administrator shall increase the Maximum Annual Special Tax by the Tax Escalation Factor in each Fiscal Year following the Base Year, unless directed by the City to refrain from increasing or to limit the increase.

b. Assignment of the Maximum Annual Special Tax to Original Parcels. The Maximum Annual Special Tax is assigned to Original Parcels on a Maximum Annual Special Tax per Acre basis by Zone. The Base Year Maximum Annual Special Tax per Acre for Original Parcels is shown in **Attachment 1** by Zone. **Map 1** shows the Original Parcels by County Assessor's Parcel Number. To determine the Maximum Annual Special Tax for an Original Parcel, identify the Acreage of such a Parcel. Next, determine which Zone or Zones the Parcel occupies. Determine the Acreage in each Zone, then multiply the Acreage times the Maximum Annual Special Tax per Acre (as increased by the Tax Escalation Factor) per Zone to determine the Maximum Annual Special Tax for the Original Parcel.

c. Assignment of the Maximum Annual Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided, use the following steps to assign the Maximum Annual Special Tax to new Successor Parcels:

   1. If Original or Successor Parcels are Subdivided Into Large Lot Parcels:

      A. The proposed Large Lot Parcels for the CFD are shown in **Map 2**. The corresponding Maximum Annual Special Taxes for each proposed Large Lot Parcel and Tax Category are shown in **Attachment 2**. If a Large Lot Parcel Map is recorded that reflects the boundaries of all Large Lot Parcels shown in **Map 2**, assign the Maximum Annual Special Tax shown in **Attachment 2** to each Large Lot Parcel created by the Large Lot Subdivision Map.

      Large Lot Parcel WB-33 is a Multifamily Use parcel with 81 taxable Affordable Units assigned to the Parcel. If the Affordable Units assigned to WB-33 are assigned to another Multifamily Use parcel, the Affordable Units may be transferred to the Large Lot Parcel using the provisions of **Section 4.e.**

B. If the Large Lot Parcels created by the Large Lot Parcel Map have boundaries that differ from the boundaries shown in **Map 2**, use the following procedures to assign the Maximum Annual Special Tax to Large Lot Parcels created by the Large Lot Subdivision Map:

   1. <u>All Large Lot Parcels are created but differ in shape and size from **Map 2**</u>. **Map 2** and **Attachment 2** shall be updated and the correct boundaries of each Large Lot Parcel shall be reflected in **Map 2** and **Attachment 2.** If, at the same time changes are being made to **Attachment 2**, it is determined that the number of Final Small Lot Subdivision Map, Acreage of Multifamily Parcels, or Acreage of Nonresidential Parcels in a Large Lot Parcel has changed, the Maximum Annual Special Tax for each Large Lot Parcel in **Attachment 2** may, in the City's sole discretion, also be changed, as long as the Maximum CFD Special Tax Revenues are not reduced. If the City determines that such an adjustment is needed, the adjustment shall be effective immediately after recordation of the Large Lot Subdivision Map, after which time the Maximum Annual Special Tax for each Large Lot Parcel shall be fixed for all future Fiscal Years, except as otherwise provided in **Sections 4** and **5** below. After **Attachment 1** and **Attachment 2**, as needed, have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments. If such an adjustment and recording takes place, the property owner that requested the adjustment shall bear the costs to effect the adjustment and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1** and **2.** Before approval of the adjustment, the City may require a deposit from the requesting property owner for the estimated cost to perform such adjustment.

   2. <u>Some Large Lot Parcels are created by a Large Lot Subdivision Map with a Remainder Parcel or Parcels</u>. If the recorded Large Lot Parcels reflect the boundaries of the corresponding Large Lot Parcels shown in **Map 2**, assign the Maximum Annual Special Tax shown in **Attachment 2** to each Large Lot Parcel created by the Large Lot Subdivision Map:

      a. If just one Remainder Parcel is created by the recordation of the Large Lot Parcel Map, assign the Maximum Annual Special Tax to all Large Lot Parcels created using the procedures in **Section4.c.1.A** or **Section 4.c.1.B** above. Identify the Acreage of the Remainder Parcel and determine the Acreage which lies in each Zone, as needed. Multiply the Acreage times the Maximum Annual Special Tax shown in **Attachment 1** for the appropriate Zone to determine the Maximum Annual Special Tax for the Remainder Parcel.

      b. If more than one Remainder Parcel is created by recordation of the Large Lot Parcel Map, assign the Maximum Annual Special Tax to all Large Lot Parcels created using the procedures in **Section4.c.1.A** or **Section 4.c.1.B** above. Identify the Acreage of each Remainder Parcel and determine the Acreage which lies in each Zone, as needed. For each Zone, as needed, multiply the

Acreage times the Maximum Annual Special Tax for that Zone shown in **Attachment 1.** Sum the amount calculated for each Zone to determine the Maximum Annual Special Tax for the Remainder Parcel.

Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6.**

2. <u>If Original or Successor Parcel is Subdivided into Single-Family Parcels</u>. There shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Special Tax to Single-Family Parcels. Use the following procedures to assign the Maximum Annual Special Tax to Single-Family Parcels:

   A. If the number of Single-Family Parcels is equal or greater than the number of Units shown for the Large Lot Parcel in **Attachment 2**, assign the Maximum Annual Special Tax per Unit to each Single-Family Parcel created by the Subdivision.

      If fewer Single-Family Parcels are created by the Subdivision than Units shown for the Large Lot Parcel in **Attachment 2**, divide the total amount of Maximum Annual Special Tax assigned to the Large Lot Parcel by the total number of actual Single-Family Parcels created by the Final Small Lot Subdivision Map. This amount is the Maximum Annual Special Tax per Unit.

      If the Large Lot Parcel has been assigned Affordable Units in **Attachment 2**, divide the number of Single-Family Parcels that are not Affordable Units into the Maximum Annual Special Tax assigned to the Units that are not Affordable Units. At formation of the CFD, only Large Lots Parcels WB-20, WB-21, WB-22, and WB-33 are assigned such Affordable Units.

   B. If **Attachment 2** shows that the Large Lot Parcel is assigned Affordable Units, assign the Maximum Annual Special Tax Rate shown for the Large Lot Parcel in **Attachment 2** to the Taxable Parcels designated as Affordable Units

3. <u>If Original or Successor Parcel Is Subdivided Into Single-Family Parcels and One or More Remainder Parcels</u>. When an Original or Successor Parcel is Subdivided into Single-Family and one or more Large Lot Parcels (or Remainder Parcels), the Maximum Annual Special Tax is assigned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:

   A. If the Large Lot Parcel which is Subdivided into Single-Family Parcels produces the same number of Units, or greater, than anticipated in **Attachment 2**, assign the Maximum Annual Special Tax Rate per Unit (as increased by the Tax Escalation Factor) in **Attachment 2** for the Large Lot Parcel. If the Large Lot Parcel is assigned Affordable Units, follow the procedures of **Section 4.c.3.B**.

      If fewer Units are created by Subdividing the Large Lot Parcel, determine the number of Affordable Units assigned to the Large Lot Parcel. Subtract the Affordable Units from the number of Units created. Determine the Maximum Annual Special Tax for the Market-Rate Units by multiplying the number of Market-Rate Units for the Large

Lot Parcel times the Maximum Annual Special Tax per Unit assigned to the Large Lot Parcel. Divide this amount by the number of Market-Rate Units for the Large Lot Parcel to determine the Maximum Annual Special Tax for the Single-Family Parcels that are Market Rate Units.

If the Large Lot Parcel is assigned Affordable Units, follow the procedures of **Section 4.c.3.B.**

B. If **Attachment 2** shows that the Large Lot Parcel is assigned Affordable Units, assign the Maximum Annual Special Tax rate shown for the Large Lot Parcel in **Attachment 2** to the Taxable Parcels designated as Affordable Units.

C. For the Remainder Parcel or Parcels, identify the Maximum Annual Special Tax for the Large Lot Parcel that has been Subdivided. Sum the Maximum Annual Special Tax for all Single-Family Parcels created by the Subdivision. Subtract the sum of the Maximum Annual Special Tax for all Single-Family Parcels from the Maximum Annual Special Tax for the Large Lot Parcel to determine the Maximum Annual Special Tax for the Remainder Parcel.

If more than one Remainder Parcel is created by recordation of the Large Lot Parcel Map, allocate the Maximum Annual Special Tax for all Remainder Parcels on a pro rata basis to all Remainder Parcels based on the percentage share of Taxable Acreage identified for each Remainder Parcel.

Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

d. <u>Affordable Units that Become Market-Rate Units</u>. If, in any Fiscal Year, the City Manager, or its designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit Listing by denoting the change in status of the Unit, together with the effective date thereof. The Maximum Annual Special Tax on the Unit that no longer qualifies as an Affordable Unit shall be increased to double the amount that would have applied in that Fiscal Year if the Unit had remained as an Affordable Unit. In subsequent Fiscal Years, this increased Maximum Annual Special Tax shall continue to escalate 2 percent per year.

e. <u>Transfer of the Assigned Maximum Special Tax from One Large Lot to Another</u>. The Maximum Annual Special Taxes shown in **Attachment 2** were determined based on the expected land uses for each Large Lot Parcel shown in **Map 2**. If the number of planned residential units or nonresidential acreage is transferred from one Large Lot Parcel to another before recordation of a Final Small Lot Subdivision Map in any portion of the Large Lot Parcel, the City may, in its sole discretion, allow for a transfer of the Maximum Annual Special Tax from one Large Lot Parcel to another. Such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (2) there is no reduction in the Maximum CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachment 1** or **Attachment 2** of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the CFD records and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1** and **2.** Before the transfer, the City may require a deposit from the requesting property owner for such costs. If such a transfer is requested, the Administrator shall apply the following steps to redistribute the Maximum Special Tax among the Parcels:

Step 4.e.1: Determine the Maximum Annual Special Tax associated with the land uses that will be transferred by multiplying the number of residential units or nonresidential acreage by the Maximum Annual Special Tax Rate per Unit identified for the Units or Acreage in **Attachment 2** (escalated by the Tax Escalation Factor to the then-current Fiscal Year).

Step 4.e.2: Subtract the amount determined in *Step 4.e.1* from the Maximum Annual Special Tax for the Large Lot Parcel from which the Units or Acreage will be transferred to determine the new Maximum Annual Special Tax for the Large Lot Parcel.

Step 4.e.3: Add the amount determined in *Step 4.e.1* to the Maximum Annual Special Tax for the Large Lot Parcel to which the Units or Acreage is being transferred to determine the new Maximum Annual Special Tax for the Large Lot Parcel.

f. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Special Tax. The Maximum Annual Special Tax for the newly assigned Tax Category for such a Parcel is determine using the provisions of **Sections 4** and **5** of the RMA.

g. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a school site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Administrator.

5. Assignment of the Maximum Annual Special Tax

a. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions in **Section 2**, the Parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the Administrator shall cause:

1. Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel.
2. Each Parcel to be classified as a Developed Parcel, a Small Lot Tentative Map Parcel, a Large Lot Parcel (including Remainder Parcels), or an Undeveloped Parcel.

b. Assignment of the Maximum Annual Special Tax to Taxable Parcels. The Maximum Annual Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Section 4**.

6. Calculating Annual Special Taxes

The Administrator will compute the Annual Costs and determine the annual Special Tax levy for each Taxable Parcel based on the assignment of the Special Tax in **Sections 4** and **5**. The Administrator then will determine the tax levy for each Taxable Parcel using the following process:

a. Compute the Annual Costs using the definition of Annual Costs in **Section 2.**

b. Compute 100 percent of the Maximum Annual Special Tax Revenue for all Developed Parcels in Zones 1, 2, and 3.

c. For all Parcels in Zone 1, calculate the Special Tax levy for each Taxable Parcel by the following steps:

Step 6.c.1: Compare the Annual Costs with the amount calculated in **Section 6.a** and the Maximum Annual Special Tax Revenue computed in **Section 6.b.**

Step 6.c.2: If the Annual Costs are greater than the amount calculated in **Section 6.b**, increase proportionately the Maximum Annual Special Tax levy for each Small Lot Tentative Map Parcel until the revenue from the Special Tax levy, when added to the levy amount computed in **Section 6.b**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Small Lot Tentative Map Parcels, if needed to fund Annual Costs.

Step 6.c.3: If the Annual Costs are greater than the amount calculated in *Step 6.c.2*, increase proportionately the Maximum Annual Special Tax levy, when added to the levy amounts determined in **Section 6.b** above, for each Large Lot Parcel until the revenue from the Special Tax levy equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Large Lot Parcels, if needed to fund Annual Costs.

Step 6.c.4: If the Annual Costs are greater than the amount calculated in *Step 6.c.3*, increase proportionately the Maximum Annual Special Tax levy for each Undeveloped Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined in **Section 6.b**, *6.c.2* and *6.c.3* above, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Undeveloped Parcels, if needed to fund Annual Costs.

Step 6.c.5: If the Annual Costs are greater than the amount calculated in *Step 6.c.4*, follow the procedures set forth in **Section 6.d** below.

d. For all Parcels in Zone 2, calculate the Special Tax levy for each Taxable Parcel by the following steps:

Step 6.d.1: Increase proportionately the Maximum Annual Special Tax levy for each Small Lot Tentative Map Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Section 6.b** and **6.c**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Small Lot Tentative Map Parcels, if needed to fund Annual Costs.

Step 6.d.2: Compare the Annual Costs with the amount calculated in *Step 6.d.1*.

Step 6.d.3: If the Annual Costs are greater than the amount calculated in *Step 6.d.1*, increase proportionately the Maximum Annual Special Tax levy for each Large Lot Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Section 6.b** and in previous steps in **Section 6.c**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Large Lot Parcels, if needed to fund Annual Costs.

Step 6.d.4: If the Annual Costs are greater than the amount calculated in *Step 6.d.3*, increase proportionately the Maximum Annual Special Tax levy for each Undeveloped Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Section 6.b** and in previous steps in **Section 6.c**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Undeveloped Parcels, if needed to fund Annual Costs.

Step 6.d.5: If the Annual Costs are greater than the amount calculated in *Step 6.d.4*, follow the procedures set forth in **Section 6.e** below.

e. For all Parcels in Zone 3, calculate the Special Tax levy for each Taxable Parcel by the following steps:

Step 6.e.1: Increase proportionately the Maximum Annual Special Tax levy for each Small Lot Tentative Map Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Sections 6.b** through **6.d**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Small Lot Tentative Map Parcels, if needed to fund Annual Costs.

Step 6.e.2: Compare the Annual Costs with the amount calculated in *Step 6.e.1*.

Step 6.e.3: If the Annual Costs are greater than the amount calculated in *Step 6.e.1*, increase proportionately the Maximum Annual Special Tax levy for each Large Lot Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Sections 6.b** through **6.d**, and in previous steps in **Section 6.e**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Large Lot Parcels, if needed to fund Annual Costs.

Step 6.e.4: If the Annual Costs are greater than the amount calculated in *Step 6.e.3*, increase proportionately the Maximum Annual Special Tax levy for each Undeveloped Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Sections 6.b** through **6.d**, and in previous steps in **Section 6.e**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Undeveloped Parcels, if needed to fund Annual Costs.

f. Levy on each Taxable Parcel the amount calculated above.

g. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will not be sent later than the date required by the Auditor for such inclusion.

The Administrator will make every effort to correctly calculate the Special Tax for each Parcel. It will be the burden of the taxpayer to correct any errors in determining which Parcels are subject to the tax and their Special Tax assignments.

7. Prepayment of the Special Tax Obligation

A property owner may permanently or partially satisfy the Maximum Annual Special Tax for a Taxable Parcel by a Full or Partial Prepayment as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The City determines that the Prepayment of the Special Tax does not jeopardize its ability to make timely payments of Debt Service on Outstanding Bonds.
- The landowner prepaying the Special Tax on a Parcel has paid any delinquent Special Tax and penalties on that Parcel before Prepayment.

a. The Full Prepayment amount shall be established by following the steps below:

Step 7.a.1: Determine the Maximum Annual Special Tax for the Taxable Parcel for which the Special Tax is to be prepaid using the provisions of **Sections 4** and **5**. If the Parcel is not designated as a Developed Parcel, determine the applicable Maximum Annual Special Tax for the Parcel assuming it is a Developed Parcel.

Step 7.a.2: Increase the Maximum Annual Special Tax by 2 percent for the remaining period for which the Parcel is subject to the Special Tax (up to 30 years or the termination of the CFD, whichever is lesser).

Step 7.a.3: Using a discounted rate equal to the most current yield for the 30-Year Treasury Constant Maturity, calculate the net present value of the revenue stream determined *Step 7.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.

Step 7.a.4: Add to the amount calculated in *Step 7.a.3* interest on the Bonds being redeemed to the next redemption date.

Step 7.a.5: Add to the amount calculated in Step 7.a.4 a redemption premium on the Bonds (if any).

Step 7.a.6: Add to the amount calculated in Step 7.a.5 the Development Impact Fee Deferral amount, as adjusted for inflation.

Step 7.a.7: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 7.a.6*.

Step 7.a.8: The amount in *Step 7.a.7* is the amount of the Full Prepayment of the Maximum Annual Special Tax for the Taxable Parcel.

b. The Partial Prepayment amount shall be established by following the procedure below:

The amount of any Partial Prepayment must be a minimum of 25-percent of the Full Prepayment amount. A Partial Prepayment may be made in an amount equal to at least 25-percentage of the Full Prepayment desired by the party making a Partial Prepayment, except that the full amount of administrative fees and expenses determined in *Step 7.a.4* shall be included in the Partial Prepayment. The Maximum Annual Special Tax that can be levied on a Parcel after a Partial Prepayment is made is equal to the Maximum Annual Special Tax that could have been levied before the Prepayment, reduced by the percentage of the Full Prepayment that the Partial Prepayment represents, all as determined by or at the direction of the Administrator.

8. Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Administrator appealing the levy of the Special Tax. The Administrator then will promptly review the appeal and, if necessary, meet with the applicant. If the Administrator verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the Administrator may make minor, non-substantive administrative and technical changes to the provisions of this Exhibit that do not materially affect the RMA for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

The City, upon request of an owner of land in the CFD, which is not a Developed Parcel, also may amend this RMA in any manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land in the CFD, provided such amendment only affects the owner's land and does not reduce the total Maximum Annual Special Tax Revenue for the CFD.

9. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, that the Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

Attachment 1
Westbrook Community Facilities District No. 1 (Public Facilities)
Maximum Annual Special Tax per Acre in the Base Year of FY 2014-15

Zone	Maximum Annual Special Tax Per Acre [1]
Zone 1	$12,594
Zone 2	$12,546
Zone 3	$14,389

"att1"

[1] The Maximum Annual Special Tax increases by the Tax Escalator as defined in **Section 2** of this RMA.

Attachment 2
Community Facilities District No. 1 (Public Facilities)
Summary Amended Maximum Annual Special Taxes (MAST) - Base Year FY 2014-15

CFD No. 1 (Public Facilities)

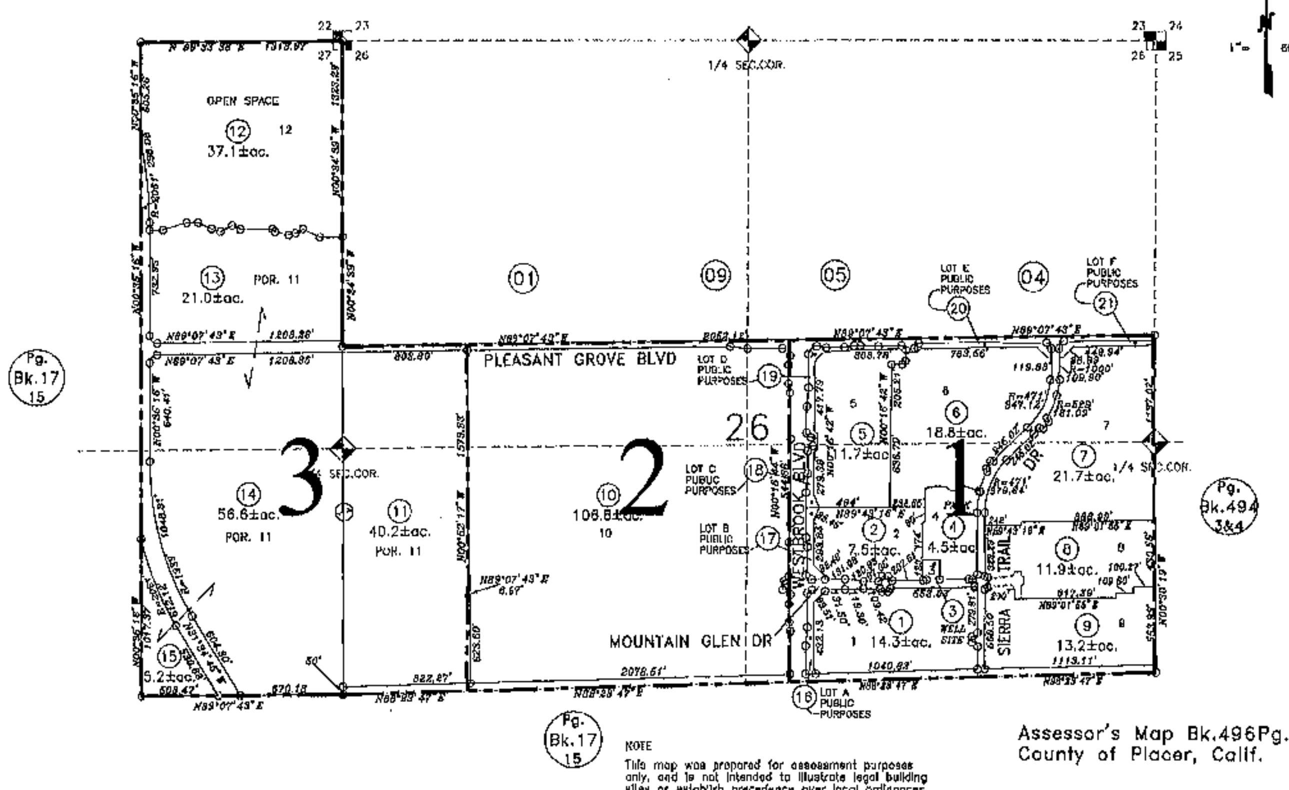
Large Lot Parcel	Tax Category	Acres	Units	MAST Per Unit/Acre [1]	Total MAST [1]
Zone 1 (Phase 1)				*FY 2014-15*	
WB-5A	LDR	11.7	71	$1,585	$112,535
WB-5B	LDR	18.8	86	$1,585	$136,310
WB-6	LDR	21.6	103	$1,585	$163,255
WB-7A	LDR	11.9	73	$1,585	$115,705
WB-7B	LDR	13.2	72	$1,585	$114,120
WB-24	MDR	7.5	53	$1,300	$68,900
WB-25	MDR	14.3	100	$1,300	$130,000
WB-51	Tax-Exempt	4.4	-	-	-
WB-61	Tax-Exempt	0.3	-	-	-
Zone 1 (Phase 1) Totals		**103.7**	**558**		**$840,825**
Zone 2 (Phase 2)					
WB-1A	LDR	29.3	126	$1,585	$199,710
WB-1B	LDR	22.2	133	$1,585	$210,805
WB-2A	LDR	10.6	58	$1,585	$91,930
WB-2B	LDR	7.7	39	$1,585	$61,815
WB-3A	LDR	11.6	66	$1,585	$104,610
WB-3B	LDR	11.2	71	$1,585	$112,535
WB-4	LDR	16.0	100	$1,585	$158,500
WB-23	MDR	9.8	71	$1,335	$94,785
WB-42 [2]	Nonresidential	14.5	-	$550	$7,975
WB-50	Tax-Exempt	8.7	-	-	-
WB-60	Tax-Exempt	10.0	-	-	-
WB-62	Tax-Exempt	0.8	-	-	-
Zone 2 (Phase 2) Totals		**152.4**	**664**		**$1,042,665**
Zone 3 (Phase 3)					
WB-20	MDR	8.4	66	$1,335	$88,110
WB-21	MDR	11.8	81	$1,335	$108,135
WB-22	MDR	4.8	32	$1,335	$42,720
WB-30	HDR - Aff. Low	5.6	169	-	-
WB-30	HDR - Aff. Very Low	2.3	68	-	-
WB-31	HDR	11.1	263	$305	$80,215
WB-32	HDR - Aff. Low	3.7	92	-	-
WB-32	HDR - Aff. Very Low	1.4	36	-	-
WB-41	MDR	10.0	63	$1,335	$84,105
WB-52	Tax-Exempt	1.5	-	-	-
WB-80	Tax-Exempt	36.6	-	-	-
Zone 3 (Phase 3 Totals)		**97.2**	**870**		**$403,285**
CFD Totals		**353.4**	**2,092**		**$2,286,775**

cfd 1

Source: Westpark; EPS

[1] The Maximum Annual Special Tax increases by the Tax Escalator as defined in **Section 2** of this RMA.
[2] This parcel is taxed per acre.

POR. SEC.26 & 27, T.11N., R.5E., M.D.B.&M.
WestBrook – Ph. 1 Large Lot Subd. M.O.R. Bk. CC, Pg. 85



Assessor's Map Bk.496Pg.10
County of Placer, Calif.

NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

09–15–2014 ALS
Page Redrawn Electronically
Formerly 017–161–002, 004, 017 & 014–000

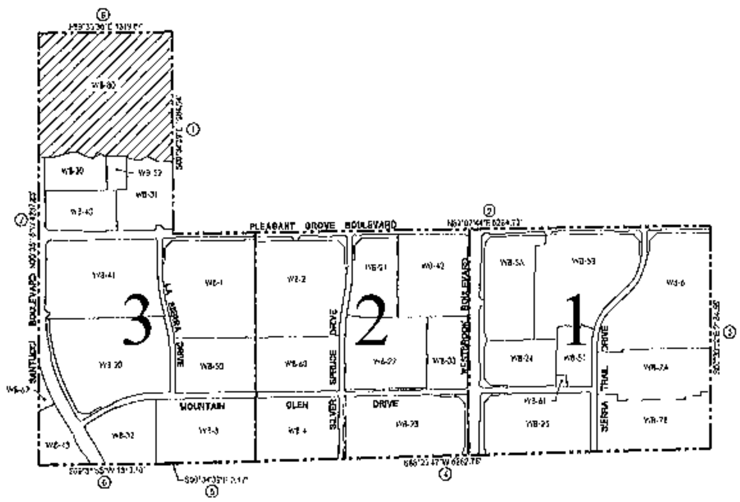
NOTE
All distances on curved lines are length measurements.

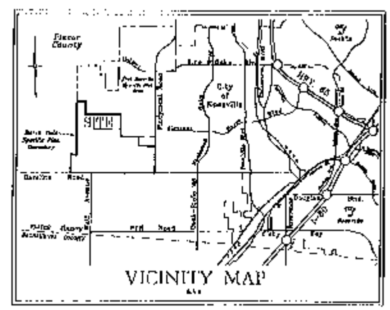
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

BOUNDARY MAP

CITY OF ROSEVILLE WESTBROOK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

CITY OF ROSEVILLE • PLACER COUNTY • CALIFORNIA
BEING PORTIONS OF SECTIONS 26 & 27, T.11 N., R.5 E., M.D.M.





CITY CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE THIS __ DAY OF ______ 2014

____
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

CITY CLERK'S MAP STATEMENT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF WESTBROOK COMMUNITY FACILITIES DISTRICT NO. ___, CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE AT A REGULAR MEETING THEREOF, HELD ON THE ___ DAY OF ______, 2014 BY ITS RESOLUTION NO. ______

____
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT

FILED THIS __ DAY OF _____, 2014 AT THE HOUR OF __ O'CLOCK _M, IN BOOK ___ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE ___ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF PLACER, STATE OF CALIFORNIA

DOCUMENT NO. ______________

FEE ______________

BY: ______________
JIM McCAULEY
COUNTY RECORDER
COUNTY OF PLACER

Map 2

LEGEND

DISTRICT BOUNDARY

ANTICIPATED TAX-EXEMPT PARCELS

0 300 600 1200
SCALE: 1"=600'

MACKAY & SOMPS
ENGINEERS PLANNERS SURVEYORS

MARCH 2014

SHEET 1 OF 1

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APPENDIX B

THE APPRAISAL

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Integra Realty Resources
Sacramento

Appraisal of Real Property

City of Roseville Westbrook CFD No. 1
Residential Subdivision
Pleasant Grove Blvd.
Roseville, Placer County, California 95747

Prepared For:
City of Roseville

Date of the Report:
March 21, 2023

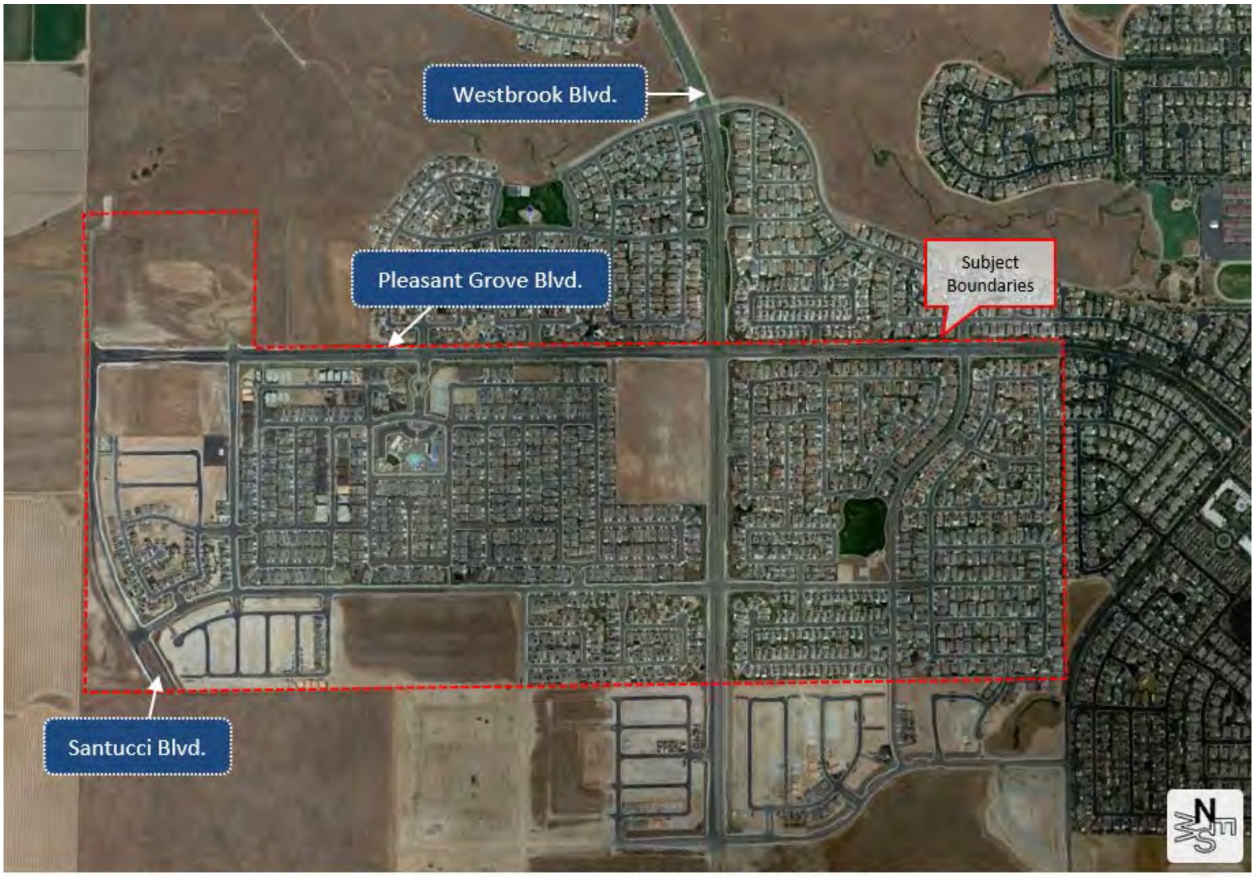
Report Format:
Appraisal Report

IRR - Sacramento
File Number: 193-2023-0002

Subject Photographs

City of Roseville Westbrook CFD No. 1
Pleasant Grove Blvd.
Roseville, California

Aerial Photograph



Source: Google maps; boundary lines are approximate; not representative of current development

Integra Realty Resources
Sacramento

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Rocklin, CA 95765

T 916.435.3883
F 916.435.4774
www.irr.com

March 21, 2023

Mr. Dennis Kauffman
Chief Financial Officer
City of Roseville
311 Vernon St.
Roseville, CA 95678

SUBJECT: Market Value Appraisal
City of Roseville Westbrook CFD No. 1
Pleasant Grove Blvd.
Roseville, Placer County, California 95747
IRR - Sacramento File No. 193-2023-0002

Dear Mr. Kauffman:

Integra Realty Resources – Sacramento is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value, in bulk, subject to a hypothetical condition, pertaining to the fee simple interest in the property. The client for the assignment is City of Roseville and the intended use of the report is for bond underwriting purposes.

The subject property represents Phases 1 through 3 of the Westbrook master planned community, which consists of 354.3 gross acres and 2,092 residential units (upon build-out). The community is located north and south (substantially south) of Pleasant Grove Boulevard, west and east of Westbrook Boulevard, within the city of Roseville, Placer County, California. The subject consists of a variety of land use designations, including low density residential (LDR), medium density residential (MDR), high density residential (HDR) and community commercial (CC). There are two active communities selling in Westbrook, Radiance by Tri-Pointe Homes and Aspire at Solaire by K. Hovnanian Homes. Beazer Homes is developing 63 lots for a new community (Verrado II) that will likely open for sale in the second or third quarter of 2023. The HDR parcel is zoned for a maximum of 263 units; however, according to the Developer it will be constructed as a market rate, for-rent project and consist of approximately 160-180 townhome units, including a clubhouse building. The project is anticipated to be built in 2027-2028 (following the completion of developments on other area parcels). Of the 1,466 Assessor's parcels that represent the taxable parcels within the District, 150 have completed single-family homes that do not have a complete assessed value for both land and improvements. As such, a "not-less than" estimate of market value for the smallest floor plans within each of product lines was appraised and assigned to each respective Assessor's parcel. The remaining parcels consist of 63 nearly finished lots, 26 finished lots and 3 homes under construction. The balance of the District comprise 1,222 completed single-family homes, the majority of which have been sold to individual homeowners, for which a complete assessed value is reflected on the 2022/23 Placer County Assessor's Tax Roll and are not appraised herein. Rather, the assessed value is to be relied upon for financing purposes.

We have been requested to provide a market value of the appraised properties by ownership, as well as the cumulative, or aggregate, value of the appraised properties, as of the date of value. The estimate of market value accounts for the impact of the lien of the Special Taxes securing the Bonds.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations. The Appraisal Report is also prepared in accordance with the Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (CDIAC) (2004).

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions

Value Premise	Lots/Units	Aggregate Value
Aggregate Value of Appraised Properties	244	$104,909,000
Aggregate Value of Assessed Properties	1,222	$664,890,178
Total Aggregate Value of Appraised and Assessed Properties	**1,466**	**$769,799,178**

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. APNs 402-020-020 and 402-043-027 are not currently assigned a complete assessed value although they were constructed in 2018 and 2017, respectively. As such, we have assigned a value commensurate with the smallest appraised floor plan within the District.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. It is a hypothetical condition of the Appraisal that certain proceeds from the Bonds are available to fund certain infrastructure improvements and/or reimburse for infrastructure already completed. The estimate of market value, by ownership, accounts for the impact of the proposed Lien of the Special Taxes securing the Bonds.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Sacramento

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California Certified General Real Estate
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Email: kziegenmeyer@irr.com

Eric Segal, MAI
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California Certified General Real Estate
Appraiser #3002218
Telephone: 916-435-3883, ext. 229
Email: ktatton@irr.com

Table of Contents

Executive Summary

Property Name	City of Roseville Westbrook CFD No. 1
Address	Pleasant Grove Blvd. Roseville, Placer County, California 95747
Property Type	Land - Residential Subdivision
Owner of Record	Westpark S V 400 LLC, Lennar Homes of California, K. Hovnanian Homes Northern California Inc., Brookfield Holdings Solaire LLC., TriPointe Homes Inc., Various Homeowners
Land Area	353.4 acres
Zoning Designation	RS/DS, R3, CC/SA, Small lot residential, development standard overlay; attached housing; community commercial, special area
Highest and Best Use	Single-family residential
Exposure Time; Marketing Period	12 months; 12 months
Effective Date of the Appraisal	February 16, 2023
Date of the Report	March 21, 2023
Property Interest Appraised	Fee Simple

Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Total Aggregate Value of Appraised and Assessed Properties	Fee Simple	February 16, 2023	$769,799,178

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than the City of Roseville and its associated finance team may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. APNs 402-020-020 and 402-043-027 are not currently assigned a complete assessed value although they were constructed in 2018 and 2017, respectively. As such, we have assigned a value commensurate with the smallest appraised floor plan within the District.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. It is a hypothetical condition of the Appraisal that certain proceeds from the Bonds are available to fund certain infrastructure improvements and/or reimburse for infrastructure already completed. The estimate of market value, by ownership, accounts for the impact of the proposed Lien of the Special Taxes securing the Bonds.

Identification of the Appraisal Problem

Subject Description

The subject property represents Phases 1 through 3 of the Westbrook master planned community, which consists of 354.3 gross acres and 2,092 residential units (upon build-out). The community is located north and south (substantially south) of Pleasant Grove Boulevard, west and east of Westbrook Boulevard, within the city of Roseville, Placer County, California. The subject consists of a variety of land use designations, including low density residential (LDR), medium density residential (MDR), high density residential (HDR) and community commercial (CC). There are two active communities selling in Westbrook, Radiance by Tri-Pointe Homes and Aspire at Solaire by K. Hovnanian Homes. Beazer Homes is developing 63 lots for a new community (Verrado II) that will likely open for sale in the second or third quarter of 2023. The HDR parcel is zoned for a maximum of 263 units; however, according to the Developer it will be constructed as a market rate, for-rent project and consist of approximately 160-180 townhome units, including a clubhouse building. The project is anticipated to be built in 2027-2028 (following the completion of developments on other area parcels). Of the 1,466 Assessor's parcels that represent the taxable parcels within the District, 150 have completed single-family homes that do not have a complete assessed value for both land and improvements. As such, a "not-less than" estimate of market value for the smallest floor plans within each of product lines was appraised and assigned to each respective Assessor's parcel. The remaining parcels consist of 63 nearly finished lots, 26 finished lots and 3 homes under construction. The balance of the District comprise 1,222 completed single-family homes, the majority of which have been sold to individual homeowners, for which a complete assessed value is reflected on the 2022/23 Placer County Assessor's Tax Roll and are not appraised herein. Rather, the assessed value is to be relied upon for financing purposes.

Property Identification	
Property Name	City of Roseville Westbrook CFD No. 1
Address	Pleasant Grove Blvd. Roseville, California 95747
Owner of Record	Westpark S V 400 LLC, Lennar Homes of California, K. Hovnanian Homes Northern California Inc., Brookfield Holdings Solaire LLC., TriPointe Homes Inc., Various Homeowners

Sale History

The Appraisal Report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP). The properties comprising the subject of this Appraisal Report have been the subject of previous and recent transactions. Based on the scope of work for this assignment, a detailed sales history was not performed on a parcel-by-parcel basis, as many parcels were, and continue to be, involved in transactions as completed single-family homes from the merchant builder to individual home buyers. As will be shown and detailed herein, the appraised properties have been the subject of previous, recent and pending transactions as either improved or unimproved single-family residential lots, including the latest March 2022 transfer of 63 unimproved lots from the master developer (Westpark SV 400 LLC) to Solaire II – Roseville LP (land bank for Beazer Homes), as well as completed single-family homes currently being marketed for sale by merchant builders. Additionally, the HDR parcel (WB-31) transferred on November 10, 2021, along with WB-30 and WB-52 (the sale price was not allocated among the parcels in the purchase agreement).

Appraisal Purpose

The purpose of the appraisal is to develop an opinion of the market value, in bulk, subject to a hypothetical condition of the fee simple interest, by ownership, and the cumulative, or aggregate value of the appraised properties comprising a portion of the City of Roseville Westbrook CFD No. 1, subject hypothetical condition that certain proceeds from the Bonds are available to fund certain infrastructure improvements and/or reimburse for infrastructure already completed, as of the effective date of the appraisal, February 16, 2023. The date of the report is March 21, 2023. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

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

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

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.[2]

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[1] Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

[2] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Client and Intended User(s)

The client and intended user is the City of Roseville and its associated finance team No party or parties beyond the clients associated finance team may use or rely on the information, opinions, and conclusions contained in this report; however, this appraisal report may be included in the offering document provided in connection with the issuance and sale of the Bonds.

Intended Use

The intended use of the appraisal is for bond underwriting purposes. The appraisal is not intended for any other use.

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (CDIAC) (2004).

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have previously appraised the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Eric Segal, MAI, and Kari Tatton conducted an on-site inspection on February 16, 2023. Kevin Ziegenmeyer, MAI, also conducted an on-site inspection of the property.

Valuation Methodology

The valuation began by employing the sales comparison approach to estimate the not-less-than market value for the completed single-family homes, based on the smallest floor plan being marketed within the projects. Next, the sales comparison approach was employed to estimate the market value of a benchmark lot category of the medium density residential (MDR) lots. In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value for this benchmark lot category was concluded. Then, as a support of reasonableness, a land residual analysis was utilized, which was reconciled with the sales comparison approach conclusion. Next, adjustments were applied to determine values for each lot size category, based upon lot size differences that exist from the benchmark lots. Finally, the remaining intract and infrastructure costs are accounted for.

The sales comparison approach was also utilized to determine the value of the subject’s commercial and multifamily sites. As it relates to the HDR (multifamily property), the owner is reportedly planning to develop, in conjunction with other HDR parcels (not a part of the subject), an apartment project with a lower unit count than allowed (263 units). However, this is part of a business decision; whereas, the allowable density of approximately 23.5 units per acre (263 units) is generally consistent with the zoning and developable densities of the comparable sales analyzed herein, where the market tends to maximize developments to the allowable density. Therefore, in this analysis, the subject property will be analyzed to its maximum allowable density (consistent with the comparables) rather than the owner's proposed plans for a lower density development.

The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "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 the analysis." It is a hypothetical condition of the Appraisal that certain proceeds from the Bonds are available to fund certain infrastructure improvements and/or reimburse for infrastructure already completed. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

Economic Analysis

Area Analysis – Placer County

Introduction

Placer County is part of the four-county Sacramento Metropolitan Area, along with the counties of Sacramento, Yolo and El Dorado. The county is located in the north-central part of California, approximately 420 miles north of Los Angeles, 250 miles south of Oregon, 100 miles northeast of San Francisco, 80 miles west of Lake Tahoe and 100 miles southwest of Reno. The southernmost part of Placer County consists of a valley commonly referred to as South Placer, while the remainder of the county is divided into the Gold Country, where parts of Auburn and Colfax are located, and the High Country, which encompasses Tahoe City and Kings Beach along Lake Tahoe. Placer's largest cities are Roseville, Rocklin and Lincoln. Elevations in the county range from 165 feet above sea level in Roseville to 10,000 feet above sea level in the Sierra Nevada Mountains.

Placer County is developed with a mix of urban and rural uses. The larger cities, namely Roseville and Rocklin, are mostly urban, while the smaller communities, such as Loomis, Newcastle and Colfax, have remained rural. Auburn and Lincoln both exhibit a combination of urban and rural settings. However, in recent years the city of Lincoln has experienced dramatic growth and development and has become one of the fastest-growing cities in California.

Population

Placer County has experienced population growth in recent years, primarily in the southern part of the county. The main origin for in-migration to the region are the Bay Area, other parts of the Sacramento region and Southern California. The state's population data indicate a strong pattern of movement by residents from the high-cost, high-density Bay Area to inland areas in Northern California.

The following table depicts the population change in Placer County and its component cities over the past five years.

Population Trends

City	2017	2018	2019	2020	2021	2022	%/Yr
Auburn	14,162	14,265	14,353	13,781	13,795	13,608	-0.8%
Colfax	2,113	2,131	2,139	2,001	2,016	2,042	-0.7%
Lincoln	47,564	48,044	48,430	49,731	50,422	51,252	1.6%
Loomis	6,753	6,775	6,796	6,814	6,833	6,739	0.0%
Rocklin	64,274	66,476	68,869	71,290	71,644	71,663	2.3%
Roseville	135,300	137,824	141,097	147,245	148,794	151,034	2.3%
Unincorporated	113,092	113,357	113,661	113,877	114,013	112,687	-0.1%
Total	**383,258**	**388,872**	**395,345**	**404,739**	**407,517**	**409,025**	**1.3%**

Source: California Department of Finance

Placer County has experienced an average annual growth rate of 1.3% over the past five years. The cities of Rocklin, Roseville and Lincoln are the fastest growing in the region. Loomis and the unincorporated areas have had relatively little growth. Over the past decade, Placer County has been the fastest-growing county within the four-county Sacramento MSA (which also includes Sacramento, El Dorado and Yolo Counties). It is projected this trend will continue for the near future.

Employment & Economy

The California Employment Development Department has reported the following employment data for Placer County over the past five years.

Employment Trends

	2016	2017	2018	2019	2020	2021
Labor Force	179,600	181,200	185,600	188,900	186,700	188,000
Employment	171,500	174,200	179,600	182,900	172,600	178,700
Annual Employment Change	4,100	2,700	5,400	3,300	(10,300)	6,100
Unemployment Rate	4.5%	3.9%	3.2%	3.2%	7.6%	4.9%

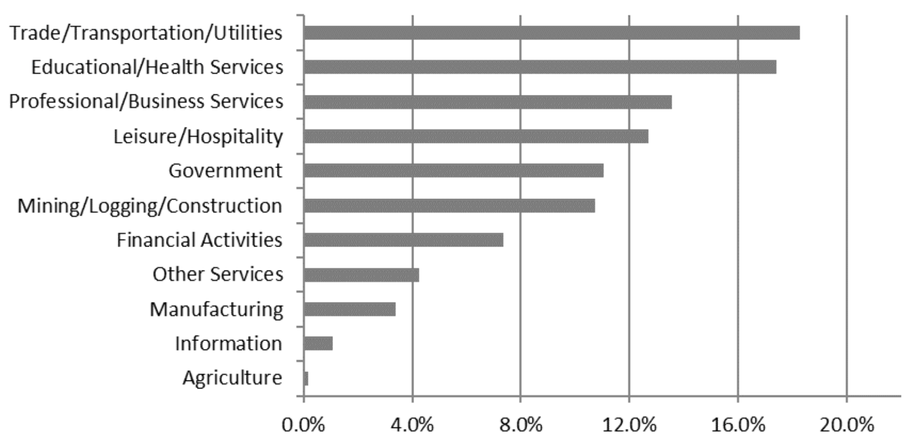
Source: California Employment Development Department

Most areas within the state and nation, including Placer County, saw declining unemployment rates from 2004 through 2006, increases from 2007 to 2010, declines during 2011-2019, a significant increase in 2020 due to the pandemic and improvement in 2021.

The California Employment Development Department reported an unemployment rate of 2.8% in Placer County in August 2022, below the rate of 5.0% a year prior. This compares to the average rates of 4.1% for California and 3.8% for the nation.

The following chart indicates the percentage of total employment for each sector within the county based on the 2021 annual average.

EMPLOYMENT BY SECTOR



Source: California Employment Development Department

The area's largest employment sectors are Trade/Transportation/Utilities, which includes retail and wholesale trade, accounting for 18.3% of total employment; Educational and Health Services (17.4%); and Professional/Business Services (13.6%). Leisure and Hospitality accounts for 12.7% of total employment; this sector was the most significantly impacted by the pandemic and although employment in this industry has since improved substantially, it remains below its pre-pandemic levels.

Although many residents commute to employment centers in Sacramento, Placer County offers thousands of jobs and attracts workers from the local area as well as "reverse commuters" from Sacramento and residents of outlying areas such as Marysville/Yuba City to the north. The largest employers in the county, according to the Sacramento Business Journal, are highlighted as follows:

Largest Employers

	Employer	Industry	Employees
1	Sutter Health	Healthcare	7,320
2	Kaiser Permanente	Healthcare	6,367
3	Palisades Tahoe	Leisure/Hospitality	2,600
4	Placer County	Government	2,530
5	Sierra Joint Community College District	Education	2,100
6	Thunder Valley Casino Resort*	Leisure/Hospitality	1,712
7	Safeway	Grocery Store	1,288
8	City of Roseville	Government	1,260
9	Roseville City School District	Education	1,260
10	Pacific Gas & Electric	Utilities	1,151

Source: Sacramento Business Journal, The List: Placer County Employers, June 8, 2022

Household Income

Median household income represents a broad statistical measure of well-being or standard of living in a community. The median income level divides households into two equal segments with one half of households earning less than the median and the other half earning more. The median income is considered to be a better indicator than the average household income as it is not dramatically affected by unusually high or low values. According to Claritas Spotlight data reporting service, the median household income for Placer County in 2022 is $104,027, which is higher than the state of California's median income of $88,967.

Transportation

Interstate 80, State Highway 65 and State Highway 193 are the major routes traversing Placer County. Major urban arterials in the southern part of the county include Douglas Boulevard, Roseville Parkway, Pleasant Grove Boulevard, Foothills Boulevard, Sunrise Avenue, Auburn-Folsom Road, Sierra College Boulevard, Sunset Boulevard, Rocklin Road and Stanford Ranch Road.

In addition to roadways within the county limits, South Placer County enjoys proximity to many of the Sacramento region's freeways that provide access to the San Francisco Bay Area to the west, Central and Southern California to the south, Northern California and Oregon to the north, and Nevada to the east. Sacramento International Airport is situated about 10 miles west of the county border. The county is also home to a couple of small private airports. The region has good railroad service, including the transcontinental Union Pacific Railroad and Amtrak. The Capitol Corridor system provides high-speed commuter rail service from Roseville to San Jose and Placer County Transit provides seven fixed routes servicing areas from Colfax down to Watt Avenue in Sacramento.

Recreation & Community Services

Placer County has ample community services and recreational opportunities. The County, cities and various park districts operate numerous public parks, golf courses, aquatic centers, libraries and community centers. Many private golf courses are located in the region, and several ski resorts are located in the mountains. Within the county lies a portion of the Folsom Lake State Recreation Area, a boating, fishing, and swimming retreat.

In terms of higher education, Placer County is home to Sierra College in Rocklin, a two-year community college offering a wide range of day and evening classes serving over 25,000 students. Sierra College also has an extension campus located in the Vernon District in Roseville and two additional campuses – the Nevada County and Tahoe-Truckee campuses. In 2004, William Jessup University, a private Christian college, moved from San Jose to a new facility in Rocklin. Additional university campuses within the county include Brandman University, National University and University of Phoenix, all located in Roseville.

The region offers good health services, including hospitals and medical office facilities. Two hospitals are located in Roseville – the Sutter Roseville Medical Center and Kaiser Permanente. In addition to the hospital, construction was completed at the end of 2019 for a new state-of-the-art, 194,000 square foot Kaiser Permanente medical campus to replace their existing campus on Riverside Avenue. The city of Auburn is home to Sutter Auburn Faith Hospital, Sutter Medical Center-Auburn, UC Davis Medical Center, Foundation Medical Clinic and Heritage Medical Center Complex. The city of Lincoln contains medical offices/clinics operated by Sutter, UC Davis, Kaiser and Catholic Healthcare West. In addition to these institutional health care facilities, the county is home to a large and growing number of private physicians, dentists, clinics and other medical specialists.

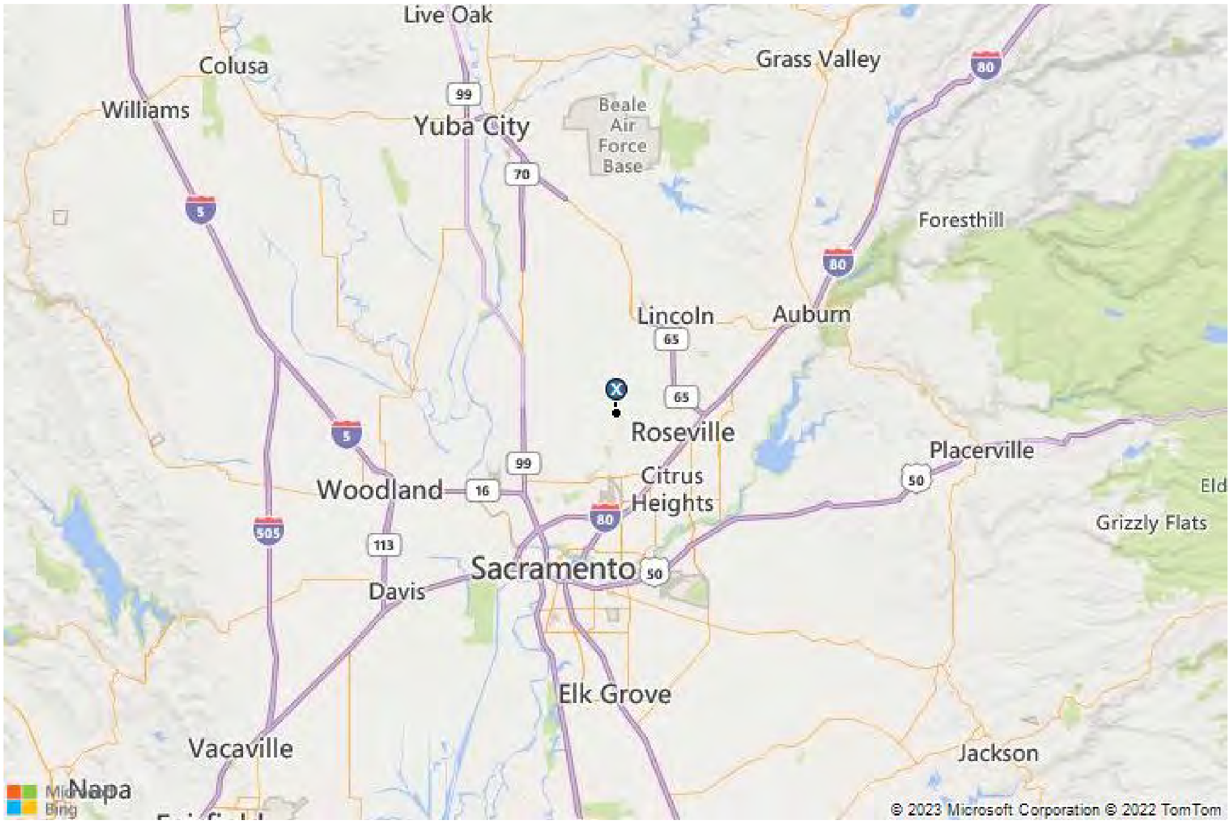
The city of Roseville is South Placer's hub for fine dining and entertainment. Several upscale restaurants are situated along Eureka Road, Roseville Parkway and Galleria Boulevard. Roseville and Rocklin both offer two multi-screen movie theatres, and Auburn has one theatre. Shopping centers are widespread, the largest of which are the Galleria at Roseville, a regional shopping mall that opened in 2000 and was expanded in 2008-2009, and the Fountains at Roseville, an outdoor lifestyle center that opened in June 2008.

Conclusion

Placer County encompasses a diverse area, with growing cities, small towns and rural areas, and an abundance of open space. The cities of Roseville, Rocklin and Lincoln have experienced strong growth in population and development over the past several years. Placer County is one of the most affluent in the greater Sacramento region in terms of household income levels. The area has a number of positive attributes, including seismic stability, a well-educated work force, good transportation systems, relative affordability and availability of housing compared to the Bay Area, and an excellent level of community services.

After a period of strong market and economic conditions, employment conditions declined sharply following the onset of the COVID-19 pandemic. Market and economic conditions have since improved, especially following the re-opening of the economy in June 2021. In the near term, macroeconomic factors, particularly high inflation and rising interest rates, are reintroducing uncertainty in the market, however, the long-term outlook for the region is positive given the historical stability of the local economy.

Area Map



Live Oak
Colusa
Grass Valley
Williams
Yuba City
Beale Air Force Base
Foresthill
Lincoln
Auburn
Roseville
Placerville
Citrus Heights
Woodland
Grizzly Flats
Sacramento
Davis
Elk Grove
Vacaville
Jackson
Napa
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Surrounding Area Analysis

Location

The boundaries of a neighborhood identify the physical area that influences the value of the subject property. These boundaries may coincide with observable changes in prevailing land use or occupant characteristics. Physical features such as the type of development, street patterns, terrain, vegetation and parcel size tend to identify neighborhoods. Roadways, waterways and changing elevations can also create neighborhood boundaries.

The subject property is located in the western part of the city of Roseville within the Sierra Vista Specific Plan. The Plan Area is bounded on the north by Pleasant Grove Boulevard, Baseline Road to the south, the Roseville City limits to the west, and Fiddyment Road to the east. The larger neighborhood influencing the subject is considered to be approximately Blue Oaks Boulevard to the north, Woodcreek Oaks Boulevard to the east, Baseline Road to the south and the Roseville City limits to the west.

Access and Linkages

The main surface streets in the neighborhood that provide access to subject are Pleasant Grove Boulevard and Westbrook Boulevard. In an easterly direction, Pleasant Grove Boulevard provides access to the additional areas in the city of Roseville as well as the city of Rocklin (when it becomes Park Drive); additionally, it provides access to Highway 65. To the east, Pleasant Grove boulevard also connects to Fiddyment Road, another thoroughfare that runs through West Roseville and continues south (when it becomes Walerga Road) to the communities of Antelope and North Highlands. In a northerly direction, Fiddyment Road connects to areas of unincorporated Placer County and the outskirts of the city of Lincoln (where it terminates at Moore Road). Westbrook Boulevard is a north-south surface street that currently terminates at the northern boundaries of the Sierra Vista Specific Plan in a southerly direction and provides access to the Westpark master planned community in a northerly direction. Upon build out of the Sierra Vista Specific Plan, Westbrook Boulevard will continue into Baseline Road to the south.

Other primary connectors in the neighborhood are Pleasant Grove Boulevard, Woodcreek Boulevard and Foothills Boulevard. Future connectors include Vista Grande Boulevard, Federico Drive and Santucci Boulevard. Approximately 4 miles northeast of the subject is State Highway 65, a north-south route that provides access to Lincoln, Wheatland and Yuba City to the north and Interstate 80 to the south. Interstate 80 is a primary east-west corridor for the Sacramento Metropolitan Area that intersects with State Highway 65 to the east of the subject property. Traveling east, Interstate 80 provides access to the outlying portions of Placer County and continues toward Reno, Nevada. To the west, Interstate 80 connects south Placer County to Sacramento’s Central Business District (via Business 80/Capital City Freeway) before continuing on toward Davis and San Francisco.

Roseville Transit provides public transportation for the area, which features fixed bus routes, commuter services and ride sharing minivans. Free transfers are also provided for the Placer County Transit and Sacramento Regional Transit.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics

2023 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	95747 (Roseville, CA)	Placer County, CA
Population 2020	7,274	37,322	129,508	75,357	404,739
Population 2023	8,433	41,150	135,387	80,747	419,929
Population 2028	10,090	46,597	144,216	88,445	441,444
Compound % Change 2020-2023	5.1%	3.3%	1.5%	2.3%	1.2%
Compound % Change 2023-2028	3.7%	2.5%	1.3%	1.8%	1.0%
Households 2020	2,266	13,596	44,014	26,674	152,101
Households 2023	2,595	14,687	45,804	28,284	157,404
Households 2028	3,089	16,343	48,620	30,714	165,055
Compound % Change 2020-2023	4.6%	2.6%	1.3%	2.0%	1.1%
Compound % Change 2023-2028	3.5%	2.2%	1.2%	1.7%	1.0%
Median Household Income 2023	$128,968	$129,626	$109,857	$130,161	$109,628
Average Household Size	3.3	2.8	3.0	2.9	2.6
College Graduate %	45%	45%	37%	45%	41%
Median Age	37	41	38	40	43
Owner Occupied %	81%	83%	75%	79%	73%
Renter Occupied %	19%	17%	25%	21%	27%
Median Owner Occupied Housing Value	$735,196	$698,241	$608,968	$687,576	$701,696
Median Year Structure Built	2014	2005	1998	2003	1993
Average Travel Time to Work in Minutes	36	35	33	33	30

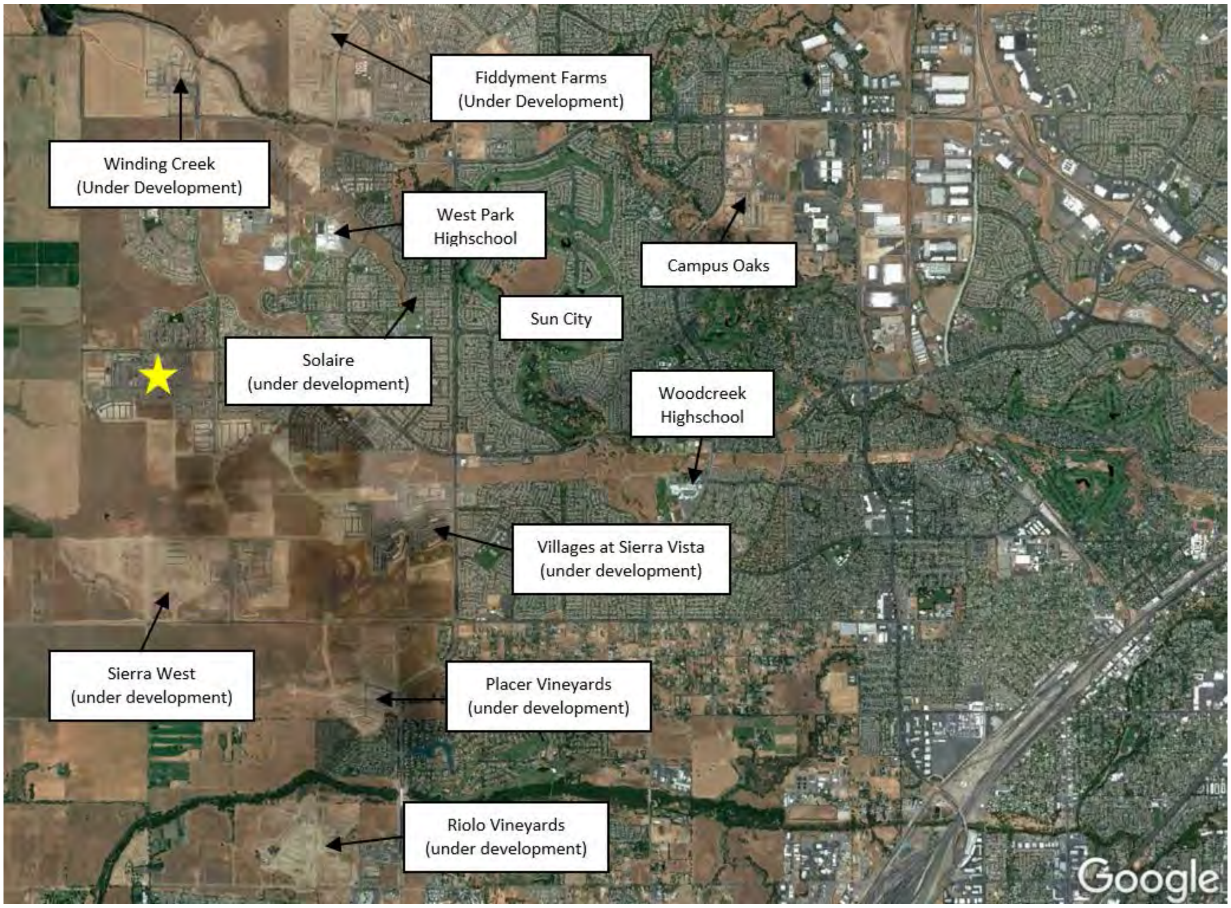
Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 41,150, and the average household size is 2.8. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to the subject's 95747 zip code overall, the population within a 3-mile radius is projected to grow at a faster rate.

Median household income is $129,626, which is similar to the household income for the 95747 zip code. Residents within a 3-mile radius have a similar level of educational attainment to those of the 95747 zip code, and median owner occupied home values are also similar.

Land Uses

A map of land uses in the vicinity of the subject is provided on the following page.



Community Uses

There are several community uses in the neighborhood, such as schools, religious facilities, medical services, parks, and recreational and cultural amenities. The most prominent recreational facility in the neighborhood is Mahany Park, a regional park at the southwest quadrant of Woodcreek Oaks Boulevard and Pleasant Grove Boulevard. This facility offers a softball complex and the neighboring Roseville Aquatics Complex and Roseville Sports Center. There are several golf courses in the area, including the public Woodcreek Oaks Golf Club and Diamond Oaks Municipal Golf Course, as well as the private Sierra View Country Club and 27 holes in the Sun City Roseville development.

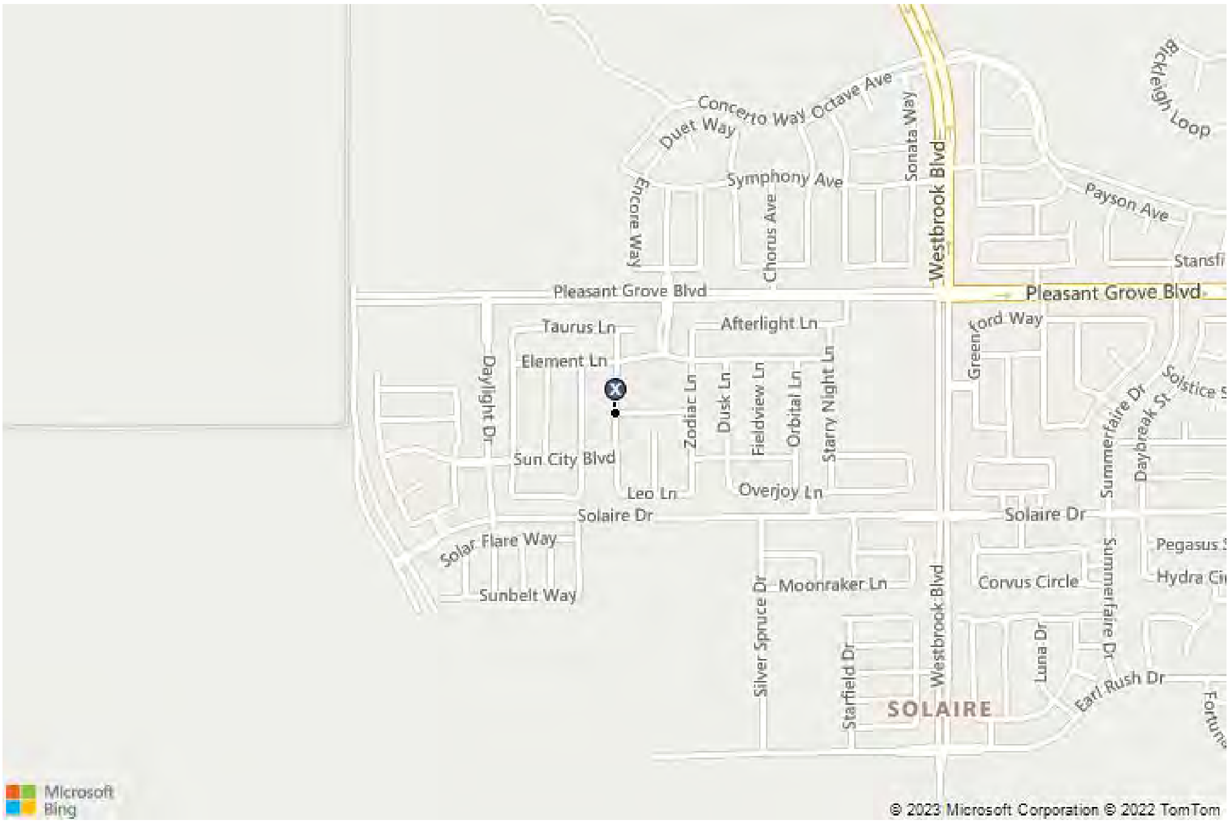
Woodcreek High School is located on the west line of Woodcreek Oaks Boulevard, south of Pleasant Grove Boulevard. The Placer County Fairgrounds is located at the intersection of Junction Boulevard and Washington Boulevard.

There are two main hospitals in Roseville, both of which are located in east Roseville, just south of Interstate 80 – Kaiser Permanente, located at the northeast corner of Rocky Ridge Drive and Douglas Boulevard, and Sutter Roseville Medical Center on Roseville Parkway.

Conclusion

In conclusion, the subject is located in an expanding suburban area that should continue to experience adequate demand for various urban property uses. While the subject is located on the edge of its neighborhood, and within an expanding area, overall the neighborhood will offer a balanced mix of land uses. The area has good access to neighborhood thoroughfares. Households in the area have above-average income levels, and the community appeal is good. The characteristics of the neighborhood relative to other parts of the Sacramento region are desirable.

Surrounding Area Map



Residential Market Analysis

Given prevailing land use patterns and the subject's zoning, a likely use of the property is for residential development. In the following paragraphs, we examine supply and demand indicators for residential development in the subject's area.

Submarket Overview

The subject property is located within the Sierra Vista Specific Plan, in the city of Roseville, Placer County. The neighborhood is characterized as a growing suburban area. Based on existing surrounding homes and new projects under development, the subject characteristics best support projects designed for entry level to move-up buyers.

In this analysis of the housing market, we will analyze market trends within Placer County and, more specifically, the city of Roseville.

Single-Family Building Permits

Single-family building permits for the city of Roseville as well as Placer County totals are shown in the following table.

Building Permits

Year	City of Roseville	Placer County
2007	1,050	2,188
2008	676	1,393
2009	602	1,130
2010	635	1,087
2011	411	812
2012	663	1,189
2013	535	1,268
2014	645	1,636
2015	967	1,996
2016	862	2,107
2017	1,191	2,500
2018	808	1,884
2019	998	2,035
2020	1,264	2,632
2021	1,883	4,073
2022	1,578	3,468

Source: SOCDS Buidling Permits Database

New Home Pricing and Sales

The Gregory Group surveys active new home projects in California and Nevada. On the following page we present a table containing indicators for active single-family residential projects the subject's County for the past three years. The data include both attached and detached projects, but the vast majority of units are detached homes.

New Home Sales History								
Time Period	Average price	% Change Average Price	Average Home Size (SF)	Average Price/Avg SF	% Change Price/SF	Quarter Sold	Number of Projects	Sold Per Proj. Per Month
1Q 2018	$517,797	--	2,538	$204.02	--	520	60	2.89
2Q 2018	$533,097	3.0%	2,566	$207.75	1.8%	535	57	3.13
3Q 2018	$546,323	2.5%	2,568	$212.74	2.4%	373	50	2.49
4Q 2018	$552,195	1.1%	2,570	$214.86	1.0%	248	47	1.76
1Q 2019	$558,717	1.2%	2,587	$215.97	0.5%	399	47	2.83
2Q 2019	$562,415	0.7%	2,559	$219.78	1.8%	433	55	2.62
3Q 2019	$561,823	-0.1%	2,533	$221.80	0.9%	388	54	2.40
4Q 2019	$551,303	-1.9%	2,477	$222.57	0.3%	372	54	2.30
1Q 2020	$557,958	1.2%	2,440	$228.67	2.7%	510	50	3.40
2Q 2020	$559,465	0.3%	2,437	$229.57	0.4%	410	53	2.58
3Q 2020	$561,708	0.4%	2,397	$234.34	2.1%	727	64	3.79
4Q 2020	$575,287	2.4%	2,378	$241.92	3.2%	653	62	3.51
1Q 2021	$617,645	7.4%	2,405	$256.82	6.2%	989	63	5.23
2Q 2021	$668,414	8.2%	2,413	$277.01	7.9%	772	66	3.90
3Q 2021	$668,486	0.0%	2,373	$281.71	1.7%	532	74	2.40
4Q 2021	$680,245	1.8%	2,356	$288.73	2.5%	665	77	2.88
1Q 2022	$701,134	3.1%	2,344	$299.12	3.6%	881	85	3.45
2Q 2022	$731,952	4.4%	2,390	$306.26	2.4%	618	85	2.42
3Q 2022	$711,065	-2.9%	2,365	$300.66	-1.8%	311	83	1.25
4Q 2022	$725,114	2.0%	2,415	$300.25	-0.1%	360	82	1.46

In terms of the number of home sales in Placer County, over the last 12 months, the average was 2.15 sales per month per project, which was down considerably from the average for the prior 12-month period of 3.60 sales per month per project.

Active New Home Projects Pricing and Absorption

There are 42 active projects in the Roseville market area. These projects are considered to be most competitive with the subject property given their locations and lot sizes. These projects are summarized in the tables on the following page, based on data from the Fourth Quarter of 2022.

Active Projects

Project	Master Plan	Community	Developer	Average Price	Avg. Home Size (SF)	Avgerage Price/SF	Typical Lot Size	Units Planned	Units Offered	Units Sold	Units Unsold
Andorra	Sierra West	Roseville	Lennar Homes	$609,490	2,276	$268	6,300	193	101	96	5
Aspire at Solaire*	Solaire	Roseville	K. Hovnanian Homes	$596,240	2,152	$277	3,825	180	167	154	13
Balboa	Fiddyment Farm	Roseville	D.R. Horton	$453,490	1,366	$332	2,400	299	146	135	11
Bartlett	Mason Trails	Roseville	KB Home	$558,657	2,313	$242	6,000	53	45	34	11
Belle Maison	Campus Oaks	Roseville	Lennar Homes	$558,490	1,916	$291	2,400	132	104	97	7
Breckenridge	Sierra West	Roseville	Lennar Homes	$634,990	2,571	$247	3,850	182	50	45	5
Cabernet at Brady Vineyards	--	Roseville	Woodside Homes	$714,657	2,573	$278	6,600	118	16	5	11
Chantilly	Campus Oaks	Roseville	Lennar Homes	$588,490	1,981	$297	3,600	86	55	50	5
Cortland	Mason Trails	Roseville	KB Home	$514,740	1,928	$267	5,500	110	65	56	9
Corvara II	Campus Oaks	Roseville	Lennar Homes	$751,740	2,469	$304	4,000	112	85	79	6
Emilia^	Placer Vineyards	Roseville	Lennar Homes	$752,578	2,683	$280	6,825	257	70	56	14
Excelsior	Sierra Vista	Roseville	JMC Homes	$833,490	2,962	$281	7,500	80	10	3	7
Fairbrook	Fiddyment Farm	Roseville	JMC Homes	$699,990	2,190	$320	5,000	115	64	51	13
Farms at Riolo Mariposa	--	Roseville	Homes by Towne	$576,133	2,189	$263	7,000	107	107	104	3
Firefly	Winding Creek	Roseville	K. Hovnanian Homes	$643,740	2,128	$303	3,600	86	78	71	7
Homestead	Mason Trails	Roseville	Fieldstone Communities	$1,015,967	3,184	$319	14,500	11	6	1	5
Illumination	Solaire	Roseville	Tri Pointe Homes	$582,557	2,021	$288	3,000	110	80	74	6
Lazio^	Placer Vineyards	Roseville	Lennar Homes	$593,190	2,133	$278	5,775	311	65	54	11
Lumiere	Sierra West	Roseville	Lennar Homes	$731,240	2,745	$266	6,300	205	107	98	9
Magnolia	Fiddyment Farm	Roseville	Taylor Morrison Homes	$771,990	3,027	$255	6,000	99	45	34	11
Meadowbrook	Fiddyment Farm	Roseville	JMC Homes	$963,323	3,148	$306	6,500	80	73	53	20
Melrose	Mason Trails	Roseville	D.R. Horton Homes	$588,740	2,087	$282	5,500	93	29	21	8
Meribel	Sierra West	Roseville	Lennar Homes	$731,990	2,947	$248	6,300	167	106	99	7
Molise^	Placer Vineyards	Roseville	Lennar Homes	$561,990	1,550	$363	4,725	178	56	50	6
Moscato at Brady Vineyards	--	Roseville	Woodside Homes	$641,240	2,120	$302	5,000	83	8	2	6
Novara	Fiddyment Farm	Roseville	Lennar Homes	$634,990	2,046	$310	5,250	105	105	104	1
Palisade Village	Sierra Vista	Roseville	JMC Homes	$551,865	1,743	$317	3,600	232	223	213	10
Pavia	Fiddyment Farm	Roseville	Lennar Homes	$720,490	2,276	$317	5,250	94	94	94	0
Pinnacle Village	Sierra Vista	Roseville	JMC Homes	$701,990	2,674	$263	7,150	127	127	125	2
Radiance*	Solaire	Roseville	Tri Pointe Homes	$628,102	2,397	$262	4,000	103	72	67	5
Roam	Winding Creek	Roseville	Meritage Homes	$674,950	2,408	$280	5,500	95	52	48	4
Sagebrook	Fiddyment Farm	Roseville	JMC Homes	$779,990	2,339	$333	5,500	122	64	52	12
Sausalito Walk	Campus Oaks	Roseville	Lennar Homes	$535,240	1,583	$338	2,400	101	101	101	0
Seasons	Mason Trails	Roseville	Richmond American Homes	$602,950	1,810	$333	9,600	77	14	9	5
Seasons at Sierra Vista	Sierra Vista	Roseville	Richmond American Homes	$546,617	2,070	$264	4,275	143	7	1	6
Sentinel Village	Sierra Vista	Roseville	JMC Homes	$668,657	1,961	$341	5,775	140	134	130	4
St. Moritz	Sierra West	Roseville	Lennar Homes	$674,740	2,567	$263	5,250	144	105	97	8
The Wilds II	Winding Creek	Roseville	D.R. Horton	$551,740	1,751	$315	3,600	182	135	129	6
Vail	Solaire	Roseville	Taylor Morrison Homes	$851,657	3,483	$245	6,000	74	50	45	5
Verrado	Solaire	Roseville	Beazer Homes	$638,990	2,198	$291	4,050	76	56	45	11
Windham	Sierra West	Roseville	Lennar Homes	$557,740	1,981	$282	3,500	105	51	47	4
Windsong	Winding Creek	Roseville	Richmond American Homes	$599,450	2,172	$276	4,500	71	31	26	5
			Minimum	$453,490	1,366	$242	2,400				
			Maximum	$1,015,967	3,483	$363	14,500				
			Average	$656,888	2,289	$290	5,314				

^Age-restricted project

*Part of subject property

Source: The Gregory Group

These projects are further summarized in the following table.

Absorption

Project	Master Plan	Builder	Avg. Home Price (4Q 22 Only)	Avg. Home Size (4Q 22 Only)	Lot Size (SF)	4Q 2022	3Q 2022	2Q 2022	1Q 2022	12-Month Total	Average Per Quarter	Average Per Month
Andorra	Sierra West	Lennar Homes	$609,490	2,276	6,300	3	17	7	17	44	11.0	**3.7**
Aspire at Solaire	Solaire	K. Hovnanian Homes	$596,240	2,152	3,825	4	0	10	9	23	5.8	**1.9**
Balboa	Fiddyment Farm	D.R. Horton	$453,490	1,366	2,400	11	12	25	27	75	18.8	**6.3**
Bartlett	Mason Trails	KB Home	$558,657	2,313	6,000	-1	9	18	8	34	8.5	**2.8**
Belle Maison	Campus Oaks	Lennar Homes	$558,490	1,916	2,400	11	7	4	16	38	9.5	**3.2**
Breckenridge	Sierra West	Lennar Homes	$634,990	2,571	3,850	10	18	6	6	40	10.0	**3.3**
Cabernet at Brady Vineyards	No	Woodside Homes	$714,657	2,573	6,600	-3	0	5	3	5	1.3	**0.4**
Chantilly	Campus Oaks	Lennar Homes	$588,490	1,981	3,600	8	8	5	14	35	8.8	**2.9**
Cortland	Mason Trails	KB Home	$514,740	1,928	5,500	15	12	17	12	56	14.0	**4.7**
Corvara II	Campus Oaks	Lennar Homes	$751,740	2,469	4,000	12	4	7	10	33	8.3	**2.8**
Emilia	Placer Vineyards	Lennar Homes	$752,578	2,683	6,825	7	14	19	12	52	13.0	**4.3**
Excelsior	Sierra Vista	JMC Homes	$833,490	2,962	7,500	1	0	2	--	3	1.0	**0.3**
Fairbrook	Fiddyment Farm	JMC Homes	$699,990	2,190	5,000	4	-5	8	10	17	4.3	**1.4**
Farms at Riolo Mariposa	No	Homes by Towne	$576,133	2,189	7,000	0	-2	4	7	9	2.3	**0.8**
Firefly	Winding Creek	K. Hovnanian Homes	$643,740	2,128	3,600	1	1	10	26	38	9.5	**3.2**
Homestead	Mason Trails	Fieldstone Communities	$1,015,967	3,184	14,500	-1	-1	2	1	1	0.3	**0.1**
Illumination	Solaire	Tri Pointe Homes	$582,557	2,021	3,000	6	4	10	9	29	7.3	**2.4**
Lazio	Placer Vineyards	Lennar Homes	$593,190	2,133	5,775	8	19	17	8	52	13.0	**4.3**
Lumiere	Sierra West	Lennar Homes	$731,240	2,745	6,300	5	11	13	16	45	11.3	**3.8**
Magnolia	Fiddyment Farm	Taylor Morrison Homes	$771,990	3,027	6,000	9	18	7	--	34	11.3	**3.8**
Meadowbrook	Fiddyment Farm	JMC Homes	$963,323	3,148	6,500	-5	7	6	8	16	4.0	**1.3**
Melrose	Mason Trails	D.R. Horton Homes	$588,740	2,087	5,500	9	12	--	--	21	10.5	**3.5**
Meribel	Sierra West	Lennar Homes	$731,990	2,947	6,300	14	6	16	8	44	11.0	**3.7**
Molise	Placer Vineyards	Lennar Homes	$561,990	1,550	4,725	14	0	16	13	43	10.8	**3.6**
Moscato at Brady Vineyards	No	Woodside Homes	$641,240	2,120	5,000	0	-1	2	1	2	0.5	**0.2**
Novara	Fiddyment Farm	Lennar Homes	$634,990	2,046	5,250	3	10	7	13	33	8.3	**2.8**
Palisade Village	Sierra Vista	JMC Homes	$551,865	1,743	3,600	7	5	16	1	29	7.3	**2.4**
Pavia	Fiddyment Farm	Lennar Homes	$720,490	2,276	5,250	6	1	8	14	29	7.3	**2.4**
Pinnacle Village	Sierra Vista	JMC Homes	$701,990	2,674	7,150	2	0	0	0	2	0.5	**0.2**
Radiance	Solaire	Tri Pointe Homes	$628,102	2,397	4,000	5	-2	17	12	32	8.0	**2.7**
Roam	Winding Creek	Meritage Homes	$674,950	2,408	5,500	7	13	7	11	38	9.5	**3.2**
Sagebrook	Fiddyment Farm	JMC Homes	$779,990	2,339	5,500	5	-4	8	11	20	5.0	**1.7**
Sausalito Walk	Campus Oaks	Lennar Homes	$535,240	1,583	2,400	1	4	5	11	21	5.3	**1.8**
Seasons	Mason Trails	Richmond American Homes	$602,950	1,810	9,600	4	5	--	--	9	4.5	**1.5**
Seasons at Sierra Vista	Sierra Vista	Richmond American Homes	$546,617	2,070	4,275	-2	-1	1	3	1	0.3	**0.1**
Sentinel Village	Sierra Vista	JMC Homes	$668,657	1,961	5,775	6	-3	0	0	3	0.8	**0.3**
St. Moritz	Sierra West	Lennar Homes	$674,740	2,567	5,250	15	3	10	16	44	11.0	**3.7**
The Wilds II	Winding Creek	D.R. Horton	$551,740	1,751	3,600	12	5	25	17	59	14.8	**4.9**
Vail	Solaire	Taylor Morrison Homes	$851,657	3,483	6,000	15	5	9	16	45	11.3	**3.8**
Verrado	Solaire	Beazer Homes	$638,990	2,198	4,050	-2	2	3	13	16	4.0	**1.3**
Windham	Sierra West	Lennar Homes	$557,740	1,981	3,500	14	12	4	11	41	10.3	**3.4**
Windsong	Winding Creek	Richmond American Homes	$599,450	2,172	4,500	1	3	4	10	18	4.5	**1.5**
					Total	241	228	360	400			
					No. of Active Projects	42	42	40	38			
					Quarterly Pro-Rata	5.7	5.4	9.0	10.5			
					Monthly Pro-Rata	**1.9**	**1.8**	**3.0**	**3.5**			
									2.6	**Average Monthly Pro-Rata**		

Resale Pricing

The following table shows historical resale data for more recently built homes (2015 and newer) in the subject's 95747 zip code. We restricted our search to lot sizes with less than 15,000 square feet.

Resales

Address	Sale Date	Living Area (SF)	Sale Price	Last List Price	Sale Price /SF	Sale/List	Year Built	Days on Market	Lot Size
1117 Wind Pl	2/9/2023	1,332	$450,000	$449,000	$338	100.2%	2017	21	2,592
4217 Eckersley Way	2/2/2023	2,361	$705,000	$729,000	$299	96.7%	2018	206	6,090
909 Marine Blue Ct	1/31/2023	1,964	$623,750	$620,000	$318	100.6%	2020	58	4,648
5016 Fitzwilliam St	1/25/2023	1,454	$540,000	$554,000	$371	97.5%	2019	20	5,127
4008 Peabody Way	1/23/2023	2,018	$630,000	$649,500	$312	97.0%	2020	91	5,637
2017 Earthlight Ln	1/19/2023	1,884	$607,000	$625,000	$322	97.1%	2020	79	5,750
7033 Splendor Ln	1/18/2023	1,857	$590,000	$617,500	$318	95.5%	2020	18	5,663
9200 Rioja St	1/17/2023	1,916	$540,000	$559,900	$282	96.4%	2016	14	3,925
4041 Southampton St	12/22/2022	2,391	$610,000	$618,000	$255	98.7%	2018	89	5,959
5001 Denholme Ln	12/20/2022	1,892	$495,000	$500,000	$262	99.0%	2017	75	2,901
5113 Glenwood Springs Way	12/19/2022	2,639	$655,000	$675,000	$248	97.0%	2017	31	6,342
108 Pictor Ln	12/15/2022	1,992	$610,000	$615,000	$306	99.2%	2017	40	4,905
6041 Belfast Way	12/12/2022	1,486	$599,000	$599,000	$403	100.0%	2019	30	5,127
2024 Mannington Pl	11/28/2022	1,210	$455,000	$455,000	$376	100.0%	2016	84	2,313
9144 Starry Night Ln	11/28/2022	1,246	$490,000	$499,950	$393	98.0%	2018	59	4,726
1177 Oakbriar Cir	11/23/2022	1,845	$550,000	$555,000	$298	99.1%	2017	67	3,729
3080 Verwood Pl	11/22/2022	1,963	$518,000	$530,888	$264	97.6%	2016	51	2,544
509 Glory Ct	11/21/2022	1,974	$555,000	$555,000	$281	100.0%	2017	50	5,210
4041 Solaire Dr	11/18/2022	2,328	$555,000	$562,000	$238	98.8%	2018	120	4,500
1361 Volonne Dr	11/17/2022	1,163	$530,000	$525,000	$456	101.0%	2015	53	3,607
2201 Provincetown Way	11/16/2022	1,355	$560,000	$574,000	$413	97.6%	2018	19	5,532
5160 Moonraker Ln	11/15/2022	1,961	$595,000	$595,000	$303	100.0%	2019	5	4,792
2049 Lanesborough St	11/7/2022	2,786	$669,000	$669,999	$240	99.9%	2020	31	4,792
2069 Camino Real Way	11/4/2022	1,985	$510,000	$524,900	$257	97.2%	2015	88	2,958
9016 Carneros St	11/4/2022	2,150	$598,000	$598,000	$278	100.0%	2017	58	3,372
1384 Volonne Dr	11/3/2022	1,577	$548,888	$548,888	$348	100.0%	2016	40	3,990
5620 Whisper Wind Way	10/28/2022	1,645	$575,000	$574,990	$350	100.0%	2019	24	5,262
3152 Welton Cir	10/27/2022	2,328	$600,000	$611,000	$258	98.2%	2019	148	3,598
1216 Volonne Dr	10/27/2022	1,476	$571,500	$589,000	$387	97.0%	2015	53	4,299
1141 Vista Verde Dr	10/26/2022	2,361	$685,000	$699,900	$290	97.9%	2017	75	6,974
1049 Essington Ln	10/25/2022	1,408	$495,000	$499,000	$352	99.2%	2019	91	2,579
1549 Monarch Grove St	10/25/2022	1,405	$540,000	$549,000	$384	98.4%	2019	14	3,598
2170 Village Green Dr	10/24/2022	1,963	$570,000	$575,500	$290	99.0%	2017	58	2,980
2161 Somers St	10/24/2022	1,945	$650,000	$650,000	$334	100.0%	2019	1	5,663
5056 Forestdale Way	10/20/2022	1,945	$620,000	$625,000	$319	99.2%	2020	61	5,663
5257 Maddux Way	10/18/2022	2,361	$699,990	$699,990	$296	100.0%	2018	57	6,107
4000 Gunnar Dr	10/17/2022	1,892	$495,000	$499,900	$262	99.0%	2017	35	2,903
300 Belcastel Pl	10/17/2022	2,013	$565,000	$579,386	$281	97.5%	2018	23	3,176
3144 Jaffrey St	10/17/2022	2,459	$705,000	$699,999	$287	100.7%	2019	19	6,551
Total Sales	**39**	**1,896 (avg.)**	**$581,845 (avg.)**	**$586,082 (avg.)**	**$315 (avg.)**	**98.7% (avg.)**	**2018 (avg.)**	**55 (avg.)**	**4,515 (avg.)**

Ability to Pay

There are currently two active projects offering seven floor plans ranging in size from 1,829 to 2,578 square feet and an additional proposed project which will be offering three floor plans ranging in size from 1,970 to 2,480 square feet. In this section, we will examine the ability to pay among prospective buyers for a representative price point of $610,000, based on the indicators from the active projects. First, we will estimate the required annual household income based on typical mortgage parameters in the subject's market area. Specifically, we will employ a loan-to-value ratio of 80% (down payment of 20%), mortgage interest rate of 6.50%, 360 monthly payments, and a 35% ratio for the housing costs as a percent of monthly income (inclusive of principal, interest, all taxes and insurance). Property tax payments are accounted for in the analysis as well as homeowner's insurance. The following table shows the estimate of the annual household income that would be required to afford homes priced at the representative price point.

Income Required	
Home Price	$610,000
Loan % of Price (Loan to Value)	80%
Loan Amount	$488,000
Interest Rate	6.50%
Mortgage Payment	$3,084
Ad Valorem Taxes	$534
Bond Payments	
City of Roseville Westbrook CFD No. 1	$130
CFD No. 2 (Services)	$37
CFD No. 3 (Municipal Services)	$25
Property Insurance	$102
Total Monthly Obligation	$3,912
Mortgage Payment % of Income	40%
Monthly Income	$9,781
Annual Income	$117,372

We have obtained income data from Esri Business Analyst Online (Esri), formerly STDB Online, for a 10-mile radius surrounding the subject property, which is considered representative of typical buyers for the subject property. In the following table we show the income brackets within the noted area, along with estimates of the percentage of households able to afford homes priced at the representative price point within each income bracket.

Household Ability

Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< $15,000	12,935	5.6%	0.0%	0	0.0%
$15,000 - $24,999	12,966	5.6%	0.0%	0	0.0%
$25,000 - $34,999	14,086	6.1%	0.0%	0	0.0%
$35,000 - $49,999	23,043	10.0%	0.0%	0	0.0%
$50,000 - $74,999	35,714	15.5%	0.0%	0	0.0%
$75,000 - $99,999	30,922	13.4%	0.0%	0	0.0%
$100,000 - $149,999	46,381	20.1%	65.3%	30,266	13.1%
$150,000 - $199,999	23,773	10.3%	100.0%	23,773	10.3%
$200,000 +	31,312	13.5%	100.0%	31,312	13.5%
	231,132	100.0%		85,351	36.9%

Generally, interest rates have an inverse relationship on the affordability of a home. In short, all else being equal higher interest rates increase the cost of monthly mortgage payments, thereby lowering home affordability for buyers based on income. Over the past several years, interest rates have remained historically low, often at or below 3.0%. Rates are still low, from a historical perspective, but have recently hovered around 6-7%, and there is an expectation of further increases in interest rates over the near term. Conversations with sales agents in multiple new home projects noted there has been a downtrend in demand from historic highs. The combination of historically high new home prices and rising interest rates have reportedly begun to price buyers out of the housing market. The interest rate has almost doubled since the beginning of 2022, which has dramatically increased the cost of a mortgage. In addition to increased housing costs, inflation has increased the costs of other goods and services for prospective homebuyers.

The federal reserve's fight to combat inflation by increasing interest rates has slowed demand for housing in the region. Information from homebuilders over the last few weeks indicate more turmoil from pending buyers dropping out of contracts. Homebuilders have also noted the pace of sales has slowed from the historic highs. Further, homebuilders have recently begun to offer concessions in the form of buying down interest rates and discounted options, instead of decreasing their base prices. This has been occurring over the past several months and now homebuilders have begun to lower the base prices within some projects. In the past several quarters, homebuilders were able to sell homes faster than they were able to construct the homes, but with the rising interest rates this has since declined. Based on current information and survey responses, recent increases in interest rates have impacted the pace of sales as well as pricing in some markets. Note the impact of the rising interest rates affects each buyer pool differently with the first-time homebuyer being the most affected segment of the buyer pool and luxury homebuyers the most insulated from the market.

Conclusions

We have summarized some of the key points from this section as follows:

- Building permit activity for single-family residences in Roseville reached a peak about 13 years ago, then fell precipitously during the recessionary period, but has been increasing in more recent years and has surpassed the previous high point in 2007.
- New home pricing in Roseville has been in a general increasing pattern over the last four years, albeit with a few quarterly dips. The most recent period indicates among the highest new home pricing per square foot observed over the last four years.
- According to the Gregory Group, there are currently 42 active new home projects in Roseville.
- Absorption rates within new home projects in West Roseville have ranged from 1.8 to 3.5 sales per month over the past year, with an average of 2.6 sales per month.
- Re-sale homes in West Roseville are transferring at or near the asking price, and the exposure period has averaged 55 days.
- Overall, demand for new homes in the subject's market area has slowed significantly due to market uncertainty related to continued inflation and rising interest rates.

Retail Market Analysis

The Sacramento Region retail market has seen steady improvement after the challenges faced during the pandemic but remains in a state of recession with recovery anticipated to be gradual over the next several years. Pent up demand, occupancy gains from deliveries of pre-leased construction projects and backfilling of some of the vacancies created during the pandemic contributed to positive net absorption and steady to slightly declining overall vacancy during 2022. Leasing has been most active for fitness, restaurants and recreational tenants, as well as discount retailers, service providers and grocers.

Although reports indicate demand has improved in recent quarters, it is noteworthy that consumer confidence has been on the decline as a result of inflation and rising interest rates. Recent reports by Bloomberg indicate that U.S. consumer confidence dropped in June 2022 to its lowest level in more than a year, and, after improving for a few months, dropped again in October and November 2022, before improving in December. However, consumers' expectations index remains at a level associated with recession.

Consumers' negative outlook, driven by concerns about rising gas and food prices, among other inflationary impacts, can influence behavior and lead to declining demand. To counter the highest inflation experienced in over four decades, the Federal Reserve implemented several increases in the federal funds rate in 2022, including a 75-basis point increase in June which was the biggest increase since 1994; a summary of the rate increases is presented as follows.

FOMC Meeting Date*	Rate Change (bps)	Federal Funds Rate
December 14, 2022	+50	4.25% to 4.50%
November 2, 2022	+75	3.75% to 4.00%
September 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.50%
June 16, 2022	+75	1.50% to 1.75%
May 5, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%

**Federal Open Market Committee*

Although intended to curb inflation, this high of an increase carries a higher risk of causing a recession. The higher cost of borrowing money also means consumers have less spending power, which will directly impact the retail market.

It is noted the figures in this overview are primarily based on quarterly surveys published by commercial real estate firm CBRE for retail buildings 20,000 square feet and larger, excluding regional malls. Market conditions may not be similar for smaller retail properties. In fact, many brokers have indicated market conditions are typically not as strong for smaller, unanchored properties. Anchored centers are generally more likely to maintain stabilized occupancy levels compared to unanchored centers.

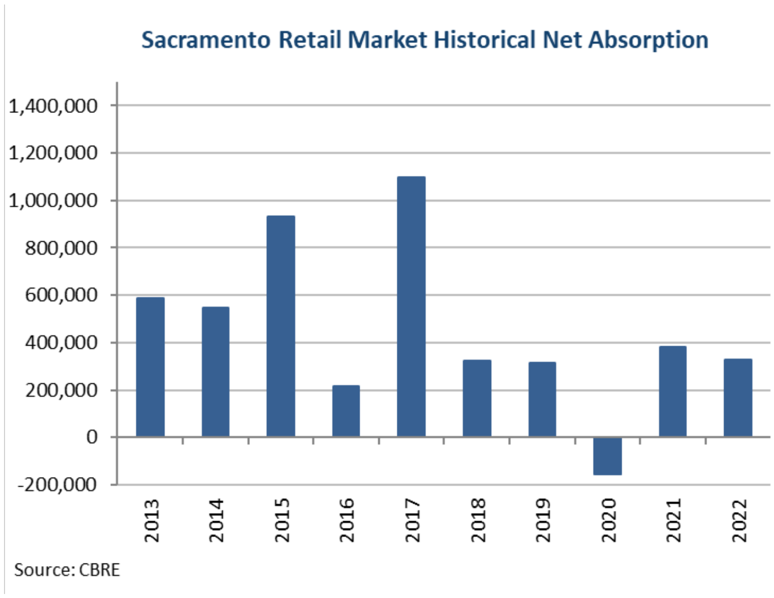
Economic Overview

The economy in the Sacramento-Roseville-Arden/Arcade MSA (El Dorado, Placer, Sacramento and Yolo Counties) has shown steady improvement following the onset of the pandemic when approximately 150,000 jobs were lost, particularly in the hospitality, restaurant, arts, entertainment, and recreation sectors. Jobs were slowly regained as businesses reopened. As of December 2022, the California Employment Development Department reports a gain of 32,500 jobs compared to a year ago, with the biggest gains in the Educational/Health Services and Leisure/Hospitality sectors (11,100 and 5,900 jobs added, respectively). As of December 2022, the unemployment rate was 3.3%, below the year ago estimate of 4.3%.

While economic conditions have steadily improved over the past two years, the market is currently facing additional challenges on a macroeconomic level, which increasingly point towards a recession.

Absorption & Vacancy

The following chart displays historical net absorption in the Sacramento retail market.



The year 2017 marked a high point of net absorption over the economic cycle, due primarily to completions of new retail projects. Most notably, the Delta Shores project contributed over 500,000 square feet of new retail space during 2017.

The year 2018 reflected several vacancies of big box tenants, including Safeway and Big Lots in the West Capitol Plaza, West Sacramento; and Walmart and Sam's Club in the Country Club Centre (Arden/Howe/Watt submarket). In addition, Sears announced the closure of two stores in the Sacramento Region – Roseville Galleria and Sunrise Mall locations – and Toys R Us / Babies R Us announced the insolvency of its business, ultimately resulting in ten store closures in the region.

The first half of 2019 had low and negative net absorption; activity improved in the second half, with most leasing activity involving grocery store and discount concept tenants.

The first quarter 2020 recorded positive net absorption, due in large to the delivery of a Floor & Décor store in the Delta Shores center in Elk Grove/Laguna. The balance of the year had negative net absorption as the ongoing effects of the pandemic impacted small businesses and national retailers struggling financially.

Leasing activity picked up in 2021, with a year-end total of 1.1 million square feet of new leases. Every quarter except the second quarter recorded positive net absorption, with a year-end total of 380,000 square feet of net absorption.

Net absorption was negative in the first quarter of 2022, and positive the balance of the year. Contributing to this was Amazon Fresh taking occupancy of the 45,040 square foot former Toys R'Us store in Roseville. The following highlights the region's quarterly net absorption over the past three years.

Prior to the pandemic, tenant demand was strongest for restaurants, fitness facilities and experience-based destinations, consistent with the shift occurring in the retail sector. These users were most heavily impacted by the pandemic. Retailers that were most in demand during the pandemic include e-commerce, discount retailers, grocery, home improvement, and health and personal care. In 2022, CBRE reports fitness centers and restaurants were two of the most active categories in the market. The following summarizes some of the significant leases from the fourth quarter 2022.

- LA Fitness leased 35,000 square feet at 7410-7440 Elk Grove Blvd., Elk Grove
- K-Pot & Grill leased 8,000 square feet at 6117 Florin Road, Sacramento
- Roseville Soccer leased 7,000 square feet at 1159 Roseville Square, Roseville

The average retail vacancy in the Sacramento area was on a gradual downward trend beginning in 2010 when overall vacancy was near 14% until the second quarter 2020 after the onset of the pandemic. Vacancy peaked in the fourth quarter 2020 and has been steadily declining since as tenant demand and leasing activity for quality space have increased. The following chart summarizes average overall retail vacancy in the Sacramento region over the past three years.

Source: CBRE MarketView Reports

The fourth quarter 2022 posted an overall vacancy of 5.8%, down 10 basis points from the previous quarter and down 90 basis points year-over-year. The third quarter of 2018 was the first time in ten years that vacancy had slipped below 8% and although it has remained below that level, it has only recently begun to reach pre-pandemic levels.

The following table summarizes vacancy rates and net absorption by submarket.

Sacramento Retail Market Summary

Submarket	Total SF (millions)	Vacancy 4Q 2022	Net Absorption 4Q 2022	Net Absorption YTD
Arden/Watt/Howe	3.64	7.8%	2,742	76,231
Auburn/Loomis	1.15	5.8%	(15,077)	(5,910)
Carmichael	1.07	15.9%	7,200	17,784
Citrus Heights/Fair Oaks	4.87	7.5%	(22,628)	30,648
Folsom/El Dorado Hills	5.34	5.3%	37,750	75,855
Greenhaven/Pocket	0.43	6.7%	0	(24,427)
Hwy 50/Rancho Cordova	2.90	12.1%	3,392	38,080
Laguna/Elk Grove	5.87	2.2%	691	10,752
Lincoln	1.17	1.0%	2,150	3,197
North Highlands	2.58	3.7%	7,000	18,591
North Natomas	3.38	3.6%	1,833	(2,879)
Rocklin	2.58	4.9%	(3,994)	30,351
Roseville	6.42	4.3%	15,956	100,976
South Natomas	0.66	7.7%	0	(6,157)
South Sacramento	4.47	5.8%	(5,748)	25,872
West Sacramento/Davis	2.64	8.3%	(611)	(27,966)
Total	49.17	5.8%	30,656	360,998

Source: CBRE MarketView Reports

According to the data presented, the Folsom/El Dorado Hills submarket posted the highest level of net absorption, with a total of 37,750 square feet absorbed. The greatest occupancy loss was in the Citrus Heights/Fair Oaks submarket with 22,628 square feet of negative net absorption. Vacancy rates ranged from a low of 1.0% in the Lincoln submarket to a high of 15.9% in the Carmichael submarket.

Generally, vacancy has declined or remained flat in most submarkets, with the greatest improvement in the Folsom/El Dorado Hills submarket, where vacancy declined 70 basis points. The Auburn/Loomis submarket had the greatest increase in vacancy of 140 basis points.

Rental Rates

This section discusses average asking rental rates. The reader should note these rates provide only a snapshot of activity at a specific point in time, which is influenced by the quality and quantity of space available at that time. Guarded reliance should be placed on average asking rates due to the number of variables impacting these figures.

According to CBRE, the average asking rental rate for retail space in the Sacramento region was $1.58 psf/month, triple net in the fourth quarter of 2022, down $0.04 psf/month from the previous quarter and down $0.03 psf/month year-over-year. Over the past two years, the average asking rate has been on a downward trend as a significant amount of lower quality space has become available.

New Construction

Construction activity was limited in the region during the period of roughly 2008-2013 as a result of declining market conditions; however, new construction has increased in the region since 2014 as feasibility has improved. The following summarizes new construction deliveries in the market since 2014.

New development is primarily concentrated in growing suburban areas, with Costco planning stores in Natomas and El Dorado Hills, as well as a second location in Roseville; Amazon Fresh slated to open in early 2023 within the recently completed The Ridge in Elk Grove; The Plaza at Blue Oaks is under construction – the Raley's ONE anchor opened in June 2022; a Safeway-anchored center is in the pipeline in West Roseville and a Nugget-anchored shopping center is planned in Rocklin at the southwest corner of Whitney Ranch Parkway and University Avenue.

In the Downtown submarket, the most significant recent developments have been Ice Blocks and Downtown Commons (DOCO), which contributed to positive net absorption throughout 2018.

Ice Blocks is a mixed-use development in the historic R Street Corridor in Midtown featuring three city blocks of ground floor retail with boutiques, cafes and restaurants, as well as office space and 142 loft-style apartment units. The last of the three blocks was delivered in the fourth quarter 2017.

Downtown Commons (DOCO) is a 630,000-square foot lifestyle center anchored by Macy's, Cinemark, 24 Hour Fitness and Urban Outfitters. The Sawyer Hotel mixed-use development, located in the DOCO project, delivered 53,000 SF of retail/restaurant space at the end of 2017. In addition to the larger anchor tenants, there are a variety of restaurants and boutiques that have opened since completion. The final phase of the retail space was completed in the fourth quarter 2018.

The following table highlights some of the more significant retail projects recently completed and under construction in the region as of the fourth quarter 2022. In addition to these, there are various small retail projects under construction of 8,000 square feet or less.

Retail Projects New Construction

Project	Submarket	Size (SF)	Status
Campus Oaks Town Center - Nugget	Roseville	43,000	Delivered Q1 2021
Washington Blvd /Freedom Point Plaza (Bldg B)	Roseville	5,100	Delivered Q1 2021
Pacific Plaza - West Building / 304 Washington Blvd	Roseville	40,000	Delivered Q1 2021
8403-8423 Elk Grove Blvd (Bldgs A and B)	Elk Grove	13,313	Delivered Q1 2021
7175-7337 Murieta Drive	Highway 50	23,200	Delivered Q3 2021
Campus Oaks Town Center - Shops	Roseville	30,251	Delivered Q3 2021
Crocker Village Center Shops	South Sacramento	9,825	Delivered Q3 2021
Village Westpark / 2300 Pleasant Grove Blvd	Roseville	24,700	Delivered Q4 2021
The Ridge Phase II / 7530-7550 Elk Grove Blvd	Elk Grove	44,500	Delivered Q4 2021
Blue Oaks Plaza / Raleys ONE	Roseville	35,000	Delivered Q1 2022
Auto Dealership / Lotz Parkway	Elk Grove	25,568	Delivered Q1 2022
5489 Sunrise Blvd	Citrus Heights	27,150	Delivered Q2 2022
Crocker Village Center Shops	South Sacramento	9,000	Delivered Q3 2022
Campus Oaks Major 2 / Blue Oaks & Woodcreek Oaks	Roseville	38,300	Delivered Q3 2022
804 Hilltop Street	Auburn/Loomis	12,180	Delivered Q3 2022
Woodland Gateway Center, Phase II Bronze Star Drive	Woodland	22,000	Delivered Q4 2022
8438 Elk Grove Florin Road	South Sacramento	37,000	Under Construction / Delivery Q1 2023
Fruitridge Shopping Center	South Sacramento	15,008	Under Construction / Delivery Q1 2023
Anatolia Marketplace / SEC Sunrise Blvd & Douglas Rd	Highway 50	93,975	Under Construction / Delivery Q1 2023
The Boulevard / SWC Howe & Fair Oaks Blvd - Bldgs A & B	Arden/Watt/Howe	49,289	Under Construction / Delivery Q2 2023
200 Vernon Street / Mixed Use	Roseville	26,354	Under Construction / Delivery Q3 2023
Crocker Village Anchor - Phase 2	South Sacramento	59,224	Under Construction / Delivery Q4 2023

Source: CBRE; CoStar; Kidder Mathews, Colliers Research and Forecast Report

Looking Ahead

For several years, the retail sector has been transitioning towards more online shopping, while brick and mortar locations have been shifting to experience-based uses. Much of the market activity prior to the pandemic was a result of this shift, with an expansion of service-oriented retailers – food service, fitness clubs and personal service businesses. These users were the most heavily impacted by pandemic restrictions but have re-emerged in the current market. Home improvement stores, discount and grocery stores have likewise seen an increase in activity.

The Sacramento retail market began to see improvement in market conditions in the second half of 2021 as users re-entered the market following the full re-opening of the economy statewide mid-year. Steady increases in demand and slow improvement in market indicators continued through 2022.

Looking forward, the Sacramento retail market is poised for gradual recovery as consumers once again seek out retail services and establishments, driving up demand and leasing. However, the positive trajectory could be affected in the near term by rising cost of capital, high gas prices, staffing shortages, and supply chain disruptions. In addition, current macroeconomic factors, including high inflation, significant interest rate increases, and declining U.S. consumer confidence, point towards a looming recession.

Multifamily Market Analysis

Over the past several years, the Sacramento apartment market has exhibited strong rental rate growth and vacancy rates well below equilibrium, prompting strong new construction activity. The market was among the strongest in the nation, fueled by significant population growth, moderate job growth and very low unemployment. Despite the upward spike in unemployment in 2020, vacancies were not significantly impacted by the pandemic. Significant population increase as Bay Area residents working remotely relocated to the Sacramento region contributed to the strong demand and sustained low vacancy. In addition, single family home prices escalated significantly, while inventory levels declined, forcing many to turn to renting for housing.

Strong market fundamentals continued into the first half of 2022, but moderated in the second half. The market's very tight conditions left little room for continued improvement. The wave of migration from the higher-priced Bay Area markets slowed and a significant level of new units were delivered, offering renters greater options. Though key market indicators are still very strong, the market is beginning to stabilize.

New Construction

The following chart indicates the number of multifamily building permits issued over the last 15 years in the four-county Sacramento MSA (Sacramento, El Dorado, Placer and Yolo Counties). These figures include for-rent apartments and for-sale condominiums of projects containing at least five units.

Permit activity for multifamily projects was low during the recovery years of 2010 through 2014, but increased beginning in 2015 to the present, as developers responded to improving market conditions, particularly very low vacancy. Information from the U.S. Census indicates as of September, there have been 2,007 permits issued year-to-date in 2022.

Third party research reports indicate that the year 2018 was the strongest in terms of new construction in the preceding 12 years. By the end of 2018, there were 2,032 units under construction, twice as many units as there were at the end of 2017. In total, it is estimated 1,324 units were delivered in 2018. Activity further intensified in subsequent years.

The following information was extracted from local research reports.

- Colliers International estimates 1,267 units were delivered in 2019, 1,474 units were delivered in 2020 and 1,849 units were delivered in 2021. An estimated 1,854 units were delivered in the first three quarter of 2022; the forecast is for 2,869 units to be delivered in total in 2022. It is estimated 4,561 units were under construction as of the third quarter 2022.

- Costar data indicates 1,784 units were delivered in 2019; 1,481 units in 2020 and 1,542 units in 2021. The data shows that 1,787 units were delivered year-to-date as of the third quarter 2022, and 5,091 units were under construction.

- Kidder Mathews reports indicate 1,420 units were delivered in 2019, 1,297 units delivered in 2020, and 1,697 units were delivered in 2021. The report also indicates 6,295 units were under construction as of the third quarter 2022.

A summary of significant apartment projects recently completed or under construction is highlighted in the following table.

Apartment Projects New Construction

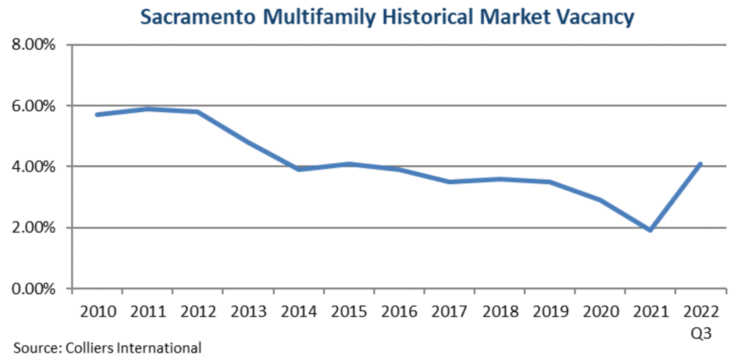
Project	Submarket	Number of Units	Status
Recently Completed			
Eleanor Apts / 501 16th Street	Central Sacramento	95	Completed Q3 2021
Element 79 / 4387 Town Center Dr	El Dorado Hills	214	Completed Q3 2021
Sonrisa Senior Living / 1031 Roseville Pky	Roseville	201	Completed Q3 2021
The Eisley / 1567 Bartlett Lane	North Sacramento	405	Completed Q3 2021
The Frederic / 601 Capitol Mall	Central Sacramento	160	Completed Q4 2021
Ryder on Olive / 1133 Olive Drive (Student Housing)	Davis	131	Completed Q4 2021
Maven on Broadway / 2570 3rd Street	Central Sacramento	408	Completed Q1 2022
Revel Folsom Apts / 2075 Iron Point Road	Folsom	166	Completed Q1 2022
Mirasol Village / 1209 Sitka Street	Central Sacramento	427	Completed Q2 2022
The Mansion / 700 16th Street	Central Sacramento	190	Completed Q2 2022
17 Central / 1631 K Street	Central Sacramento	107	Completed Q2 2022
Lavendar Courtyard / 1616 F St	Central Sacramento	53	Completed Q2 2022
Sacramento Commons / 5th-6th & N-P Streets	Central Sacramento	436	Completed Q3 2022
The Kind Project / 429 F Street	West Sacramento	148	Completed Q3 2022
Under Construction			
Sierra Gateway / 5401 Sierra College Blvd	Rocklin	195	Delivery Q4 2022
Track 281 / 321 Bercut Drive	Central Sacramento	281	Delivery Q4 2022
Aurora / 2220 Cemo Circle	Rancho Cordova	162	Delivery Q4 2022
Envoy / 1030 J Street	Central Sacramento	153	Delivery Q4 2022
Solstice at Fiddyment Ranch / 2151 Prairie Town Way	Roseville	189	Delivery Q1 2023
Klotz Ranch Apts / 7699 Klotz Ranch Ct	South Sacramento	266	Delivery Q1 2023
The West / 805 S River Road	West Sacramento	286	Delivery Q1 2023
The A.J. at The Railyards / 703 N 7th Street	Central Sacramento	345	Delivery Q2 2023
The Offset Apts / 3610 Duckhorn Drive	North Natomas	368	Delivery Q2 2023
The Celeste / 3820 Chiles Road	Davis	225	Delivery Q2 2023
Tanzanite / 3575 Airport Road	Natomas	203	Delivery Q2 2023
Medley Apartments / 4170-4190 E Commerce	North Natomas	160	Delivery Q4 2023
Terracina @ Whitney / 711 University Ave	Rocklin	288	Delivery Q1 2024
Natomas II / 3701-3811 E Commerce	North Natomas	472	Delivery Q2 2024
Kinect @ Southport / 2415 Jefferson Blvd	West Sacramento	342	Delivery Q2 2024

Source: Costar; Kidder Mathews Real Estate Market Review; Colliers International Research and Forecast Report

Vacancy

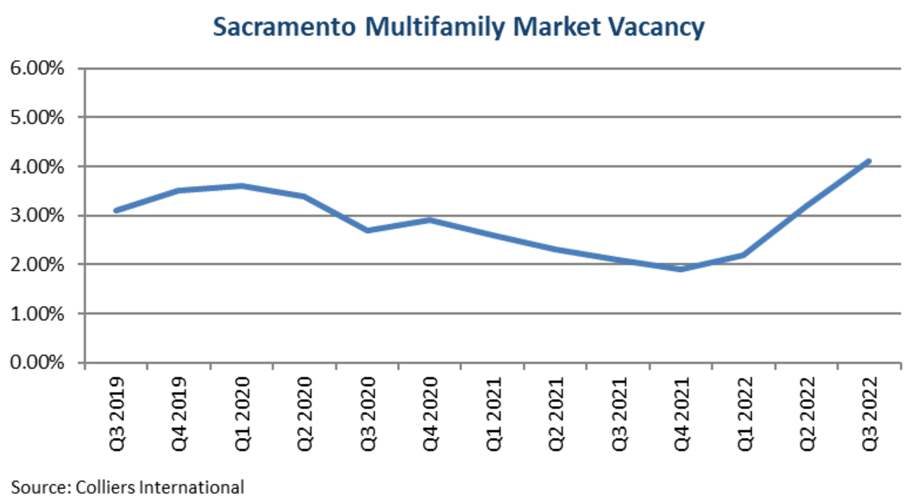
Historically speaking, the regional apartment market has maintained relatively low vacancy. Over the last decade, after peaking in the 7% range in 2009, the region's average vacancy rate steadily declined through 2013 and then remained relatively flat near 4% through 2016. By mid-2017, the vacancy rate decreased to 3.5% and remained in the low to mid 3% range until the third quarter 2020, when it declined to below 3%.

Historical overall vacancy over the past decade is illustrated in the following chart.



As of the third quarter 2022, overall vacancy was 4.1%, up 90 basis points from the previous quarter and up 200 basis points year-over-year. The market maintained strong demand and sustained low vacancy through the pandemic and, though they have moderated, conditions remain favorable despite the economic factors currently impacting local markets and the nation overall.

The following chart shows the region's average apartment vacancy rate over the past three years.



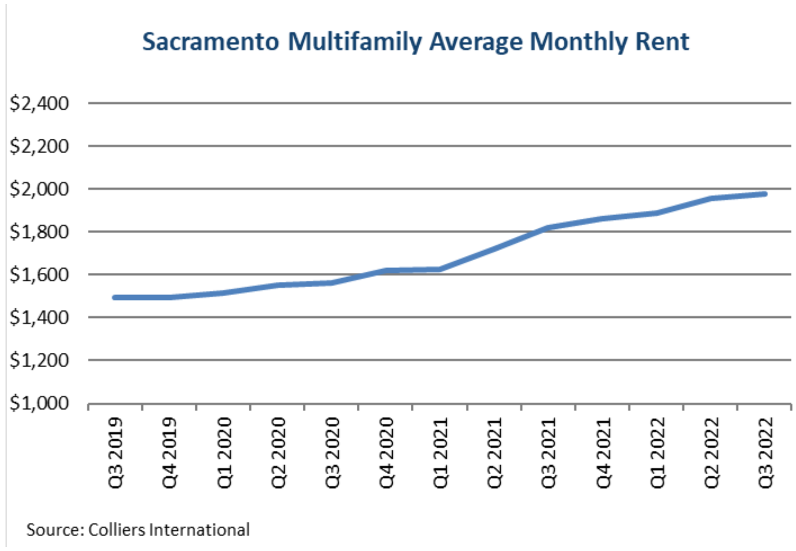
Rental Rates

Over the past several years, the Sacramento metro ranked among the top markets in the nation for annual rent growth, according to information extracted from the U.S. Multifamily Figures report published by CBRE. However, the Sacramento metro has not ranked as one of the highest for growth nationwide thus far in 2022. In contrast, of the 69 markets CBRE tracks, in the third quarter 2022, the Sacramento metro had the fourth lowest annual rent appreciation at 5.4% year-over-year. In the Pacific Region, the Sacramento metro ranked 11th of 12th in rent growth.

Rental rates have been steadily rising since 2009, with steeper increases from 2013 to 2017, moderating in 2018 and 2019, and increasing again in 2021. The influx of population into the

Sacramento metro during the pandemic and resulting demand for apartment units largely drove this growth. However, as previously noted, rental rate growth has moderated over the past 12 months.

The average monthly rental rate as of the third quarter 2022 was $1,977 per unit/month, up from $1,955 per unit/month the previous quarter, and up from $1,821 per unit/month a year ago. The following chart provides a summary of the average monthly apartment rental rates over the past three years.



It is noted future rent growth may be impacted by the enactment of rent control laws. On October 8, 2019, Governor Gavin Newsom signed Assembly Bill (AB) 1482, the Tenant Protection Act of 2019, making California the third state to enact a statewide rent control measure impacting residential rental housing. The bill is retroactively effective as of March 15, 2019 and will extend until January 1, 2030. Properties that are affected by this bill include any property containing at least two non-owner-occupied rental units built 15 or more years ago. The bill prohibits an owner of residential real property from, over the course of any 12-month period, increasing the gross rental rate for a dwelling or unit more than 5% plus the percentage change in the cost of living (regional Consumer Price Index from April 1 of the prior year, to April 1 of the current year), or 10%, whichever is lower.

Submarket Data

The following table highlights the average monthly rental rates and vacancy for the Sacramento area submarkets as of the third quarter 2022.

Sacramento Multifamily Market Summary

Submarket	Inventory	Rental Rates	Vacancy
Arden / Arcade	13,891	$1,635	3.6%
Carmichael	9,187	$1,618	2.5%
Central Sacramento	18,587	$2,205	8.1%
Citrus Heights	7,197	$1,787	3.4%
Davis	8,883	$2,280	2.0%
Folsom / Orangevale / Fair Oaks	14,406	$2,221	4.4%
N Sacramento / North Highlands	10,602	$1,938	4.8%
Natomas	13,417	$2,028	4.4%
Rancho Cordova / East Sacramento	11,820	$1,848	4.2%
Roseville / Rocklin	17,664	$2,204	4.5%
South Sacramento	20,770	$1,908	3.9%
Woodland / West Sacramento	8,584	$1,858	3.3%
Sacramento Market Total	155,008	$1,977	4.1%

Source: Colliers International Sacramento Multifamily Market Report, Q3 2022

According to the report, during the third quarter 2022, the Central Sacramento, and North Sacramento/North Highlands submarkets recorded the highest average vacancies at 8.1% and 4.8%, respectively, while the lowest were reported in Davis and Carmichael at 2.0% and 2.5%, respectively. The remaining submarkets each had overall vacancy ranging from 3.3% to 4.5%. Rental rates increased in each submarket compared to a year ago. The highest annual rental rate growth was in Carmichael (14.3% increase) and Woodland/West Sacramento (14.0% increase).

The Downtown/Central Sacramento submarket has exhibited steady demand in recent years, fueling new development. Various multifamily projects are underway or planned in the Downtown and Midtown areas, both in the form of new construction as well as renovation of existing buildings. As of the third quarter 2022, CoStar research reports indicate there are 1,071 units under construction in the Downtown Sacramento submarket, representing 21% of total market construction. Colliers reports 1,851 units under construction in the Central Sacramento market, representing 41% of total market construction.

Sales Activity

Sales activity for apartments in the region was strong for several years prior to the pandemic. Volume totaled $1.87 billion in apartment sales in 2018, the highest on record, and $1.34 billion in 2019.

According to Colliers International research data, sales volume of $228.6 million was reported for the first quarter 2020, with a decline to only 13 transactions, totaling $180.7 million, in the second quarter following the onset of the pandemic. Sales activity resumed in the third quarter with volume of $215.5 million from 24 transactions and the fourth quarter had over $473 million in sales volume. The year ended with $1.18 billion in annual sales volume from 101 transactions, marking the sixth consecutive year of sales volume over $1 billion. The average price per unit was $224,229 and the average capitalization rate was 5.5%.

In 2021, sales volume totaled $1.5 billion with an average price of $217,938 and average capitalization rate of 4.9%. Apartment capitalization rates have generally trended downward over the past decade, stabilizing in the mid 5% range in recent years with additional decline in 2021 and 2022.

The third quarter 2022showed particularly strong sales volume, with $664 million and an average price of $259,490 per unit reported by Colliers and $785 million with an average price of $273,909 per unit reported by CoStar. Sales volume reported by Colliers year to date as of the third quarter 2022 was $1.6 billion, with an average price of $261,665 per unit and average cap rate of 4.4%. CoStar reported $1.54 billion in sales as of the third quarter.

Sales volume is expected to decline in the near term as higher interest rates continue to impact investment activity in commercial real estate markets. Likewise, overall capitalization rates are expected to increase in response to the rising interest rates. Notable recent sales transactions are summarized below.

Sacramento Area Notable Sales Transactions

Project	Number of Units	Submarket	Sale Price	Price / Unit
The Falls at Willow Creek / 1780 Creekside Dr	426	Folsom	$148,600,000	$348,826
The Eleven Hundred Apts / 1100 Howe Ave	565	Arden - Arcade	$119,000,000	$210,619
Monticello at Southport Apts / 2150 Valley Oak Ln	208	West Sacramento	$63,800,000	$306,731
The Legends at Willow Creek / 180 S. Lexington Dr	208	Folsom	$61,400,000	$295,192
Capitol Place Apts / 850 Sacramento Ave	192	Central Sacramento	$58,200,000	$303,125
Northwood Apartments	156	Arden - Arcade	$31,300,000	$200,641
The Brighton	68	Roseville/Rocklin	$23,200,000	$341,176
Moxy	48	North Sacramento	$7,616,000	$158,667

Source: Kidder Mathews, Costar

Conclusion

Recovery in the local economy and job gains have contributed to sustained strong market fundamentals in 2021 and the first half of 2022. However, the rate of expansion has moderated moving into the second half of the year and over the next year, the Sacramento apartment market is expected to settle into a period of stabilization.

Demand from out of area re-locations may moderate as renters are already returning to Bay Area markets following return to office and hybrid work model implementations. The high cost of housing in the current market may also increase co-living trends to save on housing costs. However, the biggest impact on housing in the current market comes from macroeconomic factors. High inflation and rising interest rates have made single family home ownership less affordable. The single-family residential market has slowed considerably in recent months following federal reserve interest rate increases aimed at curtailing inflation. Demand for multi-family housing stands to benefit as residents turn to renting during this period of economic uncertainty.

In summary, conditions in the near term will remain favorable, though demand is expected to soften and the high rental rate increases and minimal vacancy experienced over the past two years will give way to more options for renters, steering the market toward an equilibrium between demand and supply.

Property Analysis

Land Description and Analysis

Land Description	
Land Area	353.4 acres
Source of Land Area	RMA
Primary Street Frontage	Pleasant Grove
Shape	Irregular
Corner	Yes
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	06061C-920H
Date	November 2, 2018
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Zoning; Other Regulations	
Zoning Jurisdiction	City of Roseville
Zoning Designation	RS/DS, R3, CC/SA
Description	Small lot residential, development standard overlay; attached housing; community commercial, special area
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Other Land Use Regulations	None reported or observed
Utilities	
Service	Provider
Water	City of Roseville
Sewer	City of Roseville
Electricity	Roseville Electric
Natural Gas	PG&E
Local Phone	Comcast, AT&T

Offsite Improvements

At the time of inspection, backbone infrastructure and intract work appeared to be significantly complete.

Entitlements

A summary of the current legal entitlements and project information comprising the appraised properties is shown in the following table, excluding the 1,222 Assessed parcels not appraised herein.

Entitlements	Lots/Parcels
Completed Single-Family Homes without Complete Assessed Value	150
Partially Completed Single Family Homes (Under Construction)	3
Finished Single-Family Lots	26
Nearly Finished Single-Family Lots	63
HDR Parcel	1
Commercial Parcel	1
Total	**244**

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Easements, Encroachments and Restrictions

We have reviewed preliminary title reports prepared by Placer Title Company dated April 1, 2022, and August 8, 2019, for portions of the subject property. The reports identify exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the subject has clear and marketable title.

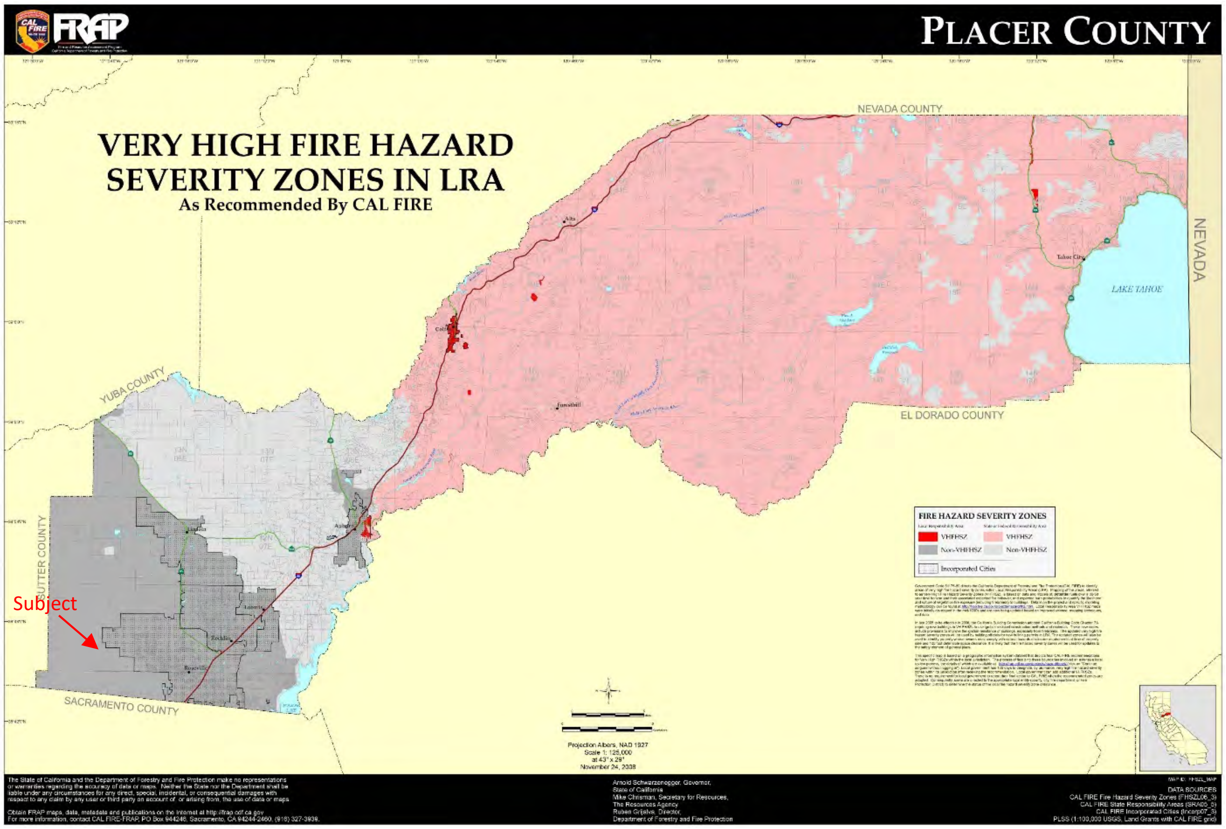
We were not provided a current title report to review for the remainder of the property. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Seismic Hazards

According to the Seismic Safety Commission, the subject property is located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. In addition, the subject is not located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology.

Fire Hazard Risk

The following map identifies areas of Placer County that have been classified as Fire Hazard Severity Zones. As shown in the following map, the subject's immediate area has not been classified as a Very High Fire Hazard Severity Zone (VHFHSZ).



Permits and Fees

The Permits and Fees structure is incorporated within the Development Agreement and is similar to other developments in the region. However, the subject property incorporates school districts with differing desirability and differing associated fees. According to information provided, permits and fees due at building permit for homes within the Roseville City School District (RCSD) and Roseville Joint Union High School District (RJUHSD) are higher than for homes within the Center Joint Unified School District (CJUSD). On average, total permits and fees for homes within RCSD/RJUHSD are $78,100 per lot, while permits and fees for homes within CJUSD are approximately $52,571 per lot.

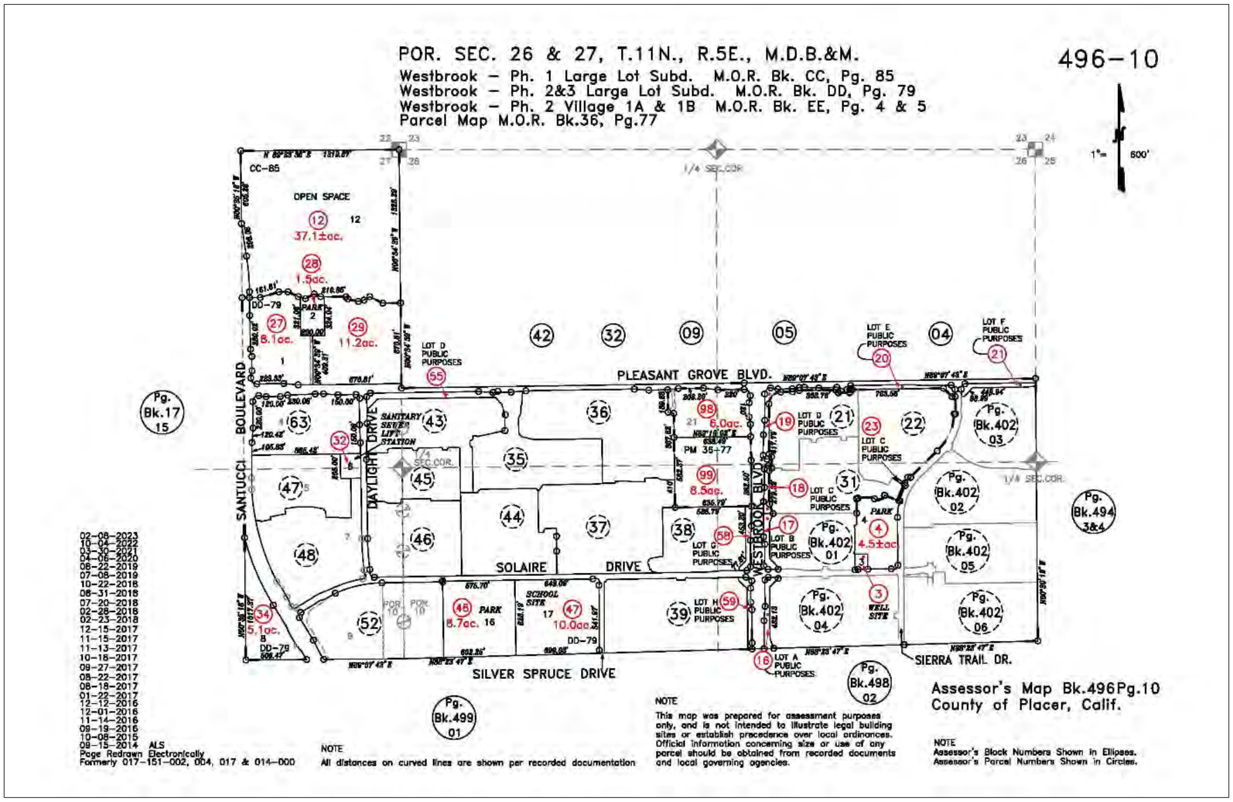
Site Development Costs

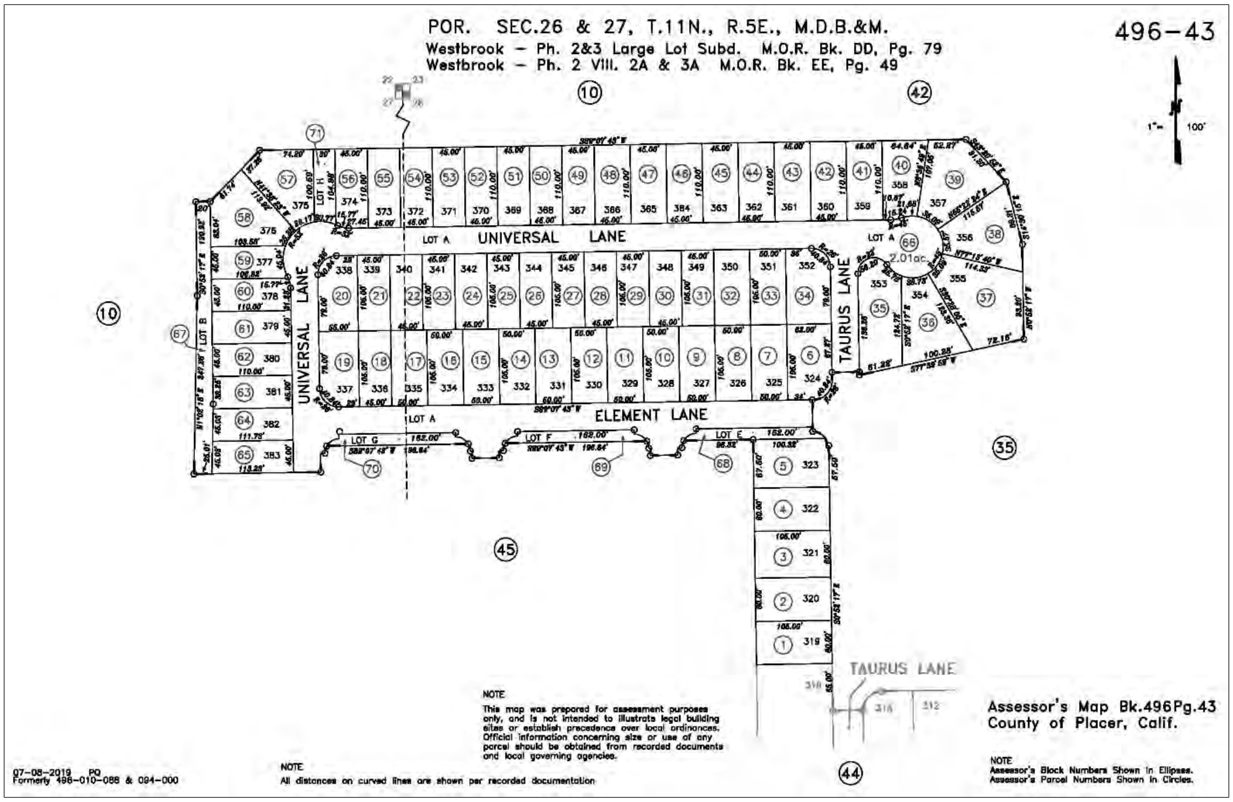
According to the Developer, remaining intract construction costs for WB-41 total $289,000 ($4,587 per lot). Additionally, all backbone infrastructure for the property has been constructed except for a portion of Santucci Boulevard north of Pleasant Grove Boulevard. The cost to complete this section of roadway is approximately $700,000, which will be funded by the Series 2023 bond proceeds.

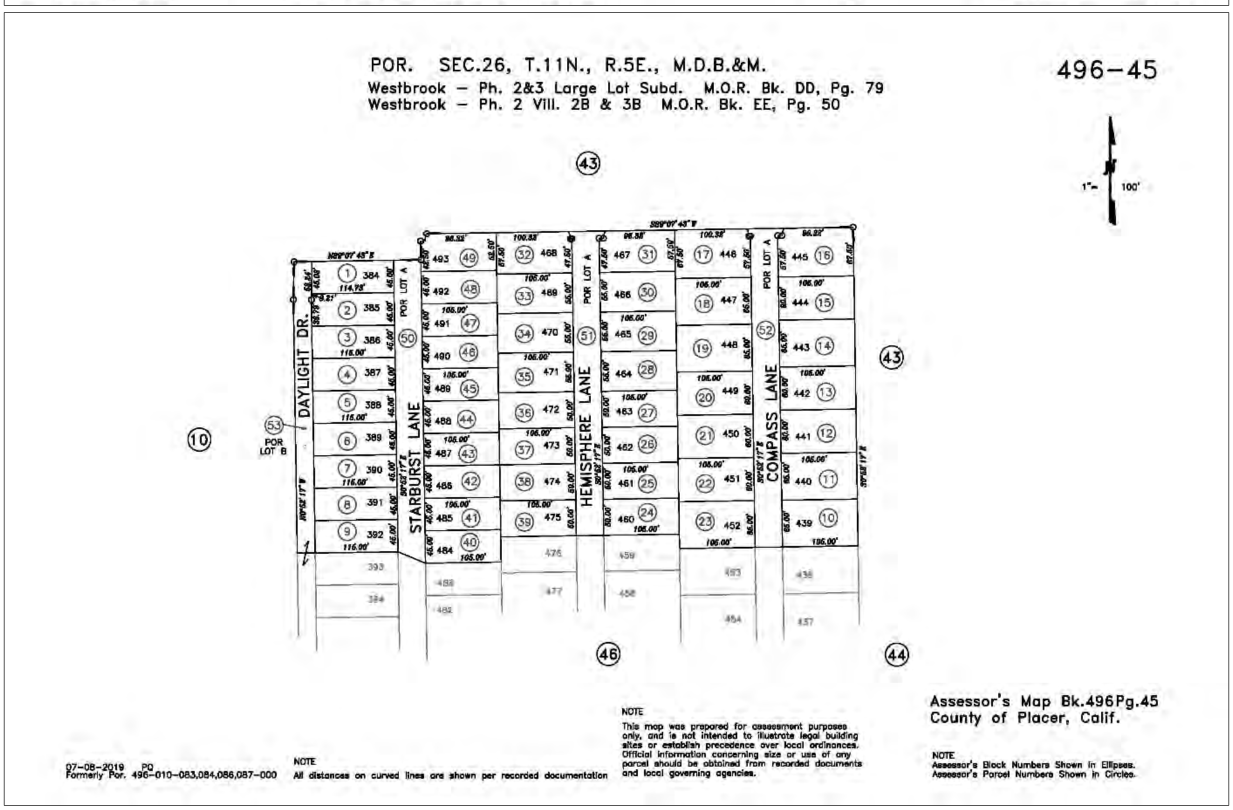
Conclusion of Site Analysis

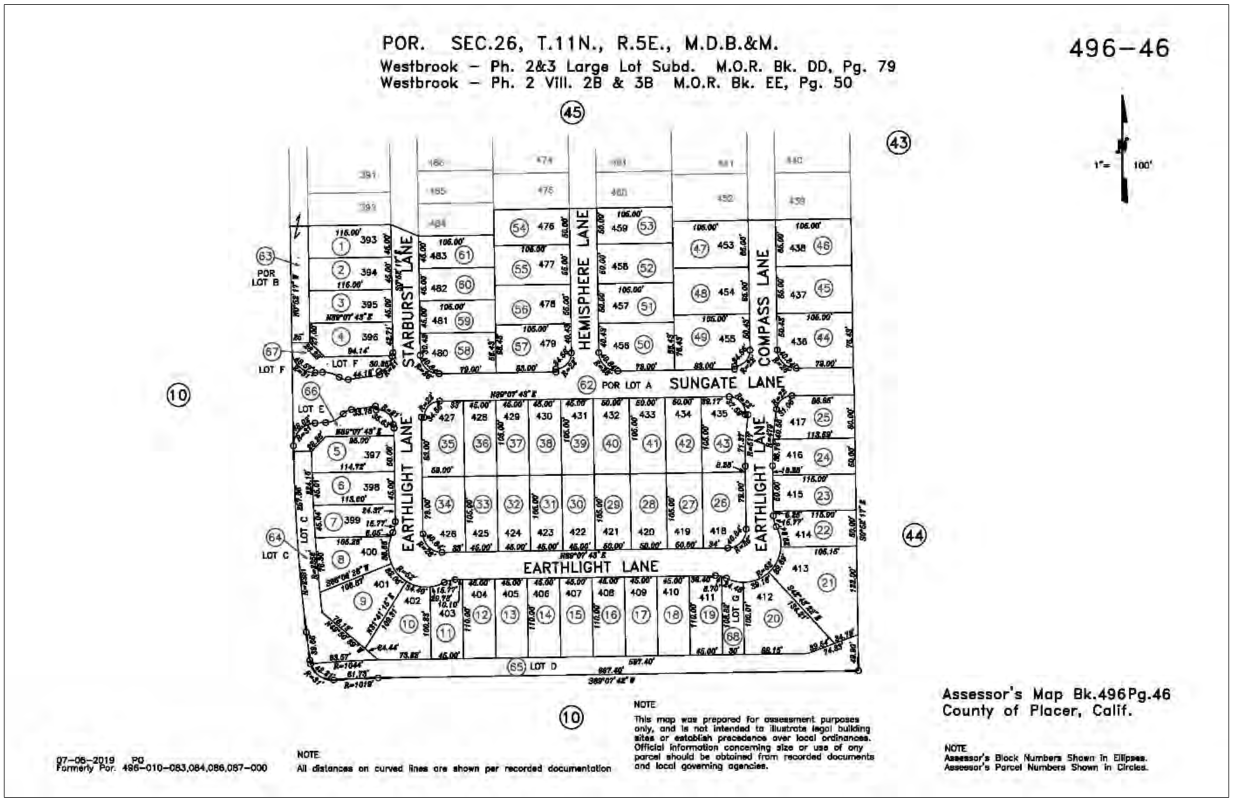
Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.

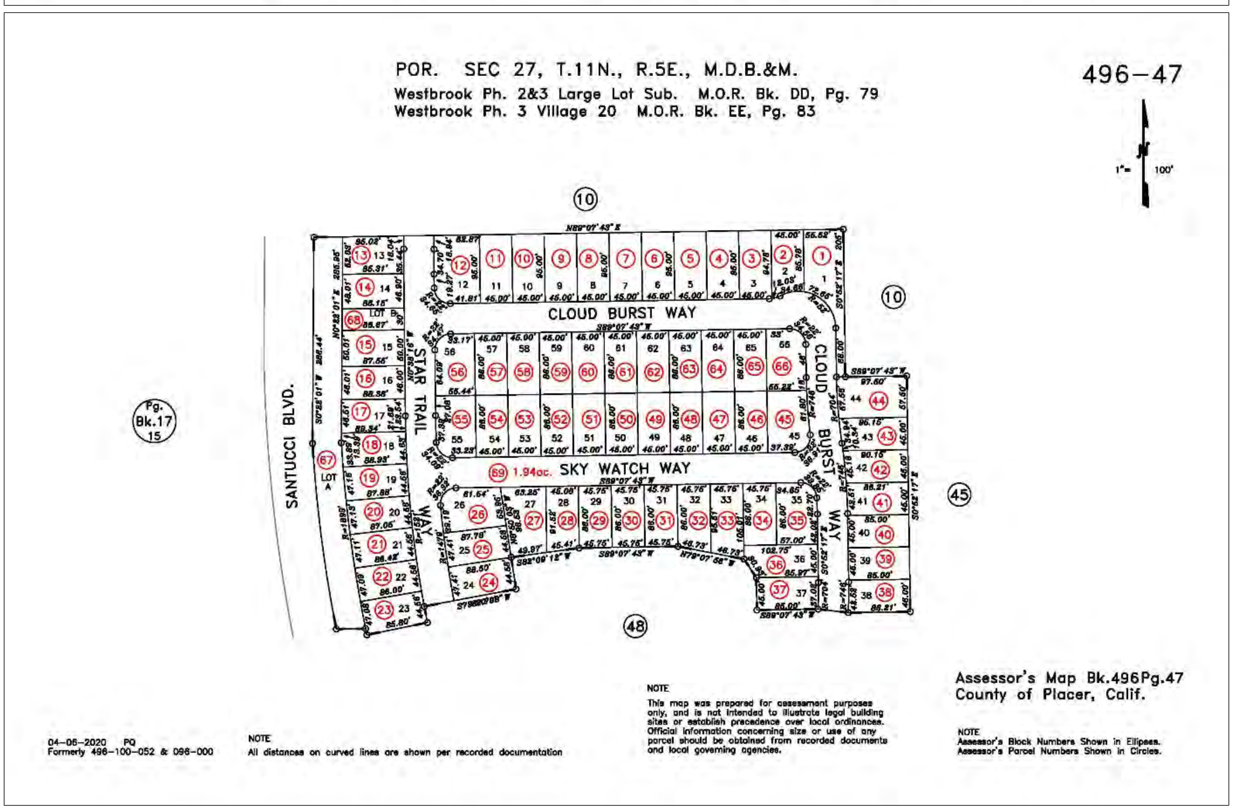
Assessor's Parcel Maps

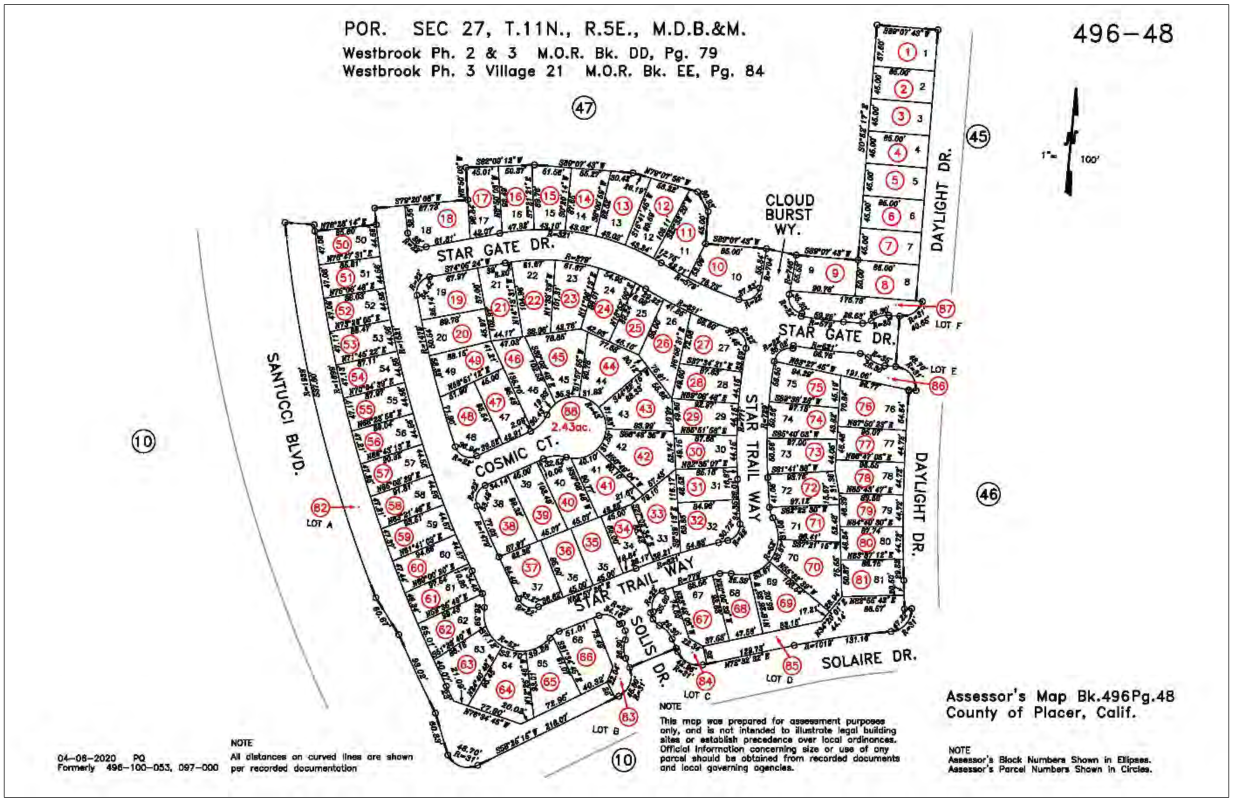


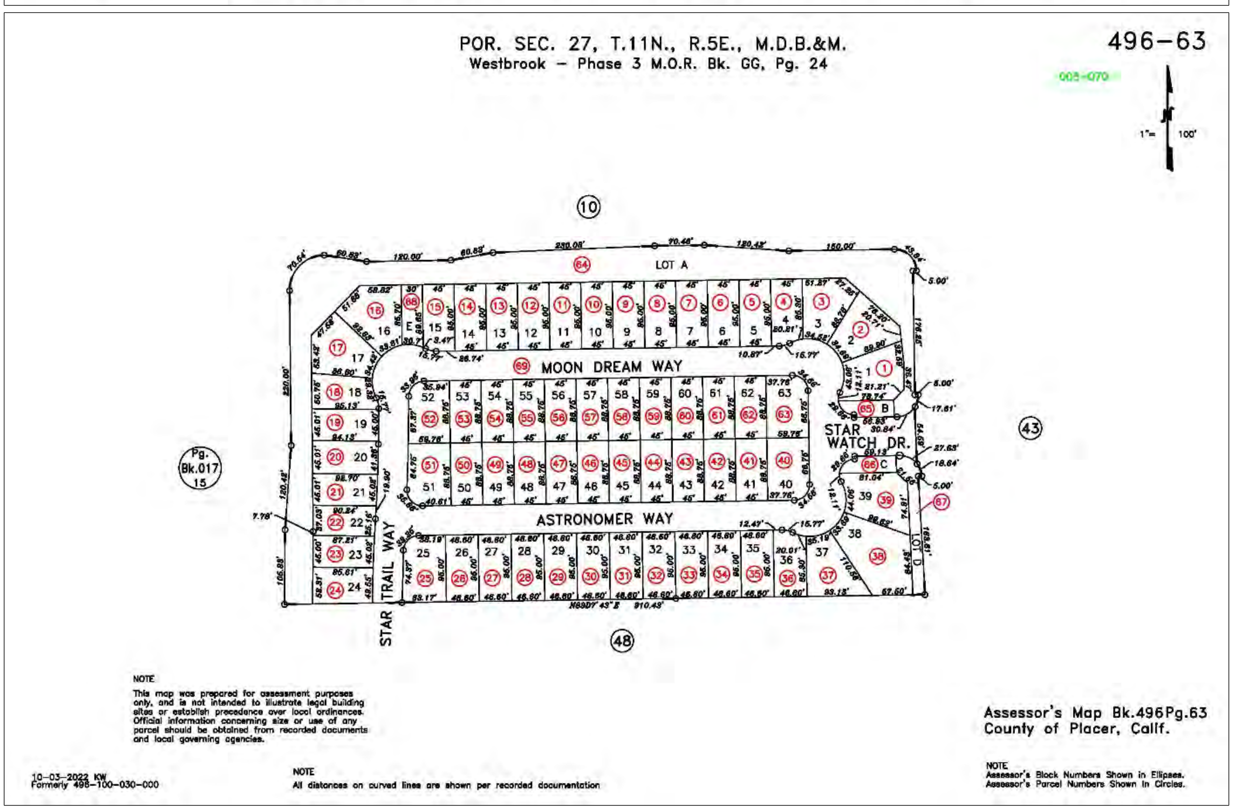

POR. SEC.26 & 27, T.11N., R.5E., M.D.B.&M.
Westbrook – Ph. 2&3 Large Lot Subd. M.O.R. Bk. DD, Pg. 79
Westbrook – Ph. 2 Vill. 2A & 3A M.O.R. Bk. EE, Pg. 49
496–43
UNIVERSAL LANE
ELEMENT LANE
TAURUS LANE
LOT A
LOT B
LOT E
LOT F
LOT G
LOT H
2.01ac.
NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.
Assessor's Map Bk.496 Pg.43
County of Placer, Calif.
07-08-2019 PQ
Formerly 496-010-088 & 094-000
NOTE
All distances on curved lines are shown per recorded documentation
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.


POR. SEC.26, T.11N., R.5E., M.D.B.&M.
Westbrook – Ph. 2&3 Large Lot Subd. M.O.R. Bk. DD, Pg. 79
Westbrook – Ph. 2 Vill. 2B & 3B M.O.R. Bk. EE, Pg. 50
496–45
DAYLIGHT DR.
STARBURST LANE
HEMISPHERE LANE
COMPASS LANE
POR LOT A
POR LOT B
NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.
Assessor's Map Bk.496 Pg.45
County of Placer, Calif.
07-08-2019 PQ
Formerly Por. 496-010-083,084,086,087-000
NOTE
All distances on curved lines are shown per recorded documentation
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

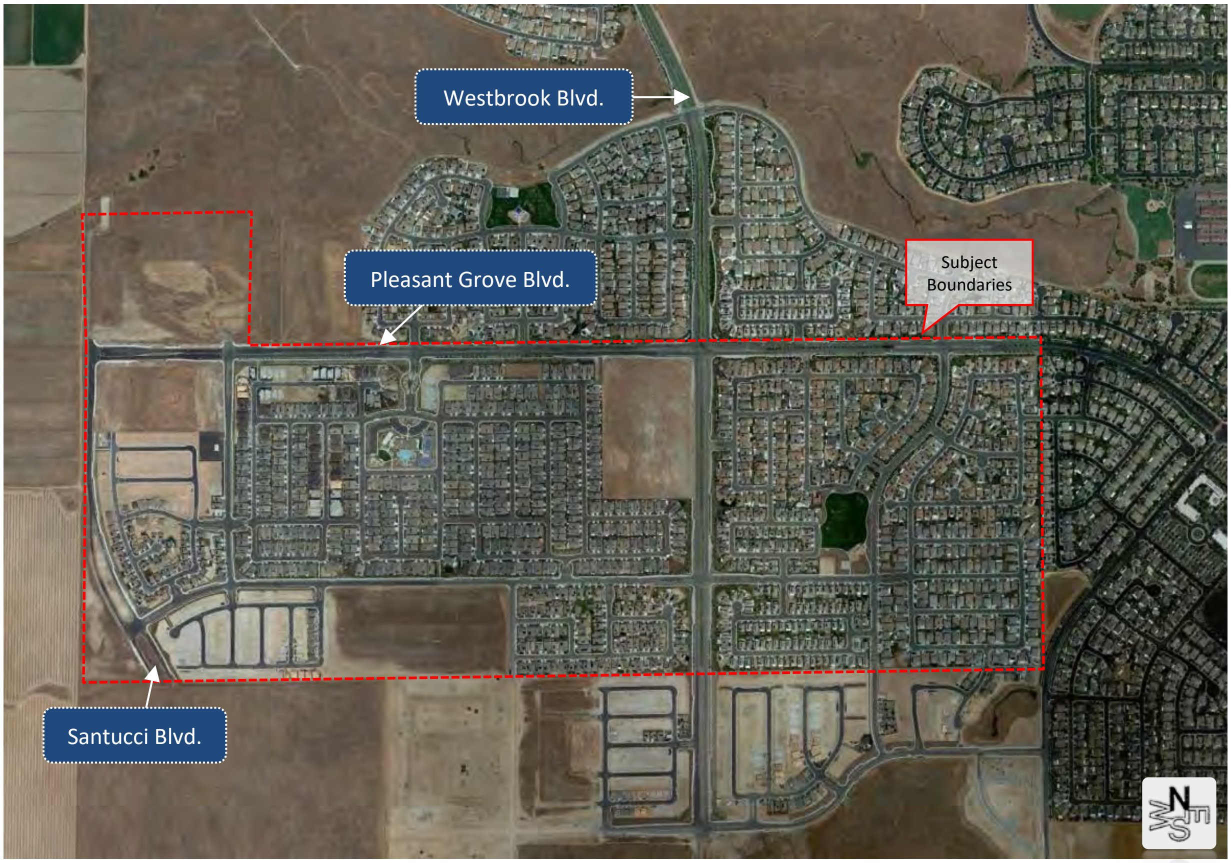

POR. SEC.26, T.11N., R.5E., M.D.B.&M.
Westbrook – Ph. 2&3 Large Lot Subd. M.O.R. Bk. DD, Pg. 79
Westbrook – Ph. 2 Vill. 2B & 3B M.O.R. Bk. EE, Pg. 50
496–46
STARBURST LANE
HEMISPHERE LANE
COMPASS LANE
SUNGATE LANE
EARTHLIGHT LANE
EARTHLIGHT LANE
EARTHLIGHT LANE
Assessor's Map Bk.496 Pg.46
County of Placer, Calif.
NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.
NOTE
All distances on curved lines are shown per recorded documentation
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.
07–06–2019 PQ
Formerly Por. 496–010–083,084,086,087–000


POR. SEC 27, T.11N., R.5E., M.D.B.&M.
Westbrook Ph. 2&3 Large Lot Sub. M.O.R. Bk. DD, Pg. 79
Westbrook Ph. 3 Village 20 M.O.R. Bk. EE, Pg. 83
496–47
CLOUD BURST WAY
SKY WATCH WAY
STAR TRAIL WAY
SANTUCCI BLVD.
1.94ac.
Assessor's Map Bk.496 Pg.47
County of Placer, Calif.
NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.
NOTE
All distances on curved lines are shown per recorded documentation
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.
04–06–2020 PQ
Formerly 496–100–052 & 096–000


POR. SEC 27, T.11N., R.5E., M.D.B.&M.
Westbrook Ph. 2 & 3 M.O.R. Bk. DD, Pg. 79
Westbrook Ph. 3 Village 21 M.O.R. Bk. EE, Pg. 84
496-48
STAR GATE DR.
CLOUD BURST WY.
DAYLIGHT DR.
SANTUCCI BLVD.
COSMIC CT.
STAR TRAIL WAY
SOLIS DR.
SOLAIRE DR.
2.43ac.
LOT A
LOT B
LOT C
LOT D
LOT E
LOT F
NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.
NOTE
All distances on curved lines are shown per recorded documentation
04-08-2020 PQ
Formerly 496-100-053, 097-000
Assessor's Map Bk.496Pg.48
County of Placer, Calif.
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.


POR. SEC. 27, T.11N., R.5E., M.D.B.&M.
Westbrook - Phase 3 M.O.R. Bk. GG, Pg. 24
496-63
LOT A
MOON DREAM WAY
ASTRONOMER WAY
STAR TRAIL WAY
STAR WATCH DR.
LOT D
Pg. Bk.017 15
NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.
Assessor's Map Bk.496Pg.63
County of Placer, Calif.
10-03-2022 KW
Formerly 496-100-030-000
NOTE
All distances on curved lines are shown per recorded documentation
NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

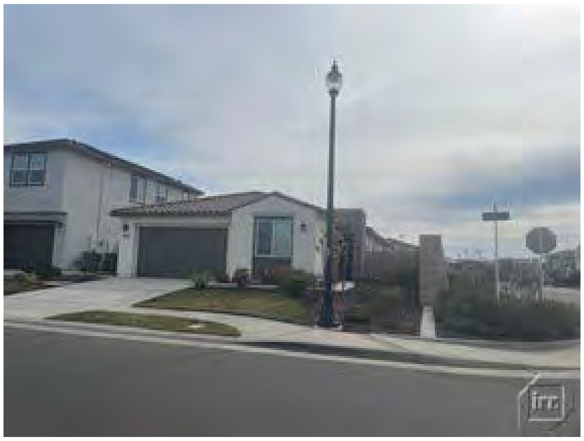
Aerial

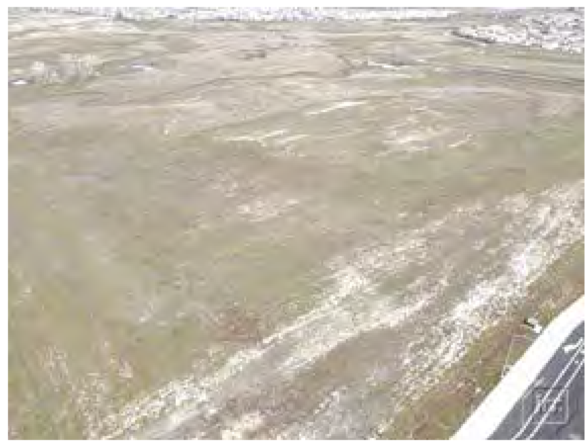


Source: Google maps; boundary lines are approximate; not representative of current development







Real Estate Taxes

The property tax system in California was amended in 1978 by Article XIII to the State Constitution, commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value, which is then modified annually to reflect inflation (if any). Annual increases cannot exceed 2% per year.

The base year was set at 1975-76 or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occurs, the property is to be re-appraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and direct charges. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the district in which the property is located, can be added to the 1% tax rate.

According to the Placer County Treasurer-Tax Collector's Office, the appraised properties have a cumulative annual tax rate of 1.051252% based on assessed value.

Special Assessments

All of the appraised properties are encumbered by the City of Roseville Westbrook CFD No. 1, as well as City of Roseville CFD No. 2 and CFD No. 3. The annual special tax levy on the appraised properties, as of the 2022/23 tax year, are shown in the following table.

City of Roseville Westbrook CFD No. 1	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre**
LDR	$1,857
MDR	$1,564
HDR	$357
Commercial	$644

City of Roseville Westbrook CFD No. 2 (Services)	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre**
LDR	$441
MDR	$441
HDR	$326
Commercial	$1,759

City of Roseville Westbrook CFD No. 3 (Municipal Services)	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre**
LDR	$508
MDR	$297
HDR	$150
Commercial	$1,399

It is noted Westbrook CFD #1 has an annual maximum escalation of 2%, while Westbrook CFDs #2 and #3 have a maximum escalation at 4% per year.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Physically possible.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

Highest and Best Use As If Vacant

Legally Permissible

The site is zoned RS/DS, R3, CC/SA, Small lot residential, development standard overlay; attached housing; community commercial, special area. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Overall, the legally permissible uses are to develop the appraised properties in accordance with the existing entitlements and land use designations, which have undergone extensive planning and review. A re-zone to any other land use is highly unlikely. Additionally, the above land uses are consistent with the City of Roseville General Plan and the Sierra Vista Specific Plan.

Physically Possible

The physical characteristics of a site that affect its possible use(s) include, but are not limited to, location, street frontage, visibility, access, size, shape, topography, availability of utilities, offsite improvements, easements and soil and subsoil conditions. The legally permissible test has resulted in uses consistent with the existing entitlements (i.e., single-family development); at this point the physical characteristics are examined to see if they are suited for the legally permissible uses.

The physical characteristics of the appraised properties support development. The subject has good access and project roadways connect the various lots within the development. Public utilities are also in place to support development. The subject is not located in an adverse earthquake or flood zone. Surrounding land uses are compatible and/or similar to the legally permissible use. Existing development in surrounding projects including Villages at Sierra Vista and The Ranch at Sierra Vista, as well as earlier phases of the Westbrook project provides support that soils are adequate for development. In summary, residential use is considered physically possible.

Financially Feasible

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of single-family residential development, consideration to the current state of the residential housing market and its impact on the residential land market is necessary. As previously discussed in the Residential Market Analysis section, the significant rise in mortgage interest rates have an inverse relationship on the affordability of a home. Over the past several years, interest rates remained historically low, often at or below 3.0%. However, while mortgage rates are still low from a historical perspective, they have recently risen to as much as 7.00%, only recently dropping below 7.0%. Conversations with sales agents in multiple new home projects noted there has recently been a slowing in demand for new residential homes, which has begun to price some buyers out of entry level (lower priced) homes.

Information from homebuilders over the last several weeks have noted more turmoil from pending buyers dropping out of contract because of rising interest rates. The most recent sales reports reflect homebuilders have begun to offer concessions in the form of buying down interest rates and discounted options, in addition to decreasing their base prices. In the past several quarters, homebuilders were able to sell homes faster than they were able to construct the homes, but with the rising interest rates this has since moderated. Based on current information and survey responses, recent increases in interest rates have begun to impact the pace of sales as well as pricing in some markets. The downward shift in home prices in the Fourth Quarter 2022 is having a significant impact on underlying land/lot values, with land brokers indicating an abrupt drop in builder demand for developable lots and an inability to sell lots presently available. Development of unimproved residential lots may be financially feasible, if the vacant land is acquired at prices commensurate with current new home pricing. Due to existing inventories for many builders, additional land and lot acquisitions may not be the maximally productive use of vacant land (discussed below).

Maximally Productive

Legal, physical and market conditions have been analyzed to evaluate the highest and best use of the appraised properties as vacant. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the property. Based on the factors previously discussed, the maximally productive use of the appraised properties, and its highest and best use as vacant, maybe be to hold for future single-family residential development. While land development maybe feasible (generates revenue at least some increment greater than cost to complete), it may not be the maximally productive use. The probable buyer of vacant land in the residential space is a merchant builder. For the most part these likely buyers have existing inventories, which under current new home pricing and pace of sales may supply their needs into the foreseeable future. The highest and best use as vacant for the retail and multi-family land, may warrant an interim hold unless demand is sufficient to warrant new construction.

As Improved (Proposed)

Highest and best use of the property as improved pertains to the use that should be made in light of its current improvements.

In the case of undeveloped land under development, consideration must be given to whether it makes sense to demolish existing improvements (either on-site or off-site improvements) for replacement with another use. The time and expense to demolish existing improvements, re-grade, reroute utilities or re-map must be weighed against alternative uses. If the existing or proposed improvements are not performing well, then it may produce a higher return to demolish existing improvements, if any, and re-grade the site for development of an alternative use.

Based on the current condition, the improvements completed contribute to the overall property value. The value of the subject as improved exceeds its value as vacant less demolition. The highest and best use of the subject as improved is for completion of remaining site work and continued single-family home construction.

Probable Buyer

The probable buyers of the various components of the subject are as follows:

- Residential land: Merchant builders
- Commercial/Multi-family parcel: Land speculator or developer
- Completed homes: Individual homeowners

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Additional analyses often undertaken in the valuation of subdivisions include **extraction**, **land residual analysis,** and the **subdivision development method**.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Market Valuation – Completed Single-Family Homes

The market values of the subject's floor plans are estimated in this section. The objective of the analyses is to estimate the base price per floor plan, net of incentives, upgrades and lot premiums. Incentives can take the form of direct price reductions or non-price incentives such as upgrades or non-recurring closing costs. The base price pertains to the typical lot size within the subject (3,450 square feet). The sales comparison approach to value is employed in order to establish the market values for each floor plan.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013), "*The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time*." The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

The proper application of this approach requires obtaining recent sales data for comparison with the appraised properties. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

The objective of the analyses is to estimate the base value of each floor plan, net of incentives, upgrades and lot premiums. Base price pertains to the typical lot size within the subject. The sales comparison approach to value is employed in order to establish the market values for each floor plan.

A summary of the current, proposed and recently sold out projects within the boundaries of CFD No. 1 is provided on the following pages.

Radiance by TriPointe

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	2,206	2	4	3	2	$618,247
2	2,409	2	4	3	2	$693,267
3	2,578	2	4	3	2	$660,617

Aspire at Solaire by K. Hovnanian

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	1,829	2	3	2.5	2	$569,990
2	2,213	2	4	3	2	$584,950
3	2,037	2	3	2.5	2	$599,990
4	2,971	2	4	2.5	2	$629,990

Verrado II by Beazer Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	1,907	2	3	2	2	$531,990
2	2,228	2	4	3	2	$579,990
3	2,480	2	4	3	2	$609,990

Heritage Eclipse by Lennar

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	2,466	1	3	2.5	3	N/Ap - Sold Out
2	2,650	1	3	3.5	3	N/Ap - Sold Out
3	2,766	1	3	3.5	3	N/Ap - Sold Out

Heritage Larissa by Lennar

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	1,884	1	2	2	2	N/Ap - Sold Out
2	2,064	1	2	2.5	2	N/Ap - Sold Out
3	2,188	1	3	3	2	N/Ap - Sold Out
4	2,309	1	3	3.5	2	N/Ap - Sold Out

Heritage Meridian by Lennar

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	1,246	1	2	2	2	N/Ap - Sold Out
2	1,445	1	2	2	2	N/Ap - Sold Out
3	1,712	1	2	2.5	2	N/Ap - Sold Out
4	1,784	1	2	2.5	2	N/Ap - Sold Out

A not-less-than value based on each project's smallest floor plan will be appraised and assigned to each completed homes within the CFD without a complete assessed value. The floor plans to be appraised are summarized in the following table.

Floor Plan Summary

	Living	Room Count				Typical
Project	**Area (SF)**	**Bedroom**	**Bathroom**	**Stories**	**Garage**	**Lot Size**
Radiance	2,206	4	3	Two	2 Car	3,825
Aspire at Solaire	1,829	3	2.5	Two	2 Car	3,825
Heritage Larissa	1,884	2	2	One	2 Car	5,000
Heritage Meridian	1,246	2	2	One	2 Car	5,350
Heritage Eclipse	2,466	3	2.5	One	3 Car	5,350

The comparable sales are summarized in the following table.

Sales Summary

No.	Location	Date	Sale Price	Living Area (SF)	Room Count Bedroom	Room Count Bathroom	Lot Size (SF)	Year Built	Garage	Stories
1	4065 Expedition Ln	Feb-23	$604,938	1,774	3	2.5	5,985	2022	2 Car	One
2	2033 Challenger Way	Jan-23	$659,900	2,447	4	3.0	6,767	2022	2 Car	One
3	3145 Brandenburber Dr	Jan-23	$580,000	2,403	4	3.0	4,792	2022	2 Car	Two
4	8184 Oxbow Landing Loop	Jan-23	$599,990	2,433	4	3.5	4,126	2022	2 Car	Two
5	2129 Borealis Circle	Jan-23	$584,000	2,223	4	3.0	4,500	2022	2 Car	Two
6	2105 Borealis Circle	Jan-23	$532,430	1,907	3	2.0	4,500	2022	2 Car	One
7	5256 S Molino Circle	Dec-22	$444,990	1,306	3	2.0	3,300	2022	2 Car	Two
8	5208 Chelsea Creek Rd	Dec-22	$509,990	1,343	3	2.0	3,581	2022	2 Car	One
9	4751 Autumn Royal Ct	Dec-22	$529,000	1,845	3	2.0	9,477	2022	2 Car	One
10	6025 Waddington Way	Nov-22	$489,000	2,190	4	3.0	3,598	2022	2 Car	Two
11	4137 Afterlight Ln	Nov-22	$604,000	2,309	3	3.5	5,497	2021	2 Car	One
12	3137 W Pruett Dr	Oct-22	$452,830	1,296	3	2.0	2,426	2022	2 Car	Two
13	2001 Upper Bank Way	Oct-22	$600,873	2,176	4	2.5	6,627	2022	2 Car	One

Discussion of Adjustments

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Total Consideration	The appraised properties are analyzed based on the total consideration of home price and the assumption of bonds, if any. Bond debt has a direct impact on the amount for which the end product will sell.	While an analysis of the market suggests the full impact of the Lien is not captured in the market (e.g., a homebuyer is not willing to pay the equivalent of the outstanding Lien in the purchase price of a home, all else being equal), there is, nonetheless, a difference in value attributable to the difference in Bond encumbrance. All of the comparables are encumbered by bonds; thus, to account for any differences, we have calculated the annual tax payments over a typical holding period of 7 years, with a 4.5% interest (yield) rate.
Upgrades and Incentives	The objective of the analysis is to estimate the base value per floor plan, net of incentives. Incentives can take the form of direct price reductions or non-price incentives such as upgrades or non-recurring closing costs.	Incentives and upgrades included in the sales have been considered and adjusted for in this analysis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	The comparable sales were cash to the seller transactions and do not require adjustments.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	The comparables did not involve any non-market or atypical conditions of sale. Adjustments for this factor do not apply.

Adjustment Factor	Accounts For	Comments
Market Conditions (Date of Sale, Phase Adjustment)	The market conditions vary over time, but the date of this appraisal is for a specific point in time. In a dynamic economy – one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline – extra attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a neighborhood, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.	According to information published by The Gregory Group, and as reported by several merchant builders, new home pricing has been decreasing in the subject's market area during the past months in response to lower demand due to continued inflation and increasing interest rates. However, as all of the comparable sales closed within the last 4 months; no market condition adjustments are warranted.
Location	Location is a very important factor to consider when making comparisons. The comparables need not be in the same neighborhood but should be in neighborhoods that offer the same advantage and have, in general, the same overall desirability to the most probable buyer or user.	Most of the comparables are located within similar areas of the city of Roseville, and no adjustments are required. However, an upward adjustment is applied to Comparable 9, which is located outside of the Roseville city limits and is adjusted upward for inferior proximity to supporting community facilities.

Adjustment Factor	Accounts For	Comments
Community Appeal	In addition to market location adjustments, we consider community appeal adjustments. Even within a specific market location, often specific community characteristics influence sale prices. Often, prices on one street may be significantly higher or lower than the next, despite similar home characteristics. Community characteristics that may influence sale prices include a gated amenity or the condition of surrounding development.	The subject property is located within both the Center Joint Unified School District (Aspire at Solaire) and the Roseville City School District and Roseville Joint Union High School District (Radiance). All else being equal, lots within the RCSD/RJUHSD are considered superior, as homes within this more desirable school district are anticipated to sell at a slightly higher price. Therefore, comparables located within the CJUSD are considered to be slightly inferior and sales are adjusted accordingly. Please note, these adjustments do not apply to the age-restricted projects (Heritage).
Lot Size	The lot size adjustment pertains to the differences between the subject's average lot size and comparables with either larger or smaller lots. It does not include any lot premium adjustments, which are adjusted for separately. The amount of the adjustment used in the comparison of the base lot sizes comes from a survey of premiums paid for larger lots.	Considering the average lot size adjustment factors indicated by the comparable sales utilized in this analysis, lot size adjustment factor of $5/SF is considered reasonable for the subject's residential lots. This figure is supported by our observations of sales in the subject's market area.
Lot Premiums/ Discounts	Properties sometimes achieve premiums for corner or cul-de-sac positioning, or proximity to open space or views. Adjustments for lot position premiums would be in addition to lot size adjustments previously considered.	Appropriate adjustments are applied based upon information provided by the builders with regard to lot discounts on specific sales.

Adjustment Factor	Accounts For	Comments
Design and Appeal	Design and appeal of a floor plan is consumer specific. One exterior may appeal to one buyer, while another appeals to a different buyer. These types of features for new homes with similar functional utility are not typically noted in the base sales prices.	All of the comparables are similar to the subject in regard to design and appeal.
Quality of Construction	Construction quality can differ from slightly to substantially between projects and is noted in the exterior and interior materials and design features of a standard unit. In terms of quality of construction, the subject represents good construction quality.	Most of the comparable sales feature similar construction quality and do not require adjustments. However, slight adjustments are made to those comparables with upgrades and/or superior quality finishes.
Age/Condition	When comparing resale to resale, the market generally reflects a difference of 1% per year of difference in effective age.	All comparable represent new construction; as such, no adjustments are required for this element of comparison.
Functional Utility	Ability to adequately provide for its intended purpose.	The appraised properties represent traditional detached single-family residential construction on similar lot size categories as the subject. Comparables 7 and 12 are located on alley-loaded lots, which, all else being equal, are considered inferior and are adjusted upward.

Adjustment Factor	Accounts For	Comments
Room Count	For similar size units the differences between room count is a buyer preference. One buyer might prefer two bedrooms and a den versus a three-bedroom unit. Extra rooms typically result in additional building area and are accounted for in the size adjustment. Therefore, no adjustments are made for number of total rooms or bedrooms.	Because bathrooms are a functional item for each floor plan and add substantial cost due to the number of plumbing fixtures, an adjustment is made for the difference in the number of fixtures between the subject and the comparable sales. The adjustment is based on an amount of $5,000 per fixture (or half-bath) and is supported by cost estimates for an average quality home in the Residential Cost Handbook, published by the Marshall and Swift Corporation. Considering the fact that plumbing upgrades for existing bathrooms generally range from $5,000 to over $25,000 for the various fixtures, the $5,000 per fixture, or half-bath, is supported. Consequently, a factor of $10,000 per full bath is also applied in our analysis.
Unit Size/Living Area	Units similar (in the same development), except for size, were compared to derive the applicable adjustment for unit size. Those used for comparison purposes, are units within similar projects. Units within the same project were used since they have a high degree of similarity in quality, workmanship, design and appeal. Other items such as a single level or two-story designs, number of bathrooms and number of garage spaces were generally similar in these comparisons, in order to avoid other influences in price per square foot. Where differences exist, they are minor and do not impact the overall range or average concluded.	The typical range indicated by the paired units in this analysis generally demonstrated a value range from approximately $50 to upwards of $100 per square foot. Considering the information cited above, a factor of $70 per square foot is concluded to be appropriate and reasonable for the difference in living area between the subject and the comparables, given the quality of the product.

Adjustment Factor	Accounts For	Comments
Number of Stories	For similar size units, the differences between the number of stories is a buyer preference. One buyer might prefer a single-story versus a two-story unit.	In current market conditions, single story floor plans typically demand a slight premium. As such, an adjustment of 2-3% is applied for story differences.
Parking/Garage	Number of garage spaces	The subject's floor plans offer two- and three-car garages. All of the comparables offer two-car garages; our survey of local real estate professionals indicates a premium value of approximately $15,000 for a full garage space.
Landscaping	Included landscaping	The subject and most of the comparables include only front yard landscaping; Comparable 10 had established backyard landscaping at the time of sale and receives a downward adjustment.

Adjustment Grids

The following pages include grids reflecting the aforementioned adjustments.

Radiance by TriPointe Homes

Project Information		Subject Property	Comparable 5		Comparable 10		Comparable 11		Comparable 13	
Project Name		Radiance	Verrado at Solaire		Windham		Heritage Larissa		Roam at Winding Creek	
Plan		Plan 1	Plan 2		Plan 4		Plan 4		Plan 3	
Address/Lot Number			2129 Borealis Circle		6025 Waddington Way		4137 Afterlight Ln		2001 Upper Bank Way	
City/Area		Roseville	Roseville		Roseville		Roseville		Roseville	
Price		N/Ap		$584,000		$489,000		$604,000		$600,873
Price Per SF		N/Ap	$262.71		$223.29		$261.59		$276.14	
Special Taxes		$9,216		$11,255		$17,183		$10,943		$14,337
Adjustment				***$2,039***		***$7,967***		***$1,727***		***$5,121***
Data Source			MLS		MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0	No	$0
Upgrades		Base	Upgrades	$0	Upgrades	$0	Upgrades	$0	Upgrades	$0
Effective Base Sales Price				**$586,039**		**$496,967**		**$605,727**		**$605,994**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivelant	Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market	
Market Conditions										
Date of Sale		MV 2/15/2023	1/6/2023		11/7/2022		11/18/2022		10/31/2022	
Project Location		Roseville	Roseville		Roseville	$24,848	Roseville		Roseville	
Community Appeal		Average	Similar		Inferior	$14,909	Similar		Similar	
Lot Size	$5.00	3,825	4,500	($3,375)	3,598	$1,135	5,497	($8,361)	6,627	($14,010)
Lot Premium		N/Ap	Similar		Similar		None		None	
Design and Appeal		Average	Similar		Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar		Similar	
Age (Total/Effective)		New	Similar		Similar		Similar		Similar	
Condition		Good/New	Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar	
Room Count										
Bedrooms		4	4		4		3		4	
Baths	$10,000	3	3	$0	3	$0	3.5	($5,000)	2.5	$5,000
Living Area (SF)	$70.00	2,206	2,223	($1,190)	2,190	$1,120	2,309	($7,210)	2,176	$2,100
Number of Stories		Two	Two		Two		One	($12,115)	One	($12,120)
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar	
Garage		2 Car	2 Car		2 Car		2 Car		2 Car	
Landscaping		Front	Similar		Similar		Similar		Similar	
Pool/Spa		None	Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar	
Fireplace(s)		None	Similar		Similar		Similar		Similar	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar	
Gross Adjustments				$4,565		$42,012		$32,686		$33,230
Net Adjustments				**($4,565)**		**$42,012**		**($32,686)**		**($19,030)**
Adjusted Retail Value				**$581,474**		**$538,979**		**$573,041**		**$586,964**

Concluded Retail Value	**$570,000**
Indicated Value Per SF	**$258.39**

Aspire at Solaire by K. Hovnanian Homes

Project Information		Subject Property	Comparable 1		Comparable 6		Comparable 9	
Project Name		Aspire at Solaire	Roam at Winding Creek		Verrado at Solaire		Melrose at Mason Trails	
Plan		Plan 1	Residence 1		Plan 1		Plan 1	
Address/Lot Number			4065 Expedition Ln		2105 Borealis Circle		4751 Autumn Royal Ct	
City/Area		Roseville	Roseville		Roseville		Roseville	
Price		N/Ap		$604,938		$532,430		$529,000
Price Per SF		N/Ap	$341.00		$279.20		$286.72	
Special Taxes		$9,216		$14,337		$11,255		$9,841
Adjustment				***$5,121***		***$2,039***		***$625***
Data Source			MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0
Upgrades		Base	Upgrades	$0	Upgrades	$0	Upgrades	$0
Effective Base Sales Price				**$610,059**		**$534,469**		**$529,625**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar	
Financing Terms		Cash Equivelant	Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market	
Market Conditions								
Date of Sale		MV 2/15/2023	2/6/2023		1/13/2023		12/19/2022	
Project Location		Roseville	Roseville		Roseville		Roseville	$26,481
Community Appeal		Average	Superior	($18,302)	Superior	($16,034)	Similar	
Lot Size	$5.00	3,825	5,985	($10,800)	4,500	($3,374)	9,477	($28,260)
Lot Premium		N/Ap	None		None		None	
Design and Appeal		Average	Similar		Similar		Similar	
Quality of Construction		Good	Sl. Superior	($30,503)	Similar		Similar	
Age (Total/Effective)		New	Similar		Similar		Similar	
Condition		Good/New	Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar	
Room Count								
Bedrooms		3	3		3		3	
Baths	$10,000	2.5	2.5	$0	2	$5,000	2	$5,000
Living Area (SF)	$70.00	1,829	1,774	$3,850	1,907	($5,460)	1,845	($1,120)
Number of Stories		Two	One	($12,201)	One	($10,689)	One	($10,592)
Heating/Cooling		Central/Forced	Similar		Similar		Similar	
Garage		2 Car	2 Car		2 Car		2 Car	
Landscaping		Front	Similar		Similar		Similar	
Pool/Spa		None	Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar	
Fireplace(s)		None	Similar		Similar		Similar	
Kitchen Equipment		Average	Similar		Similar		Similar	
Other		None	Similar		Similar		Similar	
Gross Adjustments				$75,656		$40,557		$71,454
Net Adjustments				**($67,956)**		**($30,557)**		**($8,491)**
Adjusted Retail Value				**$542,103**		**$503,912**		**$521,133**

Concluded Retail Value	**$525,000**
Indicated Value Per SF	**$287.04**

Heritage Larissa by Lennar

Project Information		Subject Property	Comparable 1		Comparable 6		Comparable 9	
Project Name		Heritage Larissa	Roam at Winding Creek		Verrado at Solaire		Melrose at Mason Trails	
Plan		Plan 1	Residence 1		Plan 1		Plan 1	
Address/Lot Number			4065 Expedition Ln		2105 Borealis Circle		4751 Autumn Royal Ct	
City/Area		Roseville	Roseville		Roseville		Roseville	
Price		N/Ap		$604,938		$532,430		$529,000
Price Per SF		N/Ap	$341.00		$279.20		$286.72	
Special Taxes		$10,943		$14,337		$11,255		$9,841
Adjustment				***$3,394***		***$312***		***($1,102)***
Data Source			MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0
Upgrades		Base	Upgrades	$0	Upgrades	$0	Upgrades	$0
Effective Base Sales Price				**$608,332**		**$532,742**		**$527,898**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar	
Financing Terms		Cash Equivelant	Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market	
Market Conditions								
Date of Sale		MV 2/15/2023	2/6/2023		1/13/2023		12/19/2022	
Project Location		Roseville	Roseville		Roseville		Roseville	$26,395
Community Appeal		Average	Similar		Similar		Similar	
Lot Size	$5.00	5,000	5,985	($4,925)	4,500	$2,501	9,477	($22,385)
Lot Premium		N/Ap	None		None		None	
Design and Appeal		Average	Similar		Similar		Similar	
Quality of Construction		Good	Sl. Superior	($30,417)	Similar		Similar	
Age (Total/Effective)		New	Similar		Similar		Similar	
Condition		Good/New	Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar	
Room Count								
Bedrooms		2	3		3		3	
Baths	$10,000	2	2.5	($5,000)	2	$0	2	$0
Living Area (SF)	$70.00	1,884	1,774	$7,700	1,907	($1,610)	1,845	$2,730
Number of Stories		One	One		One		One	
Heating/Cooling		Central/Forced	Similar		Similar		Similar	
Garage		2 Car	2 Car		2 Car		2 Car	
Landscaping		Front	Front		Similar		Similar	
Pool/Spa		None	Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar	
Fireplace(s)		None	Similar		Similar		Similar	
Kitchen Equipment		Average	Similar		Similar		Similar	
Other		None	Similar		Similar		Similar	
Gross Adjustments				$48,042		$4,111		$51,510
Net Adjustments				**($32,642)**		**$891**		**$6,740**
Adjusted Retail Value				**$575,691**		**$533,634**		**$534,638**

Concluded Retail Value	**$545,000**
Indicated Value Per SF	**$289.28**

Heritage Meridian by Lennar

Project Information		Subject Property	Comparable 7		Comparable 8		Comparable 12	
Project Name		Heritage Meridian	Balboa II		Palisade Village		Balboa II	
Plan		Plan 1	Plan 2		Plan 4		Plan 1	
Address/Lot Number			5256 S Molino Circle		5208 Chelsea Creek Rd		3137 W Pruett Dr	
City/Area		Roseville	Roseville		Roseville		Roseville	
Price		N/Ap		$444,990		$509,990		$452,830
Price Per SF		N/Ap	$340.73		$379.74		$349.41	
Special Taxes		$10,943		$12,375		$12,587		$12,375
Adjustment				***$1,432***		***$1,644***		***$1,432***
Data Source			MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0
Upgrades		Base	Upgrades	$0	Upgrades	$0	Upgrades	$0
Effective Base Sales Price				**$446,422**		**$511,634**		**$454,262**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar	
Financing Terms		Cash Equivelant	Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market	
Market Conditions								
Date of Sale		MV 2/15/2023	12/27/2022		12/29/2022		10/27/2022	
Project Location		Roseville	Roseville		Roseville		Roseville	
Community Appeal		Average	Similar		Similar	$10,233	Similar	
Lot Size	$5.00	5,350	3,300	$10,250	3,581	$8,845	2,426	$14,620
Lot Premium		N/Ap	Similar		Similar		Similar	
Design and Appeal		Average	Similar		Similar		Similar	
Quality of Construction		Good	Similar		Similar		Similar	
Age (Total/Effective)		New	Similar		Similar		Similar	
Condition		Good/New	Similar		Similar		Similar	
Functional Utility		Average	Alley-Loaded	$22,321	Similar		Alley-Loaded	$22,713
Room Count								
Bedrooms		2	3		3		3	
Baths	$10,000	2	2	$0	2	$0	2	$0
Living Area (SF)	$70.00	1,246	1,306	($4,200)	1,343	($6,790)	1,296	($3,500)
Number of Stories		One	Two	$13,393	One		Two	$13,628
Heating/Cooling		Central/Forced	Similar		Similar		Similar	
Garage		2 Car	2 Car		2 Car		2 Car	
Landscaping		Front	Similar		Similar		Similar	
Pool/Spa		None	Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar	
Fireplace(s)		None	Similar		Similar		Similar	
Kitchen Equipment		Average	Similar		Similar		Similar	
Other		None	Similar		Solar Owned	($10,000)	Similar	
Gross Adjustments				$50,164		$35,868		$54,461
Net Adjustments				**$41,764**		**$2,288**		**$47,461**
Adjusted Retail Value				**$488,186**		**$513,922**		**$501,723**

Concluded Retail Value	**$500,000**
Indicated Value Per SF	**$401.28**

Heritage Eclipse by Lennar Homes

Project Information		Subject Property	Comparable 2		Comparable 3		Comparable 4		Comparable 11	
Project Name		Heritage Eclipse	Magnolia at Fiddyment Farm		St. Moritz		Firefly at Winding Creek		Heritage Larissa	
Plan		Plan 1	The Colten		Plan 2		Plan 4		Plan 4	
Address/Lot Number			2033 Challenger Way		3145 Brandenburber Dr		8184 Oxbow Landing Loop		4137 Afterlight Ln	
City/Area		Roseville	Roseville		Roseville		Roseville		Roseville	
Price		N/Ap		$659,900		$580,000		$599,990		$604,000
Price Per SF		N/Ap	$269.68		$241.36		$246.61		$261.59	
Special Taxes		$10,943		$21,497		$15,698		$22,769		$10,943
Adjustment				***$10,554***		***$4,755***		***$11,827***		***$0***
Data Source			MLS		MLS		MLS		MLS	
Incentives		N/Ap	No	$0	No	$0	No	$0	No	$0
Upgrades		Base	Upgrades	$0	Upgrades	$0	Upgrades	$0	Upgrades	$0
Effective Base Sales Price				**$670,454**		**$584,755**		**$611,817**		**$604,000**
Adjustments:	**Factor**		**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**	**Description**	**+/(-)**
Property Rights		Fee Simple	Similar		Similar		Similar		Similar	
Financing Terms		Cash Equivelant	Similar		Similar		Similar		Similar	
Conditions of Sale		Market	Market		Market		Market		Market	
Market Conditions										
Date of Sale		MV 2/15/2023	1/30/2023		1/20/2023		1/27/2023		11/18/2022	
Project Location		Roseville	Roseville		Roseville		Roseville		Roseville	
Community Appeal		Average	Similar		Similar		Similar		Similar	
Lot Size	$5.00	5,350	6,767	($7,085)	4,792	$2,792	4,126	$6,120	5,497	($736)
Lot Premium		N/Ap	None		None		None		None	
Design and Appeal		Average	Similar		Similar		Similar		Similar	
Quality of Construction		Good	Sl. Superior	($33,523)	Similar		Similar		Similar	
Age (Total/Effective)		New	Similar		Similar		Similar		Similar	
Condition		Good/New	Similar		Similar		Similar		Similar	
Functional Utility		Average	Similar		Similar		Similar		Similar	
Room Count										
Bedrooms		3	4		4		4		3	
Baths	$10,000	2.5	3	($5,000)	3	($5,000)	3.5	($10,000)	3.5	($10,000)
Living Area (SF)	$70.00	2,466	2,447	$1,330	2,403	$4,410	2,433	$2,310	2,309	$10,990
Number of Stories		One	One		Two	$11,695	Two	$12,236	One	
Heating/Cooling		Central/Forced	Similar		Similar		Similar		Similar	
Garage		3 Car	2 Car	$15,000	2 Car	$15,000	2 Car	$15,000	2 Car	$15,000
Landscaping		Front	Similar		Similar		Similar		Similar	
Pool/Spa		None	Similar		Similar		Similar		Similar	
Patios/Decks		Patio	Similar		Similar		Similar		Similar	
Fencing		Rear	Similar		Similar		Similar		Similar	
Fireplace(s)		None	Similar		Similar		Similar		Similar	
Kitchen Equipment		Average	Similar		Similar		Similar		Similar	
Other		None	Similar		Similar		Similar		Similar	
Gross Adjustments				$61,938		$38,897		$45,666		$36,726
Net Adjustments				**($29,278)**		**$28,897**		**$25,666**		**$15,254**
Adjusted Retail Value				**$641,176**		**$613,653**		**$637,483**		**$619,254**

Concluded Retail Value	**$625,000**
Indicated Value Per SF	**$253.45**

Conclusion of Home Values

Based on the analysis herein, the market value conclusions for the homes are summarized in the following table.

Base Floor Plan Conclusions

Floor Plan	Living Area (SF)	Room Count Bedroom	Room Count Bathroom	Typical Lot Size (SF)	Conclusion of Value
Radiance	2,206	4	3	3,825	**$570,000**
Aspire at Solaire	1,829	3	2.5	3,825	**$525,000**
Heritage Larissa	1,884	2	2	5,000	**$545,000**
Heritage Meridian	1,246	2	2	5,350	**$500,000**
Heritage Eclipse	2,466	3	2.5	5,350	**$625,000**

Sales Comparison Approach - Lot Valuation

Benchmark Lot Valuation

The typical lot sizes within the subject's remaining lots range from 3,825 to 4,000 square feet. For purposes of this analysis, we will analyze a benchmark lot with a typical lot size of 3,825 square feet.

The subject property incorporates school districts with differing desirability and differing associated fees. According to information provided, permits and fees due at building permit for homes within the Roseville City School District (RCSD) and Roseville Joint Union High School District (RJUHSD) are higher than for homes within the Center Joint Unified School District (CJUSD). On average, considering both LDR and MDR densities, for homes within RCSD/RJUHSD total permits and fees are approximately $78,100 while permits and fees for homes within CJUSD are approximately $52,571. Homes within the Roseville school districts tend to sell at a slightly higher price; however, the higher fees and sale prices do not yield a discernably higher value for the underlying land. As such, we will present two different adjustments grids to illustrate the value difference between the lots in the differing school districts.

In this section of the report, we will utilize the sales comparison approach to estimate the market value of the benchmark lot category. The estimate of value assumes the lots would sell on a bulk, or wholesale, basis. That is, a group of lots would transfer in one transaction to a single buyer.

Sales Comparison Approach

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013), "*The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time*." The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

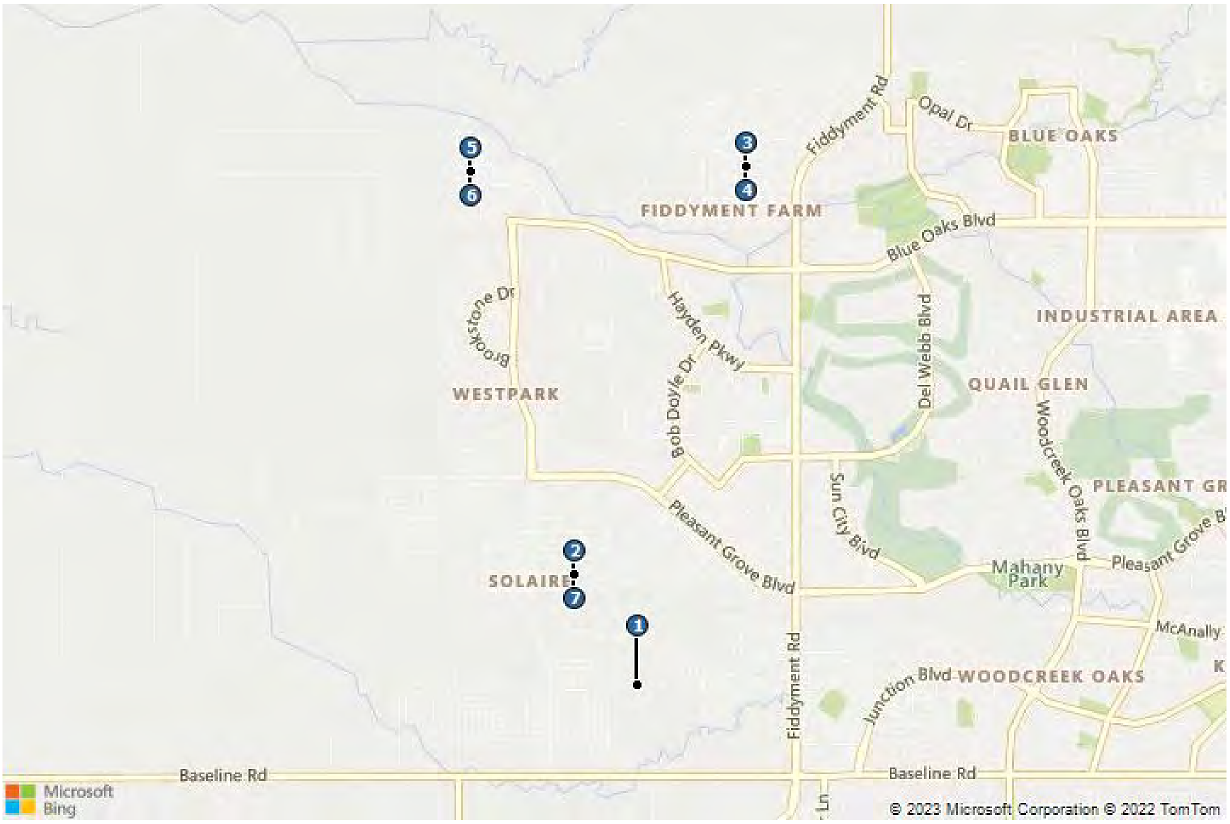
The proper application of this approach requires obtaining recent sales data for comparison with the subject property. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

On the following page, we have arrayed comparable sales that have occurred in West Roseville. The summary table is accompanied by a map and followed by details of each comparable. The basis of analysis is price per lot. The comparable data includes finished and unimproved transactions (with adjustments for remaining site costs and profit applied to the unimproved transactions).

Summary of Comparable Land Sales - MDR Lots (CJUSD)

No.	Name/Address	Sale Date; Status	Sale Price; PV of Spec. Tax/Lot	Typical Lot Size	Number of Lots	$/	Site Dev. Costs/Lot; Permits & Fees/Lot
1	Sierra Vista - Parcel FD-10 NEC of Vista Grande & Westbrook Boulevards Roseville Tax ID: 498-020-026 Grantor: John Mourier Construction, Inc. Grantee: Richmond American Homes Document ID: *Comments: This comparable represents the sale of 143 finished lots sold in two phases closing 3 months apart (the first one closing in Dec. 2021). Permits and fees average approximately $53,000 per lot and annual special taxes are $1,665/lot. The typical lot size is 3,600 square feet.*	Mar-22 Closed	$26,455,000 $3,330	3,600	143	$185,000	$0 $53,000
2	Westpark-Federico Parcel FD-4 W/O Market St., S/O Earl Rush Dr. Roseville Tax ID: 498-020-010 Grantor: Solaire Community Builders, LLC. Grantee: K. Hovnanian Homes Document ID: *Comments: This sale represents the sale of 33 LDR paper lots with a typical lot size of 4,500 square feet in Phase 1 of Westpark-Federico. Permits & Fees are approximately $62,148/lot and development costs are approximately $62,437/lot. Annual special taxes are $1,836/lot. These lots are located within the CJUSD.*	Feb-21 Closed	$2,000,000 $3,672	4,500	33	$60,606	$62,437 $62,148
3	Fiddyment Ranch, Village F-11B NEQ of Holt Pky, & N. Hayden Pky. Roseville Tax ID: 492-012-047 Grantor: JEN California 15, LLC. Grantee: Curve Development Document ID: *Comments: This comparable represents the sale of 152 finished lots (43'x57') in phase 3 of Fiddyment Farms. Permits & Fees are $69,529/lot and annual special assessments are $1,435/lot. Reportedly, the builder is constructing a 152-unit rental project with homes ranging in size from 1,357 to 1,589 square feet.*	Jan-21 Closed	$15,200,000 $2,870	2,451	152	$100,000	$0 $69,529
4	Fiddyment Ranch, Village F-8B (ptn.) S/O Crawford Pky, E/O N. Hayden Pky. Roseville Tax ID: 492-012-092 Grantor: JEN California 15, LLC. Grantee: DR Horton *Comments: This comparable represents the sale of 66 finished lots (33'x71') in phase 3 of Fiddyment Farms. These represent alley-loaded lots. Permits & Fees are $69,529/lot and annual special assessments are $1,435/lot. This transaction represents a two part phased takedown; the next takedown is for 61 lots and is anticipated to close in June 2021.*	Dec-20 Closed	$6,930,000 $2,870	2,343	66	$105,000	$0 $69,529
5	Winding Creek Parcels C-10 & C-13 W/O Westbrook Blvd., N/O Blue Oaks Blvd. Roseville Tax ID: 170-101-050 (ptn.) Grantor: Anthem United Creekview Development, LP. Grantee: K. Hovnanian Homes Document ID: *Comments: This comparable represents the sale of 86 finished lots with a typical lot size of 4,050 square feet. Permits & fees are $82,223 per lot and annual special assessments are $2,420 per lot.*	Dec-20 Closed	$9,640,000 $4,840	4,050	86	$112,093	$0 $82,223
6	Winding Creek Parcels C-23 & C-24 W/O Westbrook Blvd., N/O Blue Oaks Blvd. Roseville Tax ID: 017-490-011, -012 Grantor: Anthem United Creekview Development, LP. Grantee: Forestar USA Real Estate Group, Inc. (DR Horton) *Comments: This comparable represents the sale of 120 finished MDR lots with a typical lot size of 3,600 square feet (45'x80'). Permits & fees are $77,026 per lot and annual special assessments are $1,910 per lot. DR Horton is constructing The Wilds at Winding Creek which will offer plans ranging in size from 1,547 to 1,969 square feet.*	Nov-20 Closed	$12,600,000 $3,820	3,600	120	$105,000	$0 $77,026
7	Westpark-Federico Parcels FD-20A W/O Westbrook Blvd., N/O Earl Rush Dr. Roseville Tax ID: 498-020-004 Grantor: Solaire Community Builders, LLC. Grantee: Tri Pointe Homes, Inc. *Comments: This sale represents the sale of 110 MDR paper lots, with a typical lot size of 3,375 square feet, in Phase 1 of Westpark-Federico. Permits & Fees are approximately $74,656/lot and development costs are approximately $48,530/lot. Annual special taxes are $1,632/lot. These lots are located within the RJUHSD/RCSD.*	Jul-20 Closed	$5,775,000 $3,264	3,375	110	$52,500	$48,530 $74,656
	Subject City of Roseville Westbrook CFD No. 1 Roseville, CA			3,825	66		

Comparable Land Sales Map



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of the two. Quantitative adjustments are often developed as dollar or percentage amounts and are most credible when there is sufficient data to perform a paired sales analysis.

This analysis relies on qualitative adjustments, with adjustments being characterized as being slightly superior/inferior, superior/inferior, or significantly superior/inferior, where approximate percent adjustments would be assigned as follows:

Qualitative Adjustment Summary

Adjustment	Identification	General Percent of Adjustment Ranges
Sig. Inferior	+++	11% to 20+%
Inferior	++	6% to 10%
Sl. Inferior	+	1% to 5%
Similar		0%
Sl. Superior	-	-1% to -5%
Superior	--	-6% to -10%
Sig. Superior	---	-11% to -20+%

While we present percentage adjustments in the above table for comparison purposes, they are based on qualitative judgment rather than empirical research as there is not sufficient data to develop a sound quantitative estimate.

As a result of the limited data present in the market, many of the adjustments require the appraiser's experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. Additionally, many of the adjustments are subjective and reflect the premiums and discounts a typical buyer would most likely assign for differing attributes between the comparables and the subject property.

Our rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Adjustments are considered for the following factors, in the sequence shown below.

Loaded Lot Analysis

Prior to the application of adjustments, the following items are added to the per lot sale price.

Loaded Lot Analysis	
Remaining Site Dev. Cost	We apply adjustments for remaining site development costs (if any).
Permits and Fees	Permits and fees due upon building permit are included on a dollar-for-dollar basis.
Bond Encumbrance	If applicable, we consider a typical holding period (2 years) to estimate the total consideration of each site. The estimated bond encumbrances are added to the loaded lot prices on a dollar-for-dollar basis.

Adjustment Factors

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	The comparable sales were cash to the seller transactions and do not require adjustments.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments are warranted for this element of comparison.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Home values have been increasing significantly during the past 18 months; though, some price appreciation has been offset by rising construction costs (materials) and labor shortages during the pandemic. The construction costs have since moderated; therefore, we apply a market conditions adjustment to Comparable 5, which transferred in early 2021. Additionally, While Comparables 1 through 3 ultimately transferred in Late 2021/early 2022, they were negotiated much earlier and also receive an upward adjustment for inferior market conditions.

Adjustment Factor	Accounts For	Comments
Location/Community Appeal	Market or submarket area influences on sale price; surrounding land use influences.	Overall community appeal is considered good. As observed by the number of transactions within the past 36 months, South Placer County is a highly desirable submarket for single-family residential lots. The subject and most of the comparables are located within similar areas of West Roseville and no adjustments are required.
Number of Lots	Generally, there is an inverse relationship between the number of lots and price per lot such that larger projects (with a greater number of lots) achieve a lower price per lot.	Generally, variances in per lot prices, all else being equal, are not observed in transactions between 50 and 250 lots. All of the comparables represent fairly similar sized transactions and do not require adjustments.
Lot Size	Adjustments for differences in lot size between the comparables and subject are considered.	Comparable 2 has a slightly larger lot size relative to the subject's benchmark lot size of 3,825 square feet and is adjusted downward. Conversely, upward adjustments are applied to Comparables 3 and 4 to account for smaller lot sizes compared to the subject.
Lot Premiums/ Discounts	Primary physical factors that affect desirability of lots.	None of the comparables benefit from view or significant open space premiums and do not require adjustments.
School District	The market has demonstrated preference for certain school districts, which are reflected within home sale prices.	The subject property is located within both the CJUSD as well as the RCSD/RJUHSD. All else being equal, the lots within the RCSD/RJUHSD are considered to superior, as homes within this more desirable school district are anticipated to sell at a slightly higher price. Therefore, comparables located within the CJUSD are considered to be slightly

Adjustment Factor	Accounts For	Comments
		inferior and sales are adjusted accordingly.

The following tables summarize the adjustments we make to the comparable sales.

Land Sales Adjustment Grid - MDR Lots (CJUSD)

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Name	City of Roseville Westbrook CFD No. 1	Sierra Vista - Parcel FD-10	Westpark-Federico Parcel FD-4	Fiddyment Ranch, Village F-11B	Fiddyment Ranch, Village F-8B (ptn.)	Winding Creek Parcels C-10 & C-13	Winding Creek Parcels C-23 & C-24	Westpark-Federico Parcels FD-20A
City	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville
Sale Date		Mar-22	Feb-21	Jan-21	Dec-20	Dec-20	Nov-20	Jul-20
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		$26,455,000	$2,000,000	$15,200,000	$6,930,000	$9,640,000	$12,600,000	$5,775,000
Effective Sale Price		$26,455,000	$2,000,000	$15,200,000	$6,930,000	$9,640,000	$12,600,000	$5,775,000
Number of Lots	66	143	33	152	66	86	120	110
Price per Lot	–	$185,000	$60,606	$100,000	$105,000	$112,093	$105,000	$52,500
Loaded Lot Adjustment	–	$68,451	$129,493	$73,365	$73,365	$88,692	$82,131	$127,548
Price per Lot		**$253,451**	**$190,099**	**$173,365**	**$178,365**	**$200,785**	**$187,131**	**$180,048**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		=	=	=	=	=	=	=
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		=	=	=	=	=	=	=
Conditions of Sale		Market	Market	Market	Market	Market	Market	Market
Adjustment		=	=	=	=	=	=	=
Market Conditions	2/16/2023	Mar-22	Feb-21	Jan-21	Dec-20	Dec-20	Nov-20	Jul-20
Adjustment		*Superior*	*Sl. Inferior*	*Sl. Inferior*	*Sl. Inferior*	*Sl. Inferior*	*Inferior*	*Inferior*
Location/Community Appeal	W. Roseville	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville
Adjustment		=	=	=	=	=	=	=
Number of Lots	66	143	33	152	66	86	120	110
Adjustment		=	=	=	=	=	=	=
Lot Size (Typical)	3,825	3,600	4,500	2,451	2,343	4,050	3,600	3,375
Adjustment		=	*Sl. Superior*	*Sl. Inferior*	*Sl. Inferior*	=	=	=
Lot Premiums/Discounts	Average	Average	Average	Average	Average	Average	Average	Average
Adjustment		=	=	=	=	=	=	=
School District	CJUSD	CJUSD	CJUSD	RUSD/RJHSD	RUSD/RJHSD	RUSD/RJHSD	RUSD/RJHSD	RUSD/RJHSD
Adjustment		=	=	*Sl. Superior*	*Sl. Superior*	*Sl. Superior*	*Sl. Superior*	*Sl. Superior*
Overall Adjustment		**Superior**	**Similar**	**Inferior**	**Inferior**	**Similar**	**Sl. Inferior**	**Sl. Inferior**

Land Sales Adjustment Grid - MDR Lots (RCSD/RJUHSD)

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Name	City of Roseville Westbrook CFD No. 1	Sierra Vista - Parcel FD-10	Westpark-Federico Parcel FD-4	Fiddyment Ranch, Village F-11B	Fiddyment Ranch, Village F-8B (ptn.)	Winding Creek Parcels C-10 & C-13	Winding Creek Parcels C-23 & C-24	Westpark-Federico Parcels FD-20A
Address	Pleasant Grove Blvd.	NEC of Vista Grande & Westbrook Boulevards	W/O Market St., S/O Earl Rush Dr.	NEQ of Holt Pky, & N. Hayden Pky.	S/O Crawford Pky, E/O N. Hayden Pky.	W/O Westbrook Blvd., N/O Blue Oaks Blvd.	W/O Westbrook Blvd., N/O Blue Oaks Blvd.	W/O Westbrook Blvd., N/O Earl Rush Dr.
City	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville
Sale Date		Mar-22	Feb-21	Jan-21	Dec-20	Dec-20	Nov-20	Jul-20
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		$26,455,000	$2,000,000	$15,200,000	$6,930,000	$9,640,000	$12,600,000	$5,775,000
Number of Lots	32	143	33	152	66	86	120	110
Price per Lot	–	$185,000	$60,606	$100,000	$105,000	$112,093	$105,000	$52,500
Loaded Lot Adjustment	–	$68,451	$129,493	$73,365	$73,365	$88,692	$82,131	$127,548
Price per Lot		**$253,451**	**$190,099**	**$173,365**	**$178,365**	**$200,785**	**$187,131**	**$180,048**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		=	=	=	=	=	=	=
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		=	=	=	=	=	=	=
Conditions of Sale		Market	Market	Market	Market	Market	Market	Market
Adjustment		=	=	=	=	=	=	=
Market Conditions	2/16/2023	Mar-22	Feb-21	Jan-21	Dec-20	Dec-20	Nov-20	Jul-20
Adjustment		*Superior*	*Sl. Inferior*	*Sl. Inferior*	*Sl. Inferior*	*Inferior*	*Inferior*	*Inferior*
Location/Community Appeal	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville
Adjustment		=	=	=	=	=	=	=
Number of Lots	32	143	33	152	66	86	120	110
Adjustment		=	=	=	=	=	=	=
Lot Size (Typical)	3,825	3,600	4,500	2,451	2,343	4,050	3,600	3,375
Adjustment		=	*Sl. Superior*	Inferior	Inferior	=	=	=
Lot Premiums/Discounts	Average	Average	Average	Average	Average	Average	Average	Average
Adjustment		=	=	=	=	=	=	=
School District	RUSD/RJHSD	CJUSD	CJUSD	RUSD/RJHSD	RUSD/RJHSD	RUSD/RJHSD	RUSD/RJHSD	RUSD/RJHSD
Adjustment		*Sl. Inferior*	*Sl. Inferior*	=	=	=	=	=
Overall Adjustment		**Sl. Superior**	**Sl. Inferior**	**Inferior**	**Inferior**	**Sl. Inferior**	**Sl. Inferior**	**Sl. Inferior**

Land Value Conclusion

The market data set consists of various sales that are considered reasonable indicators of market value for the fee simple interest in the single-family residential lot category of the subject property. After accounting for remaining site development costs, permits and fees and special taxes, the data set reflects an unadjusted (loaded lot price) range of $173,365 - $253,451 per lot.

Based upon the analysis presented, a ranking of the subject and the comparable sales is in the table below:

Bulk Lot Ranking Summary - CJUSD Lots

Property	Sale Date	$/ Loaded Lot (Unadjusted)	Net Adjustment
Comparable 1	Closed	$253,451	Superior
Comparable 5	Dec-20	$200,785	Similar
Subject Property	--	**$195,000**	--
Comparable 2	Feb-21	$190,099	Similar
Comparable 6	Nov-20	$187,131	Sl. Inferior
Comparable 7	Jul-20	$180,048	Sl. Inferior
Comparable 4	Dec-20	$178,365	Inferior
Comparable 3	Jan-21	$173,365	Inferior

As shown, the loaded lot value indicator for the subject property's lots within the CJUSD is estimated to be lower than Comparable 1, generally similar to Comparable 2 and 5 and higher than the balance of the data set. As such, a loaded lot indicator of $195,000 per lot is concluded for the benchmark lot. As previously mentioned, the fees due at building permit average $52,571 per lot. As such, our conclusion of finished lot value for the subject's lots is as follows:

Lot Value Conclusion - CJUSD

Concluded Loaded Lot Value	$195,000
Less: Permits & Fees	($52,571)
Indicated Lot Value (Rd.)	**$142,000**

Bulk Lot Ranking Summary - RCSD/RJHSD Lots

Property	Sale Date	$/ Loaded Lot (Unadjusted)	Net Adjustment
Comparable 1	Mar-22	$253,451	Sl. Superior
Subject Property	--	**$220,000**	--
Comparable 5	Dec-20	$200,785	Sl. Inferior
Comparable 2	Feb-21	$190,099	Sl. Inferior
Comparable 6	Nov-20	$187,131	Sl. Inferior
Comparable 7	Jul-20	$180,048	Sl. Inferior
Comparable 4	Dec-20	$178,365	Inferior
Comparable 3	Jan-21	$173,365	Inferior

As shown, the loaded lot value indicator for the subject property's lots within the RCSD/RJUHSD is estimated to be lower than Comparable 1 and higher than the balance of the data set. As such, a loaded lot indicator of $220,000 per lot is concluded for the benchmark lot of the subject property. As previously mentioned, the fees due at building permit average $78,100 per lot. As such, our conclusion of finished lot value for the subject's lots is as follows:

Lot Value Conclusion (RCSD/RJHSD)

Concluded Loaded Lot Value	$220,000
Less: Permits & Fees	($78,100)
Indicated Lot Value (Rd.)	**$142,000**

Land Residual Analysis

The land residual analysis is employed as an additional indicator of market value for the subject's lots. This valuation method is used in estimating land value when subdivision and development are the highest and best use of the land being appraised. All direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved product; the resultant net sales proceeds are then discounted to present value at an anticipated rate over the development and absorption period to indicate the value of the land. The land residual analysis is conducted on a quarterly basis. As a discounted cash flow analysis, the land residual analysis consists of four primary components summarized as follows:

Revenue – the gross income is based on the sale of completed homes.

Absorption Analysis – the time frame required for sell off. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).

Expenses – the expenses associated with the sell-off are calculated in this section – including infrastructure costs (if any), direct and indirect construction costs, administration, marketing and commission costs, as well as taxes and special taxes (if any).

Discount Rate – an appropriate discount rate is derived employing a variety of data.

Discussions of these four concepts follows below, with the discounted cash flow analysis offered at the end of this section.

Revenue

The projected sales price for the average home within the project will vary, as the ultimate sales price is affected by unit size, location within the project, site influences, construction costs, anticipated premiums achievable at the point of retail sale, as well as external influences such as adjacent land uses.

As previously mentioned, the subject is situated within the boundaries of two school districts with differing desirability and differing associated fees. Homes within the more desirable RCSD/RJUHSD school district are anticipated to sell at a slightly higher price; however, the higher sale price is offset by a higher school fee. Consequently, as demonstrated in the previous analysis, the underlying lot value within each school district is essentially the same. The benchmark lot category (WB-20) utilized in the preceding analysis, which is located within the CJUSD, has a typical lot size of 3,825 square feet, and will once again be utilized for this analysis. Based on the Residential Market section of this report, we estimate a typical average-sized home on the subject would contain approximately 2,300 square feet and would have a corresponding base price of $610,000. These estimates will be utilized in the analysis. In addition to this amount, a model recapture is also considered. Based on the product lines offered, four model homes are utilized to market the homes within each neighborhood, with upgrade costs of $75,000 per model. A model recapture of 25% is considered reasonable and reflected in this analysis. No lot premiums are anticipated for the subject property. The estimate of total revenue (provided in the table below) does not reflect market appreciation during the sellout, which is discussed as follows.

Revenue Summary					
Floor Plan	No. of Units	Unit Size	Sale $/SF	Value Per Unit	Extension
Typical Floor Plan	66	2,300	$265	$610,000	$40,260,000
Model Recapture					$75,000
Total	**66**	**2,300 (weighted avg.)**		**$611,136 (avg.)**	**$40,335,000**

Changes in Market Conditions (Price Increases or Decreases)

The subject's market area has experienced rapid market appreciation in home prices for the past few years; however, since early 2022 the Federal Reserve Bank began raising the benchmark federal-funds rate (from near zero in March 2022) in an effort to manage rising inflation. The fed-funds rate is nearing 4%, which has resulted in a substantial rise in mortgage interest rates, which now average between 6.0% and 7.0%. Market expectations are for additional rate increases. The rise in mortgage interest rates is anticipated to impact the affordability of homes for a certain segment of the homebuyer market, which may impact pricing in the near term. Consequently, under current market conditions, forecasting home appreciation during the absorption period is speculative, and several homebuilders surveyed indicate they typically do not trend/forecast home appreciation during the sell-off period. Therefore, for purposes of this analysis, the home price revenue will be held constant during the selloff period.

Closing Projections

The typical time required for the construction of units has been approximately three to six months from start to closing. It is assumed that initial closings will occur within three to six months of the date of sale. The premise is that the builder constructs efficiently as homes are sold. These assumptions are reflected in the projected construction schedule shown in the land residual models at the end of this section. Since the land residual analysis is conducted on a quarterly basis, closings are reflected in the following period, as most construction will be substantially completed prior to initiation of sales.

Absorption

Typically, multiple product lines would be marketed in a subdivision to create characteristics appealing to as many potential purchasers as possible. Offering home products within a subdivision to different market segments is done with the aim of increasing absorption and reducing the overall development holding period for a project. Based on information presented in the residential market analysis section, as well as the subject's location and number of competing projects in West Roseville, we estimate the subject property could achieve absorption rates of 6 sales per quarter. With sales beginning in Period 1, the subject's lots sell out in Period 11, with Period 12 needed to complete construction and close escrow.

Expense Projections

As part of an ongoing effort to assemble market information, the following table reflects survey responses and developer budget information for numerous attached, single-family residential projects throughout Northern California.

Subdivision Budgets

Developer Classification	Budget Date	No. of Units	Quality	Avg. Home Size (SF)	Typical Lot Size	G & A % of Revenue	Mkt & Sales % of Revenue	Direct Costs/SF	Indirect Costs/SF	Indirect % of Direct Costs	Site Costs/Lot	Permits & Fees/Unit	Cost per Model	Profit % of Revenue
Regional	2022	27	Good	3,179	10,100	3.0%	1.1%	$115.00	$13.13	11.0%	$200,111	$70,470	N/Av	15.7%
Local	2022	22	Good	2,700	12,000	N/Av	N/Av	$115.26	N/Av	N/Av	$220,317	$67,876	N/Av	22.0%
Local	2022	19	Good	2,950	15,200	N/Av	N/Av	$140.00	N/Av	N/Av	N/Av	$66,508	N/Av	8.0%
National	2022	919	Good	1,877	4,782	3.0%	3.0%	$143.00	N/Av	N/Av	N/Av	$78,522	N/Av	N/Av
Regional	2022	55	Good	3,428	11,000	2.0%	2.0%	$148.00	N/Av	N/Av	$218,004	$31,420	N/Av	11.0%
National	2022	159	Average	1,575	2,275	N/Av	N/Av	$145.64	N/Av	N/Av	$41,811	$54,100	N/Av	28.0%
National	2022	65	Average	3,447	5,200	N/Av	N/Av	$110.00	N/Av	N/Av	N/Av	$71,290	N/Av	N/Av
National	2022	862	Average	2,176	5,306	N/Av	N/Av	$112.00	N/Av	N/Av	$161,203	$52,801	N/Av	N/Av
National	2022	387	Average	1,771	5,000	6.0%	3.0%	$105.39	N/Av	N/Av	N/Av	$43,000	N/Av	28.0%
Local	2022	99	Good	2,614	5,500	5.5%	1.2%	$95-$105	N/Av	N/Av	$100,600	$48,599	$125,000	29.0%
Regional	2022	49	Average	2,062	6,600	3.0%	3.9%	$104.63	N/Av	N/Av	$82,916	$56,472	N/Av	20.9%
Regional	2021	87	Average	1,978	6,500	N/Av	N/Av	$98.00	N/Av	N/Av	$96,759	$63,947	N/Av	N/Av
Local	2021	36	Good	2,533	3,450	5.5%	6.6%	$112.26	$5.53	4.9%	N/Av	$55,497	N/Av	15.0%
Regional	2021	147	Average	2,200	3,825	N/Av	N/Av	$76.00	N/Av	7.0%	$43,972	$48,197	N/Av	N/Av
Regional	2021	72	Good	2,551	3,800	N/Av	7.4%	$88.00	N/Av	N/Av	$112,128	$63,610	N/Av	9.5%
Local	2020	30	Average	1,643	5,344	0.4%	1.7%	$143.00	$7.39	5%	N/Av	$25,267	N/Av	N/Av
Regional	2020	10	Average	3,127	7,500	N/Av	N/Av	$96.00	$8.64	9%	N/Av	$20,405	N/Av	N/Av
Regional	2020	233	Good	2,300	7,500	3.0%	4.2%	$91.00	N/Av	11%	$100,000	$40,600	N/Av	10.0%
Regional	2020	81	Average	1,974	5,775	N/Av	2.5%	$80.00	$16.00	20%	$83,788	$81,336	N/Av	N/Av
Local	2019	61	Good	1,972	2,500	N/Av	N/Av	$86.15	N/Av	N/Av	N/Av	$40,898	N/Av	N/Av
Regional	2019	159	Average	1,478	1,800	N/Av	4.6%	$94.78	$8.20	9%	$53,581	$46,506	$149,964	12.6%
Regional	2019	71	Average	1,989	3,250	N/Av	N/Av	$92.65	N/Av	18%	$60,754	$55,714	N/Av	N/Av
Local	2019	52	Good	2,604	7,000	N/Av	3.3%	$93.92	N/Av	22%	$40,178	$40,229	N/Av	12.6%
Local	2019	24	Good	3,021	8,500	5.8%	4.0%	$94.20	$8.21	9%	$99,800	$81,463	$102,340	17.6%
Regional	2019	84	Average	2,349	5,500	4.0%	2.6%	$90.21	N/Av	14%	N/Av	$46,576	$106,667	12.6%
Local	2019	48	Average	2,545	7,006	2.1%	5.7%	$88.47	$18.81	21%	$63,645	$72,300	$133,333	6.8%

General and Administrative

These expenses consist of management fees, liability and fire insurance, inspection fees, appraisal fees, legal and accounting fees and copying or publication costs. This expense category typically ranges from 2.5% to 4.0%, depending on length of project and if all of the categories are included in a builder’s budget. We have used 3.0% for general and administrative expenses.

Marketing and Sales

These expenses typically consist of advertising and promotion, closing costs, sales operations, and sales commissions. The expenses are expressed as a percentage of the gross sales revenue. The range of marketing and sales expenses typically found in projects within the subject’s market area is 5.0% to 6.5%. A figure of 6.0%, or 3.0% for marketing and 3.0% for sales, is estimated in the marketing and sales expense category.

Property Taxes (Ad Valorem and Special Taxes)

The subject is located within an area with an effective tax rate of 1.051252%. This amount is applied to the estimated market values and divided by the total number of units to yield an estimate of ad valorem taxes/unit/year for each phase. The tax amounts are applied to unclosed inventory over the sell-off period. Property taxes are increased by 2% per year. Additionally, the subject will be encumbered by Special Taxes associated with the City of Roseville Westbrook CFD No. 1. The assigned special tax rates for the 2022/23 tax year are provided as follows:

City of Roseville Westbrook CFD No. 1	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre**
LDR	$1,857
MDR	$1,564
HDR	$357
Commercial	$644

City of Roseville Westbrook CFD No. 2 (Services)	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre**
LDR	$441
MDR	$441
HDR	$326
Commercial	$1,759

City of Roseville Westbrook CFD No. 3 (Municipal Services)	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre**
LDR	$508
MDR	$297
HDR	$150
Commercial	$1,399

It is noted Westbrook CFD #1 has an annual maximum escalation of 2%, while Westbrook CFDs #2 and #3 have a maximum escalation at 4% per year.

Permits and Fees

Permits and fees represent all fees payable upon obtaining building permit for the construction of the proposed units and include school fees and any impact fees. As noted, permits and fees due at building permit (within the CJUSD) are projected to average $52,571per lot.

Direct and Indirect Construction Costs

Construction costs are generally classified into direct and indirect costs. Direct costs reflect the cost of labor and materials to build the project. Direct costs generally are lower per square foot for larger floor plans, all else being equal, due to economies of scale. Indirect items are the carrying costs and fees incurred in developing the project and during the construction cycle. Construction quality and market-segment are significant factors that affect direct construction costs. In addition, national/public builders, which are able to achieve lower costs due to the larger scale in which orders are placed, routinely achieve lower direct costs.

Recent conversations with homebuilders confirm construction costs have increased over the last 12 months; consequently, based on the cost comparables, and considering the product line under development, a direct cost estimate of $100 per square foot is applied to the 2,300 square foot home.

Regarding indirect costs, the following list itemizes some of the typical components that generally comprise indirect costs:

- Architectural and engineering fees for plans, plan checks, surveys and environmental studies
- Appraisal, consulting, accounting and legal fees
- The cost of carrying the investment in land and contract payments during construction. If the property is financed, the points, fees or service charges and interest on construction loans are considered
- All-risk insurance
- The cost of carrying the investment in the property after construction is complete, but before sell-out is achieved
- Developer fee earned by the project coordinator
- Interest reserve

Conversations with homebuilders indicate the indirect costs generally range anywhere from 10% to 15% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). An estimate of 15% is considered reasonable for the subject.

Summary

The following chart summarizes the revenue and expenses discussed on the preceding pages.

Revenue Summary

Floor Plan	No. of Units	Unit Size	Sale $/SF	Value Per Unit	Extension
Typical Floor Plan	66	2,300	$265	$610,000	$40,260,000
Model Recapture					$75,000
Total	**66**	**2,300 (weighted avg.)**		**$611,136 (avg.)**	**$40,335,000**

Expenses Summary

General and Administrative		3.0% of total revenue			
Marketing and Sales		6.0% of total revenue			
Ad Valorem Taxes					
1.0513% - Tax Rate (based on residual land value)				$97,766	
÷ Total Number of Units			66		
				$1,481 /lot	
Special Taxes per month				$130 /lot	
Estimated Permits and Fees at Building Permit/Occupancy					
Net (Average) Permits and Fees/Unit			$52,571		
x Number of Units			66		
Construction Costs	SF	Units	Cost/SF	Extension	Indirects
Typical Floor Plan	2,300	66	$100.00	$15,180,000	$2,277,000
Average Direct Construction Costs					$230,000
Indirect Costs		15% of Direct Costs			$34,500
Model Complex					$300,000

Developer's Incentive and Discount Rate

Developer's Incentive

When employing a land residual analysis, most market participants (homebuilders) analyze projects based on an expected increment of profit and a cost-of-funds discount rate. The developer's profit is expressed as a percent of sales revenue and is included as an expense deduction. The cost-of-funds rate is used to discount each year of net income to present value. This methodology differs from the subdivision development method, in which most market participants (typically land developers) employ a yield rate or internal rate of return (IRR) inclusive of developer's profit, and do not deduct profit as a line item expense.

According to industry sources, developer's incentive (profit) historically has ranged anywhere from 5% to 25%, with a predominate range of 5% to 15%. Profit is based on the perceived risk associated with the development. Low profit expectations are typical for projects focused on more affordable product with faster sales rates. Higher profit expectations are common in projects with more risk such as developments where sales rates are slower, project size produces an extended holding period or the product type is considered weak or untested.

Elements affecting profit include location, supply/demand, anticipated risk, construction time frame and project type. Another element considered in profit expectations is for the development stage of a project. First phases typically generate a lower profit margin due to cautious or conservative pricing, as new subdivisions in competitive areas must become established to generate a fair market share. Additionally, up front development costs on first phases can produce lower profit margins.

The prior table at the beginning of the Expense Projections discussion includes survey results for profit expectations of active home builders in the region.

Based on the preceding discussion and developer surveys, we have concluded an estimate of 12% for developer's incentive.

Discount Rate (Cost of Funds)

A discount rate will be employed to convert future cash flows to present value, thus reflecting the time value of money. An appropriate discount rate should reflect the cost of funds under current market conditions. For a cost of funds index, we will use the 11th District Cost of Funds Index (COFI), which is a standard financial index widely used in U.S. capital markets as a benchmark for adjustable-rate loans. Lenders use such an index to adjust interest rates as economic conditions change. Lenders add a certain number of percentage points, or margin, to the index to establish interest rates. The 11th District COFI was 0.223% as of February 2023. A typical margin used by banks is about 250 to 350 basis points, or 2.5% to 3.5% not including additional points or fees. We will employ a discount rate (cost of funds) of 5.00% in the land residual analysis.

Conclusion

The land residual analysis is presented as follows:

Land Residual Analysis

Revenue and Sales Summary

Period (Quarter/3 months):		1	2	3	4	5	6	7	8	9	10	11	12	Total
Sales		6	6	6	6	6	6	6	6	6	6	6	0	66
Close of Escrow (COE)		0	6	6	6	6	6	6	6	6	6	6	6	66
Unsold Inventory		60	54	48	42	36	30	24	18	12	6	0	0	
Total Sales		$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ -	$ 40,335,000
Total Sales Revenue		$ -	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 3,666,818	$ 40,335,000

Expenses and Cash Flow Summary

Period (Quarter/3 months):		1	2	3	4	5	6	7	8	9	10	11	12	Total
General and Administrative		$ (100,838)	$ (100,838)	$ (100,838)	$ (100,838)	$ (100,838)	$ (100,838)	$ (100,838)	$ (100,838)	$ (100,838)	$ (100,838)	$ (100,838)	$ (100,838)	$ (1,210,050)
Marketing and Sales		$ -	$ (220,009)	$ (220,009)	$ (220,009)	$ (220,009)	$ (220,009)	$ (220,009)	$ (220,009)	$ (220,009)	$ (220,009)	$ (220,009)	$ (220,009)	$ (2,420,100)
Ad Valorem Real Estate Taxes		$ (24,442)	$ (22,220)	$ (19,998)	$ (17,776)	$ (15,865)	$ (13,598)	$ (11,332)	$ (9,066)	$ (6,799)	$ (4,533)	$ (2,266)	$ -	$ (147,894)
Special Assessments		$ (25,806)	$ (23,460)	$ (21,114)	$ (18,768)	$ (16,750)	$ (14,358)	$ (11,965)	$ (9,572)	$ (7,179)	$ (4,786)	$ (2,393)	$ -	$ (156,150)
Direct Construction Costs		$ (690,000)	$ (1,380,000)	$ (1,380,000)	$ (1,380,000)	$ (1,380,000)	$ (1,380,000)	$ (1,380,000)	$ (1,380,000)	$ (1,380,000)	$ (1,380,000)	$ (1,380,000)	$ (690,000)	$ (15,180,000)
Model Upgrade Costs		$ (300,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (300,000)
Indirect Construction Costs		$ (103,500)	$ (207,000)	$ (207,000)	$ (207,000)	$ (207,000)	$ (207,000)	$ (207,000)	$ (207,000)	$ (207,000)	$ (207,000)	$ (207,000)	$ (103,500)	$ (2,277,000)
Building Permits		$ (315,426)	$ (315,426)	$ (315,426)	$ (315,426)	$ (315,426)	$ (315,426)	$ (315,426)	$ (315,426)	$ (315,426)	$ (315,426)	$ (315,426)	$ -	$ (3,469,686)
Total Expenses		$ (1,560,011)	$ (2,268,952)	$ (2,264,384)	$ (2,259,816)	$ (2,255,888)	$ (2,251,229)	$ (2,246,569)	$ (2,241,910)	$ (2,237,251)	$ (2,232,591)	$ (2,227,932)	$ (1,114,347)	$ (25,160,880)
Net Income Before Developer's Incentive		$ (1,560,011)	$ 1,397,866	$ 1,402,434	$ 1,407,002	$ 1,410,930	$ 1,415,590	$ 1,420,249	$ 1,424,908	$ 1,429,568	$ 1,434,227	$ 1,438,886	$ 2,552,472	$ 15,174,120
Total Developer's Incentive (Profit)	12.00%	$ -	$ 440,018	$ 440,018	$ 440,018	$ 440,018	$ 440,018	$ 440,018	$ 440,018	$ 440,018	$ 440,018	$ 440,018	$ 440,018	$ 4,840,200
Net Income (Before Discounting)		$ (1,560,011)	$ 957,848	$ 962,416	$ 966,984	$ 970,912	$ 975,571	$ 980,231	$ 984,890	$ 989,549	$ 994,209	$ 998,868	$ 2,112,453	$ 10,333,920
Present Value Factor														
Discount Rate (Cost of Borrowed Funds)	5.00%	0.98765	0.97546	0.96342	0.95152	0.93978	0.92817	0.91672	0.90540	0.89422	0.88318	0.87228	0.86151	
Discounted Cash Flow		$ (1,540,752)	$ 934,343	$ 927,209	$ 920,108	$ 912,441	$ 905,501	$ 898,593	$ 891,718	$ 884,876	$ 878,066	$ 871,290	$ 1,819,897	$ 9,303,291
Net Present Value		$ 9,303,291												
Conclusion of Value by Discounted Cash Flow Analysis (Rd)														**$ 9,300,000**
													Per Lot	**$ 141,000**

Reconciliation of Benchmark Lot Value

The sales comparison approach indicated a value of $142,000 per finished lot, while the land residual analysis yielded a value of $141,000 per finished lot, a difference of less than 1%. Both methods are credible and supported; as such we will place equal emphasis on each approach. As such, our conclusion of value is **$142,000 per finished lot**.

It's worth noting, our analysis derives a typical benchmark lot value (exclusive of upgrades, lot premiums, etc.). Based on our observations from the market, many builders purchase lots based on the minimum lot size, as this often dictates the product line to be supported by the lots. Builders often enjoy greater profit margins on upgrades and options as part of a subdivision development, with survey responders reporting typical anticipated upgrades of $5,000 - $15,000 per home; however, options and upgrades by homebuyers can vary by product line and location. While such premiums are often considered by homebuilders in development analyses, for purposes of estimating residual lot values for the subject, the base home price and base construction costs are reflected herein. Further, while some merchant builders may pay more for lots in communities where there is a higher expectation of capturing options and upgrades from homebuyers, this is not typically the case for market transactions of traditional residential subdivisions in the West Roseville submarket area and not factored into this analysis.

In consideration of paired sales analyses and sales agent interviews regarding premiums achieved for home sales when isolating lot size, a lot size adjustment factor of $10.00 per square foot of difference in lot area is applied to the benchmark lot values. In the following table, adjustments for differences in lot size are made to the above-concluded benchmark typical lot and applied to the subject's additional lot size categories. As previously noted, WB-41 has remaining in-tract costs, which will also be accounted for in the following table.

Residential Lot Component

Larger Parcel Designation	Marchant Builder	Typical Lot Size	Land Use	School District	Benchmark Value	Lot Size Adjustment	Remaining In-tract Costs	Adjusted Lot Value (Rd.)	No. of Lots
WB-20	K. Hovnanian Homes	3,825	MDR	CJUSD	$142,000	$0	$0	$142,000	66
WB-21	K. Hovnanian Homes	3,825	MDR	CJUSD	$142,000	$0	$0	$142,000	81
WB-22	Tri Pointe Homes	3,825	MDR	RCSD/RJUHSD	$142,000	$0	$0	$142,000	32
WB-23	Tri Pointe Homes	4,000	MDR	RCSD/RJUHSD	$142,000	$1,750	$0	$144,000	71
WB-41	Beazer Homes	3,995	MDR	CJUSD	$142,000	$1,700	($4,587)	$139,000	63

The preceding improved lot values will be assigned to each partially completed home and finished lots within CFD No. 1. Additionally, consideration is given to the building permits and impact fees ($52,571 per lot) remitted to the City for the homes under construction. These values are presented as follows:

Partially Completed Homes and Improved Lot Values

Component	Concluded Lot Value	Avg. Permits & Fees paid	Total Value per Lot (Rd.)	No. of Parcels	Aggregate Value
Homes Under Construction					
Aspire at Solaire (WB-20)	$142,000	$52,571	$195,000	3	$585,000
Total				**3**	**$585,000**
Finished Lots					
Aspire at Solaire (WB-20)	$142,000	--	$142,000	1	$142,000
Aspire at Solaire (WB-21)	$142,000	--	$142,000	7	$994,000
Radiance (WB-22)	$142,000	--	$142,000	18	$2,556,000
Total				**26**	**$585,000**
Nearly Finished Lots					
WB-41	$139,000	--	$139,000	63	$8,757,000
Total				**63**	**$8,757,000**

Commercial Land Valuation

Sales Comparison Approach

This section of the appraisal is concerned with the valuation of the commercial (zoning = CC) land component of the subject property, represented by Parcel WB-42 (14.50± acres).

In the sales comparison approach, the market value of the fee simple interest in the subject property will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013), *"The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time."* The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

The proper application of this approach requires obtaining sale data for comparison with the subject. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

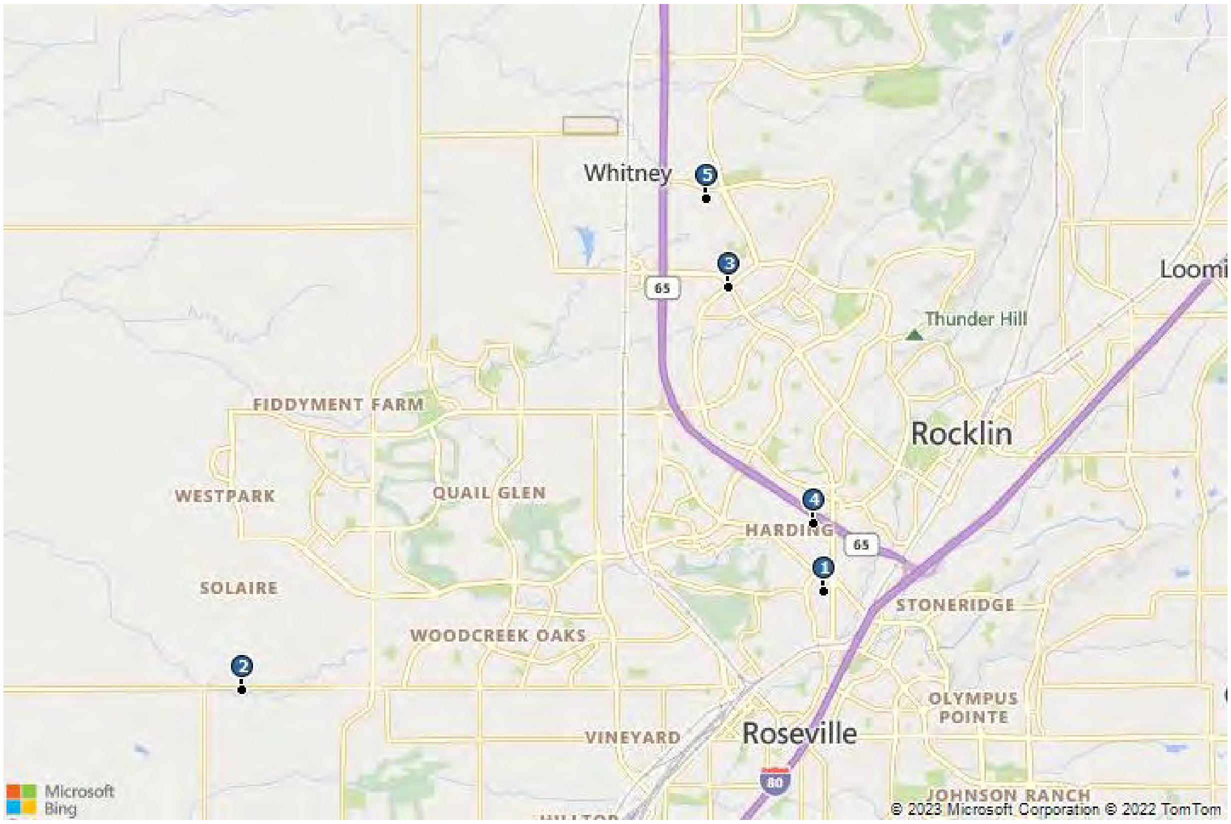
In the analysis of the subject property, we searched various sources for gathering of relevant data. In the sales comparison approach, we searched for data in our internal database, CoStar Property, Loopnet (for closed sales and active listings), and the Multiple Listing Service (MLS). We confirmed details of the transactions with parties directly involved (e.g. brokers, buyers/sellers) and/or public records.

On the following pages, we will present and analyze several comparable properties. We will begin by presenting a summary tabulation and location map, a discussion of necessary adjustments, and our conclusion of market value via this approach. These sales are the most recent transactions considered reasonably similar to the subject property.

Summary of Comparable Land Sales - Commercial Land

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	$/SF Land	$/Acre
1	1001 Roseville Pky Roseville Placer County CA	Dec-22 Closed	$6,011,500	509,652 11.70	Community Commercial, Special Area	$11.80	$513,803
	Comments: The buyer intends to construct a 41,844-square-foot, 51-bed skilled nursing facility which would specialize in helping patients recover from fractures, joint replacements, strokes, heart attacks and other medical procedures that require additional therapy and monitoring after leaving the hospital. The estimated cost of construction is $19.5 million.						
2	5500 Baseline Rd Roseville Placer County CA	Dec-21 Closed	$3,496,000	460,865 10.58	General Commercial	$7.59	$330,435
	Comments: This comparable represents the sale of 2 contiguous assessor's parcels zoned for general commercial situated at the entrance of the new home development Sierra West, being developed by Lennar. The property was purchased by Circle K Stores and intends to construct a 5,200 square foot retail store with gas station and car wash.						
3	5600 Lonetree Blvd. Rocklin Placer County CA	Oct-21 Closed	$3,798,500	474,804 10.90	Planned Dev., Industrial Park	$8.00	$348,486
	Comments: This comparable comprises the sale of 10.9 acres of vacant, commercial land in Rocklin. The parcel is nearly rectangular in shape and is situated adjacent to newer office/light industrial development as well as Strikes Unlimited.						
4	290 Conference Center Dr Roseville Placer County CA	Jun-21 Closed	$4,815,558	479,160 11.00	Community Commercial, Special Area	$10.05	$437,778
	Comments: This site is planned for the development of a project identified as Roseville Junction, which will include two five-story hotels, three restaurant buildings and outdoor event space. The site is located adjacent to VillaSport Athletic Club and has direct freeway visibility from Highway 65.						
5	S/O Whitney Ranch Pky., W/O Wildcat Blvd. Rocklin Placer County CA	Jun-21 Closed	$5,000,000	504,860 11.59	Planned Dev., Commercial	$9.90	$431,406
	Comments: This property has previously been marketed for residential development; however, it has a commercial zoning designation. It is located adjacent to the Ansel Park Independent Living development (to the south), Montessa at Whitney Ranch multi-family residential complex (to the north), and single family residential (to the east). A 232 unit apartment development is proposed for the parcel immediately west, a Chevron gas station with convenience store and carwash project has been approved for the parcel immediately east. The remaining surrounding vacant parcels are also zoned for commercial development. The buyer's plans for the property could not be confirmed.						
	City of Roseville Westbrook CFD No. 1 Roseville, CA			14.50	Community Commercial		

Comparable Land Sales Map – Commercial Land



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	All of the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	All of the comparable sales represented cash to the seller transactions and, therefore, do not require adjustments.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments are warranted.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Comparables 4 and 5 transferred in mid-2021, with market conditions improving the balance of that year; however, with rising inflation and interest rates in 2022, market conditions for commercial land has since moderated. Thus, no adjustments for changes in market conditions is necessary.
Location	Market or submarket area influences on sale price; surrounding land use influences.	No adjustments are warranted in this category.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	The subject property has average visibility/accessibility for a vacant commercial site. Comparables 1, 4 and 5 exhibit superior levels of visibility/accessibility relative to the subject, as they are located along more well-traveled streets and/or have freeway visibility.

Adjustment Factor	Accounts For	Comments
Size	Inverse relationship that often exists between parcel size and unit value.	The market generally exhibits an inverse relationship between parcel area and price per square foot such that larger parcels sell for a lower price per square foot than smaller parcels, all else being equal. However, all of the comparables sales are relatively similar in size and no adjustments are warranted.
Site Utility	Primary physical factors that affect the utility of a site for its highest and best use.	The subject property has average site utility, given the generally level topography, as is the case with all of the comparable sales.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	The subject property is zoned Community Commercial (CC), mixed use, which allows for a combination of retail, office and residential uses. The highest and best use of the site is consistent with the zoning. All of the comparable sales are considered to have similar zoning designations/highest and best uses as the subject, and no adjustments are warranted.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid - Commercial Land

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	City of Roseville Westbrook CFD No. 1	1001 Roseville Pky	5500 Baseline Rd	5600 Lonetree Blvd.	290 Conference Center Dr	S/O Whitney Ranch Pky., W/O Wildcat Blvd.
Address	Pleasant Grove Blvd.	1001 Roseville Pky.	5500 Baseline Rd.	5600 Lonetree Blvd.	290 Conference Center Dr.	S/O Whitney Ranch Pky., W/O Wildcat Blvd.
City	Roseville	Roseville	Roseville	Rocklin	Roseville	Rocklin
County	Placer	Placer	Placer	Placer	Placer	Placer
Sale Date		Dec-22	Dec-21	Oct-21	Jun-21	Jun-21
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		$6,011,500	$3,496,000	$3,798,500	$4,815,558	$5,000,000
Acres	14.50	11.70	10.58	10.90	11.00	11.59
Zoning Code	CC	CC-SA / NC	GC	PD-IP	CC/SA-NC	PD-C
Price per Square Foot		**$11.80**	**$7.59**	**$8.00**	**$10.05**	**$9.90**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		=	=	=	=	=
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller -
Adjustment		=	=	=	=	=
Conditions of Sale		Market	Market	Market	Market	Market
Adjustment		=	=	=	=	=
Market Conditions	2/16/2023	Dec-22	Dec-21	Oct-21	Jun-21	Jun-21
Adjustment		=	=	=	=	=
Location/Community	W. Roseville	Roseville	W. Roseville	Rocklin	Roseville	Rocklin
Adjustment		=	=	=	=	=
Access/Exposure	Average	Abv. Avg.	Average	Average	Abv. Avg.	Abv. Avg.
Adjustment		Sl. Superior	=	=	Sl. Superior	Sl. Superior
Size	14.50	11.70	10.58	10.90	11.00	11.59
Adjustment		=	=	=	=	=
Site Utility	Average	Average	Average	Average	Average	Average
Adjustment		=	=	=	=	=
Zoning	CC	CC-SA / NC	GC	PD-IP	CC/SA-NC	PD-C
Adjustment		=	=	=	=	=
Overall Adjustment		**Sl. Superior**	**Similar**	**Similar**	**Sl. Superior**	**Sl. Superior**

Land Value Conclusion – Commercial Land

After accounting for bonds, the unadjusted sale prices of the comparable sales ranged from $7.59 to $11.80 per square foot. Given the analysis on the preceding pages, a ranking analysis of the subject properties and the comparable sales is presented below:

Commercial Sales Ranking

Property	Sale Date	$/ SF (Unadjusted)	Net Adjustment
Comparable 1	Dec-22	$11.80	Sl. Superior
Comparable 4	Jun-21	$10.05	Sl. Superior
Comparable 5	Jun-21	$9.90	Sl. Superior
Comparable 3	Oct-21	$8.00	Similar
Subject Property	--	**$8.00**	--
Comparable 2	Dec-21	$7.59	Similar

The market value of the subject property is estimated to be generally similar to the value indicators of Comparables 2 and 3 and lower than the balance of the data set. It should be noted most of the comparable sales have superior locations within areas of greater retail/office synergy, and/or have superior levels of visibility/accessibility. The subject property is located within a predominantly residential area with few supporting commercial uses and has generally average visibility/accessibility for a commercial site. A conclusion of value for the commercial site (Parcel WB-42) is as follows:

Land Value Conclusion

Indicated Value per Square Foot	$8.00
Subject Square Feet	401,623
Indicated Value	$3,212,986
Rounded	$3,210,000

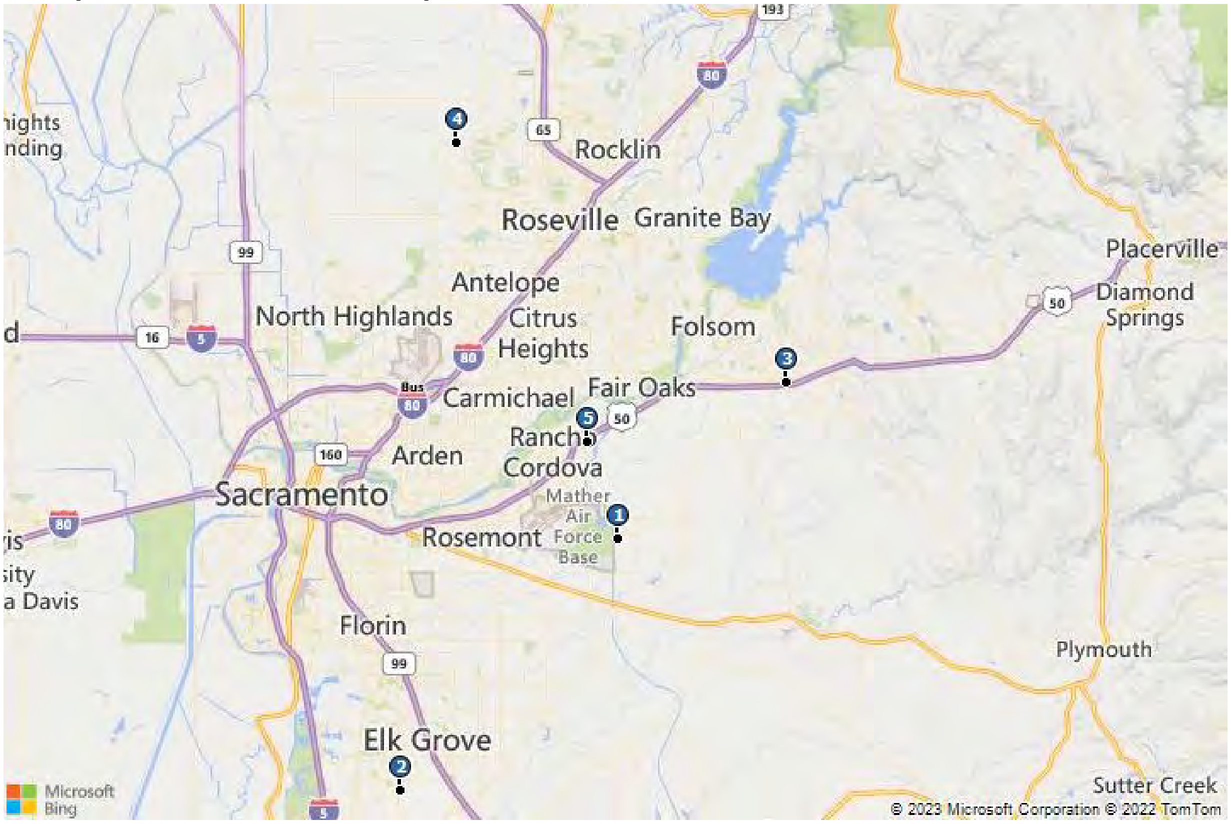
Multifamily Land Valuation

An array of multifamily land sales in the region is presented in the following table, along with a location map, an adjustment grid, and our conclusion of value via the sales comparison approach.

Summary of Comparable Land Sales - HDR Parcel

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	$/SF Land	$/Unit
1	Anatolia Apartments 4321 Anatolia Dr. Rancho Cordova Sacramento County CA	Sep-22 Closed	$2,835,140	345,431 7.93	Residential - 20 units/acre	$8.21	$23,626
	Comments: This comparable represents a recent sale of two non-adjacent parcels totaling 7.93 acres. The larger parcel (5.88 net acres) is proposed for a 120-unit multi-family residential project. The listing broker does not know what the buyer plans for the smaller parcel though much of it is currently used as access for an adjacent property so the overall site utility of the smaller parcel may be minimal.						
2	Poppy Grove Site 10149 Bruceville Rd. Elk Grove Sacramento County CA	Aug-22 Closed	$9,817,473	728,759 16.73	Multifamily	$13.47	$25,566
	Comments: Sale of a vacant, fully entitled site proposed for development with 384 affordable apartments units. Seller is an entity of CRP Affordable Housing and Community Development, LLC. Sale involved a double escrow transaction, with the seller entering into a purchase contract to acquire the property from Nguyen Pham in February 2021 (which closed escrow on June 8, 2022), then entered into contract in September 2021 to sell the property to the buyer (an entity of E. Smith & Company and Urbancore Development, LLC). During escrow, the seller secured development entitlements for 384 affordable housing units; however, there were no deed restrictions recorded again the property restricting use to affordable housing when the transaction closed escrow. Purchase price was based on $25,000 per entitled unit (384 units). During escrow, the buyer acquired approvals to develop an additional 3 units (387 units total).						
3	Avenida Folsom Senior Living 115 Healthy Way Folsom Sacramento County CA	Jul-22 Closed	$4,718,004	273,992 6.29	Residential Multifamily SPA	$17.22	$30,636
	Comments: The Developer plans to construct a 4-story, 201,798 SF senior (age-restricted) apartment community containing 154 market-rate units. The site is irregularly shaped, vacant, and consisted of a previously-graded building pad with approximately 35-foot fill slopes on the west and southwest boundaries. The project site will include surface parking lots arranged around the building to accommodate 168 vehicles, landscaping, and indoor and outdoor amenities. The underlying zoning designation of the site is C-2 PD (Commercial, Planned Development District) and required a Conditional Use Permit for the proposed use.						
4	Fiddyment Ranch F-8A 2700 N. Hayden Pkwy Roseville Placer County CA	Jan-22 Closed	$7,390,120	522,720 12.00	High Density Residential	$14.14	$26,679
	Comments: This comparable represents the sale of a multifamily land parcel entitled for the development of 277 units (54 of which are designated as "moderate income"). The status of the site is contour grading with all utilities stubbed, and the two adjacent streets improved to the back of curb ("superpad" condition). The contract was negotiated on 9/14/2020 and closed upon the approval of entitlements.						
5	11295 Folsom Boulevard Land Site 11295 Folsom Blvd. Rancho Cordova Sacramento County CA	Aug-21 Closed	$2,154,805	98,445 2.26	Light Industrial/ Manufacturing	$21.89	$26,278
	Comments: Sale of a site purchased for development of an affordable housing development. Buyer indicated there were no entitlements as of the date of sale; however, the zoning in place and their proposed use had discretionary by-right approvals possible.						
	City of Roseville Westbrook CFD No. 1 Roseville, CA			11.18	Attached Housing		

Comparable Land Sales Map – HDR Parcel



Analysis and Adjustment of Sales

The comparable multifamily residential land transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. A discussion involving each of these factors is presented as follows:

Adjustment Factor	Accounts For	Comments
Present Value of Bonds	Bond debt has a direct impact on the amount for which the end product will sell.	In an effort to account for the impact of bond indebtedness on the sales price, we establish a present value amount for the bond encumbrance based on the annual assessment to reflect the total consideration with each transaction.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	All of the comparable sales were cash to the seller transactions and do not require adjustments.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	All of the comparable transactions were arms-length and do not require a conditions of sale adjustment.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	All of the comparables transferred since mid-2021, which is generally indicative of current market conditions; therefore, no adjustments are necessary for changes in market conditions.
Location	Market or submarket area influences on sale price; surrounding land use influences.	The subject property is located in West Roseville, considered a good location for the regional area. Comparable 3 is located within a superior area of the Sacramento Region and is adjusted downward. No other adjustments are applied.

Adjustment Factor	Accounts For	Comments
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	The subject property has average visibility/accessibility, which is also the case for all of the comparable sales. No adjustments are warranted.
Density	All else being equal, properties that allow for lower density development sell for less per unit than those that allow for higher density development.	The subject property is approved for approximately 23 units per acre. All of the comparable sales have generally similar densities, and no adjustments are warranted for this element of comparison.
Site Utility	Primary physical factors that affect the utility of a site for its highest and best use.	The subject property exhibits average site utility, with a functional shape, generally level topography and no major impediments to development. Comparable 1 receives an upward adjustment as this site is comprised of two contiguous parcels, one of which has limited development potential. No further adjustments are required in this category.
Off-site Improvements	Access roads, sidewalks and curbs, sewers, and utility lines which add value to the entire development.	All of the comparables transferred with all and/or most off-site improvements in place and no adjustments are applied.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid - HDR Parcel

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	City of Roseville Westbrook CFD No. 1	Anatolia Apartments	Poppy Grove Site	Avenida Folsom Senior Living	Fiddyment Ranch F-8A	11295 Folsom Boulevard Land Site
Address	Pleasant Grove Blvd.	4321 Anatolia Dr.	10149 Bruceville Rd.	115 Healthy Way	2700 N. Hayden Pkwy	11295 Folsom Blvd.
City	Roseville	Rancho Cordova	Elk Grove	Folsom	Roseville	Rancho Cordova
County	Placer	Sacramento	Sacramento	Sacramento	Placer	Sacramento
Sale Date		Sep-22	Aug-22	Jul-22	Jan-22	Aug-21
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		$2,800,000	$9,600,000	$4,500,000	$4,155,000	$2,150,000
PV of Bonds		$35,140	$217,473	$218,004	$3,235,120	$4,805
Effective Sale Price		$2,835,140	$9,817,473	$4,718,004	$7,390,120	$2,154,805
Acres	11.18	7.93	16.73	6.29	12.00	2.26
Number of Units	263	120	387	154	277	82
Price per Unit		**$23,626**	**$25,368**	**$30,636**	**$26,679**	**$26,278**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		=	=	=	=	=
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		=	=	=	=	=
Conditions of Sale		Market	Market	Market	Market	Market
Adjustment		=	=	=	=	=
Market Conditions	2/16/2023	Sep-22	Aug-22	Jul-22	Jan-22	Aug-21
Adjustment		=	=	=	=	=
Location	W. Roseville	Rancho Cordova	Elk Grove	Folsom	W. Roseville	Rancho Cordova
Adjustment		=	=	Sl. Superior	=	=
Access/Exposure	Average	Average	Average	Average	Average	Average
Adjustment		=	=	=	=	=
Density (Units/Acre)	23.5	15.13	23.13	24.48	23.08	36.28
Adjustment		=	=	=	=	=
Site Utility	Average	Below Avg.	Average	Average	Average	Average
Adjustment		Sl. Inferior	=	=	=	=
Off-Site Improvements	All to Site	Similar	Similar	Similar	Similar	Similar
Adjustment		=	=	=	=	=
Overall Adjustment		**Sl. Inferior**	**Similar**	**Sl. Superior**	**Similar**	**Similar**

Land Value Conclusion – HDR Parcel

After accounting for bonds, the unadjusted sale prices of the comparable sales ranged from $23,626 to $30,636 per unit. Given the analysis on the preceding pages, a ranking analysis of the subject property and the comparable sales is presented in the following chart.

Commercial Sales Ranking

Property	Sale Date	$/ Unit (Unadjusted)	Net Adjustment
Comparable 5	Jul-22	$30,636	Sl. Superior
Comparable 3	Jan-22	$26,679	Similar
Subject Property	--	**$26,000**	--
Comparable 2	Aug-21	$26,278	Similar
Comparable 4	Aug-22	$25,368	Similar
Comparable 1	Sep-22	$23,626	Sl. Inferior

The market value of Parcel WB-31 is estimated to be lower than the value indicator of Comparable 5, higher than Comparable 1, and generally similar to the balance of the data set. Given the preceding discussion, our conclusion of value via the sales comparison approach for Parcel WB-31 is as follows:

Land Value Conclusion

Indicated Value per Unit	$26,000
Subject Units	263
Indicated Value	$6,838,000
Rounded	$6,840,000

Market Valuation by Ownership

Introduction

The appraised properties represent certain components of the Westbrook master planned community. In this section, the previously concluded market values will be allocated to each ownership group comprising the appraised properties in order to provide a market value of the appraised properties by ownership and parcel.

The appraised properties consist of 63 nearly finished residential lots, 26 finished residential lots, 3 homes under construction, one commercial parcel and one multifamily (high density residential) parcel. There are also 150 completed single-family homes within the boundaries of the CFD not currently assessed for an improvement value by the Placer County Assessor; as such, a not-less-than estimate of market value for the smallest floor plan constructed within each subdivision was appraised and assigned to each respective Assessor's parcel within the CFD.

In light of the fact the merchant builders have a number of lot(s) that could sell in bulk to one buyer within 12 months, no additional discounting is necessary beyond the market value, in bulk, of the various single-family residential lot categories previously estimated.

Based on the previous analysis, the estimates of market value, by ownership, subject to the impact of the Lien of the Special Tax securing the City of Roseville Community Facilities District No. 1 (Westbrook) Bonds, as of the date of value, February 16, 2023, are presented in the following table.

Values by Ownership

Entity	Lots/Parcels	Value per Lot/Home	Market Value
Individual Owners			
Completed Homes without AVs			
Heritage Larissa	17	$545,000	$9,265,000
Heritage Eclipse	3	$625,000	$1,875,000
Heritage Meridian^	16	$500,000	$8,000,000
Aspire at Solaire	35	$525,000	$18,375,000
Radiance	49	$570,000	$27,930,000
Total	*120*		$65,445,000
K. Hovnanian Homes			
Completed Homes without AVs	16	$525,000	$8,400,000
Homes Under Construction	3	$195,000	$585,000
Finished Lots	8	$142,000	$1,136,000
Total	*27*		$10,121,000
Tri Pointe Homes			
Completed Homes without AVs	14	$570,000	$7,980,000
Finished Lots	18	$142,000	$2,556,000
Total	*32*		$10,536,000
Beazer Homes Holdings, LLC			
Nearly Finished Lots (Beazer Homes)	16	$139,000	$2,224,000
Nearly Finished Lots (Solaire II - Roseville, L.P.)	47	$139,000	$6,533,000
Total	*63*		$8,757,000
Westpark SV 400 LLC	1		$3,210,000
Pine Island Apartments, LLC.	1		$6,840,000
Aggregate Value of Appraised Properties	**244**		**$104,909,000**

^Includes 2 older homes that do not have a complete assessed value and were assigned this value

Final Opinion of Value

As a result of our analysis, it is our opinions the cumulative, or aggregate, values of the appraised properties, in accordance with the assumptions and conditions set forth in the attached document, as well as the Assessed Values of the 1,222 completed single-family residences not appraised, as of February 16, 2023, are as follows are:

Value Conclusions

Value Premise	Lots/Units	Aggregate Value
Aggregate Value of Appraised Properties	244	$104,909,000
Aggregate Value of Assessed Properties	1,222	$664,890,178
Total Aggregate Value of Appraised and Assessed Properties	**1,466**	**$769,799,178**

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. APNs 402-020-020 and 402-043-027 are not currently assigned a complete assessed value although they were constructed in 2018 and 2017, respectively. As such, we have assigned a value commensurate with the smallest appraised floor plan within the District.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. It is a hypothetical condition of the Appraisal that certain proceeds from the Bonds are available to fund certain infrastructure improvements and/or reimburse for infrastructure already completed. The estimate of market value, by ownership, accounts for the impact of the proposed Lien of the Special Taxes securing the Bonds.

The estimate of value above represents a “not-less-than” value due to the fact we were requested to provide a market value of the smallest floor plan (by project) on each single-family residential lot improved with a completed home without an assessed improvement value assigned.

The estimate of value is subject to the hypothetical condition that certain of the proceeds from the Bonds are available to fund certain infrastructure improvements and/or reimburse for infrastructure already completed. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

Any properties within the CFD not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites), in addition to those lots/parcels with completed improvements with an assigned assessed value for both land and improvements, are not a part of this appraisal. We were requested to include the assigned assessed value for both land and improvements for the existing single-family homes (that have assessed improvement values) to provide the total aggregate value of the appraised and assessed properties.

Please note the aggregate value noted ***is not*** the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the "total of multiple market value conclusions." For purposes of this report, market value is estimated by ownership. The estimates of market value account for the impact of the Lien of the Special Taxes securing the Bonds.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local residential land market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject in bulk is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have previously appraised the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Kevin Ziegenmeyer, MAI, Eric Segal, MAI, and Kari Tatton made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Kevin Ziegenmeyer, MAI, and Eric Segal, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.

Kevin Ziegenmeyer, MAI
Certified General Real Estate Appraiser
California Certificate # AG013567

Eric Segal, MAI
Certified General Real Estate Appraiser
California Certificate # AG026558

Kari Tatton
Certified General Real Estate Appraiser
California Certificate # 3002218

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.

9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.

11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.

16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Sacramento, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. Integra Realty Resources – Sacramento is not a building or environmental inspector. Integra Sacramento does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Sacramento, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. APNs 402-020-020 and 402-043-027 are not currently assigned a complete assessed value although they were constructed in 2018 and 2017, respectively. As such, we have assigned a value commensurate with the smallest appraised floor plan within the District.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. It is a hypothetical condition of the Appraisal that certain proceeds from the Bonds are available to fund certain infrastructure improvements and/or reimburse for infrastructure already completed. The estimate of market value, by ownership, accounts for the impact of the proposed Lien of the Special Taxes securing the Bonds.

Addendum A

Appraiser Qualifications

Kevin Ziegenmeyer, MAI

Experience

Mr. Ziegenmeyer is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, residential income and subdivisions throughout the state of California, and Northern Nevada. Mr. Ziegenmeyer handles many of the firm's master-planned property appraisals and over the past two decades has developed expertise in the valuation of Community Facilities Districts and Assessment Districts.In fact, Mr. Ziegenmeyer was one of five appraisers to collaborate with other professionals in developing the appraisal guidelines for the California Debt and Investment Advisory Commission (Recommended Practices in the Appraisal of Real Estate for Land-Secured Financing - 2004). He has developed the experience and background necessary to deal with complex assignments covering an array of property types, with a particular focus on urban redevelopment in the cities and counties of San Francisco, Dublin, Monterey, Newport Beach, Alameda, Napa and San Mateo. In early 2015, Mr. Ziegenmeyer obtained the Appraisal Institute's MAI designation. Kevin is currently Senior Managing Director of the Integra-San Francisco office and Managing Director of the Integra-Sacramento office.

Licenses

California, Certified General Real Estate Appraiser, AG013567, Expires June 2023

Education

Academic:
Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:
Standards of Professional Practice, Parts A, B & C
Basic Valuation Procedures
Real Estate Appraisal Principles
Capitalization Theory and Techniques, Part A
Advanced Income Capitalization
Report Writing and Valuation Analysis
Advanced Applications
IRS Valuation Summit I & II
2008, 2009, 2010 & 2011 Economic Forecast
Business Practices and Ethics
Contemporary Appraisal Issues with Small Business Administration Financing
General Demonstration Appraisal Report Writing Seminar
7-Hour National USPAP Update Course
Valuation of Easements and Other Partial Interests
2009 Summer Conference
Uniform Appraisal Standards for Federal Land Acquisitions
2008 Economic Update
Valuation of Conservation Easements
Subdivision Valuation
2005 Annual Fall Conference

Integra Realty Resources - Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

T 916-435-3883
F 916-435-4774

irr.com

Kevin Ziegenmeyer, MAI

Education (Cont'd)

Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

Integra Realty Resources
San Francisco

San Francisco, CA 95765

T 916-435-3883
F 916-435-4774

irr.com

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Kevin K. Ziegenmeyer

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 013567

Effective Date: June 5, 2019
Date Expires: June 4, 2021

Jim Martin, Bureau Chief, BREA

3045137

Eric Segal, MAI

Integra Realty Resources - Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

T 916.435.3883
F 916.435.4774

irr.com

Experience

Mr. Segal is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1998, Mr. Segal began his career in real estate as a research analyst/appraiser trainee for Richard Seevers and Associates. By 1999, he began writing narrative appraisal reports covering a variety of commercial properties, with an emphasis on residential master planned communities and subdivisions. Today, Mr. Segal is a partner in the firm and is involved in appraisal assignments covering a wide variety of properties including office, retail, industrial, multifamily housing, master planned communities, and specializes in the appraisal of Mello-Roos Community Facilities Districts and Assessment Districts for land-secured municipal financings, as well as multifamily developments under the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (MAP) Guide. He has developed the experience and background necessary to deal with complex assignments covering an array of property types, with a particular focus on urban redevelopment in the cities of San Francisco, Monterey, Alameda and San Mateo. He has developed the experience and background necessary to deal with complex assignments covering an array of property types. Eric is currently Managing Director of the Integra-San Francisco office as well as Integra-Sacramento office.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute, January 2016

Licenses

California, Certified General Real Estate Appraiser, AG026558, Expires February 2023
Nevada, Certified General, A.0207666-CG, Expires January 2025
Arizona, Certified General, CGA - 1006422, Expires January 2024
Washington, Certified General, 20100611, Expires June 2023

Education

Academic:
Bachelor of Science in Business Administration (Concentrations in Finance and Real Estate & Land Use Affairs), California State University, Sacramento

Appraisal and Real Estate Courses:
Uniform Standards of Professional Appraisal Practice
Appraisal Principles
Basic Income Capitalization
Highest & Best Use and Market Analysis
Advanced Income Capitalization
Report Writing and Valuation Analysis
Self-Storage Economics and Appraisal Seminar
Appraisal Litigation Practice and Courtroom Management
Hotel Valuations: New Techniques for today's Uncertain Times
Computer Enhanced Cash Flow Modeling
Advanced Sales Comparison & Cost Approaches
Advanced Applications
Supervisor-Trainee Course for California

esegal@irr.com - 916.435.3883 x228

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESIATE APPRAISER LICEN_SE

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has successfully met the requiJ:;,Inents fo } J, 1 fJ i 1; ;; 1 n t i a l and commercial real estate appraiser in the tl.'!,te.o£ lifor!ilia and is, therefore, entitled.to use the title:

"Certified Gert ral Real Estate Appr isel!"i

This license has been issued in a,itot ance with the provisions of the Real Estate Appra'fo r ' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION g : AG026558

Effective Dat : February 19, 2023

Date E pire}} February 18, 2025

Angela Jemmott(Bureau Chief, BREA

3069186

Kari Tatton

Experience

Ms. Tatton is a Certified General real estate appraiser. After completing her bachelor's degree at California State University, Sacramento, Ms. Tatton began her career in real estate in March 2011, and has been writing narrative appraisal reports for a variety of commercial properties including office, retail, industrial, multifamily housing, land and special-purpose properties including self-storage facilities, religious facilities, schools and auto dealerships. She specializes in the appraisal of residential master planned communities and subdivisions, as well as Mello-Roos and Assessment Districts for land-secured municipal financings.

Licenses

California, Certified General Real Estate, 3002218, Expires June 2024

Education

Academic:
Bachelor of Arts in Interior Design (Concentration in Interior Architecture)
California State University, Sacramento

Appraisal and Real Estate Courses:
Basic Appraisal Principles
Basic Appraisal Procedures
Site Valuation & Cost Approach
General Market Analysis & Highest and Best Use
Sales Comparison Approach
Income Capitalization Approach Part I
Income Capitalization Approach Part II
General Appraiser Report Writing and Case Studies
Appraisal of Fast Food Facilities
Appraising Small Apartment Properties
Appraisal of Land Subject to Ground Leases
Appraising Automobile Dealerships

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ktatton@irr.com - 916.435.3883 x229

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Kari M. Tatton

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3002218

Effective Date: June 2, 2022
Date Expires: June 1, 2024

Loretta Dillon, Deputy Bureau Chief, BREA

3063596

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com

Addendum B

IRR Quality Assurance Survey

IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Addendum C

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), unless otherwise noted.

As Is Market Value
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value
The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date
1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analysis, opinions, and conclusions apply; also referred to as *date of value*. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect.

Entitlement
In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Incentive
The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motived by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovation change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that 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.

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)
The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time
An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.

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

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

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

Addendum D

Preliminary Title Reports

PLACER TITLE COMPANY
A MOIHER LODE COMPANY

K Hovnanian Homes of Northern California, Inc., a California corporation
3721 Douglas Blvd, Suite 150
Roseville, CA 95661

Date: August 8, 2019

To our valued customer,

Enclosed please find the title insurance policy for your property located at

Solaire Phase 3 - WB 20 & WB 21, Roseville, CA 95747

Please review this policy in its entirety. In the event that you find any discrepancy, or if you have any questions regarding your title insurance policy, you may contact the Policy Department at:

Email:	ptcpolicies@placertitle.com
Telephone:	{916)624-8141
Fax:	{916)624-7383

Please refer to our **Order No. P-329224.**

We will retain a copy of this title insurance policy so we will be able to provide future products and services to you quickly and efficiently. Thank you for giving us the opportunity to serve you.

Sincerely,

Placer Title Company
9085 Foothills Blvd.
Roseville, CA 95747

Policy No.: OP-6-CA1001-7283171
OWNER'S POLICY OF TITLE INSURANCE
Issued by

Westcor Land Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, Westcor Land Title Insurance Company, a South Carolina corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
   (a) A defect in the Title caused by
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.

COVERED RISKS Continued on next page

IN WITNESS WHEREOF, Westcor Land Title Insurance Company has caused this policy to be signed and sealed as of the Date of the Policy shown in Schedule A.

Issued By:
Placer Title Company
9085 Foothills Blvd.
Roseville, CA 95747
Agent ID: CA1001

Authorized Countersignature

WESTCOR LAND TITLE INSURANCE COMPANY

WESTCOR LAND TITLE INSURANCE COMPANY CORPORATE SEAL 1993 SOUTH CAROLINA

By: Mary O'Donnell
President

Attest:
Secretary

COVERED RISKS Continued

4. No right of access to and from the Land.

5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (a) the occupancy, use, or enjoyment of the Land;
   (b) the character, dimensions, or location of any improvement erected on the Land;
   (c) the subdivision of land; or
   (d) environmental protection,

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.

8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

9. Title being vested other than as stated in Schedule A or being defective
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions,

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or
      relating to
      (i) the occupancy, use, or enjoyment of the Land;
      (ii) the character, dimensions, or location of any improvement erected on the Land;
      (iii) the subdivision of land; or
      (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or

EXCLUSIONS FROM COVERAGE continued

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title

as shown in Schedule A, is

(a) a fraudulent conveyance or fraudulent transfer; or

(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

S. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

{B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate

planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any

predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk S(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

CONDITIONS continued

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section S(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

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 Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy 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.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the

CONDITIONS continued

custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section 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 Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance. To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys* fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to payi or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant 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 subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i} the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including 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, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys[1] fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

CONDITIONS continued

11. LIABILIlY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b} The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured 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'1}. 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 Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the

Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy 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,

15, LIABILIlY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy 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.

CONDITIONS continued

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy 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 policies of title insurance 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 against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. 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 Insured 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.

18. 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 policy and shall be addressed to Westcor Land Title Insurance Company, 875 Concourse Parkway South, Ste. 200, Maitland, Florida 32751 (866) 629-5842.

ALTA OWNER'S POLICY (6-17-06)

SCHEDULE A

Order No.: P-329224

Policy No.: OP-6-CAIO0l-7283171

Date of Policy: August 1, 2019 at 2:57PM

Amount of Insurance: $6,158,325.00

Premium: $6,466.95

Name and Address of Insurer:

Westcor Land Title Insurance Company
875 Concourse Parkway South, Suite 200
Maitland, FL 32751

Address Reference: Solaire Phase 3 - WB 20 & WB 21, Roseville, CA 95747

1. Name of Insured:

   K Hovnanian Homes of Northern California, Inc., a California corporation

2. The estate or interest in the Land that is insured by this policy is:

   Fee Simple

3. Title is vested in:

   K Hovnanian Homes of Northern California, Inc., a California corporation

4. The Land referred to in this policy is described as follows:

   SEE EXHIBIT "A" ATTACHED FOR LEGAL DESCRIPTION

Order No.: P-329224
Policy No.: OP-6-CAIO0I-7283171

EXHIBIT "A" LEGAL DESCRIPTION

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

Parcel One:

All that real property situated within Section 27, Township 11 North, Range 5 East, Mount Diablo Meridian, City of Roseville, County of Placer, State of California and being a portion of Lot 5 & Lot 7 as shown and so designated on that certain Final Map entitled "Westbrook - Phases 2 & 3 Large Lot Subdivision" filed for record on December 8, 2016, in Book DD of Maps, at Page 79, Placer County Records and being more particularly described as follows:

Beginning at the Northwest corner of said Lot 5 also being the Northeast corner of Lot A shown and so designated on said Final Map, thence from said point of beginning along the North line thereof, North 89°07'43" East a distance of 695.42 feet to the Northeast corner of said Lot 5; thence along the Easterly line of said Lot 5, South 00°52'17" East a distance of 205.00 feet to an angle point in said Easterly line; thence continuing on said line, North 89°07'43" East a distance of 85.00 feet; thence departing said Easterly line of Lot 5 the following thirteen arcs, courses and distances:

1. South 00°52'17" East a distance of 327.50 feet;
2. South 89°07'43" West a distance of 86.21 feet;
3. North 83°22'07" West a distance of 42.12 feet;
4. South 89°07'43" West a distance of 85.00 feet;
5. North 00°52'17" West a distance of 45.00 feet;
6. North 33°43'OS" West a distance of 30.93 feet;
7. North 79°07'56" West a distance of 93.45 feet;
8. South 89°07'43" West a distance of 137.25 feet;
9. South 82°09'12" West a distance of 95.38 feet;
10. South 08°50'03" East a distance of 44.58 feet;
11. South 79°20'08" West a distance of 129.79 feet to a point of curvature;
12. from a radial line which bears South 79°20'08" West, 22.96 feet along the arc of a non-tangent 1521.00 foot radius curve to the left through a central angle of 00°51'54" subtended by a chord which bears South 11°05'49" East a distance of 22.96 feet; and
13. South 78°28T4" West a distance of 85.80 feet to a point on the West line of said Lot 7, also being a point on the East line of Lot Bas shown and so designated on said Final Map;

thence along said West line of Lot 7 and East line of Lot B, from a radial line which bears South 78°21'12" West, 8.93 feet along the arc of a non-tangent 1899.00 foot radius curve to the right through a central angle of 00°16'10", subtended by a chord which bears North 11°30'42" West a distance of 8.93 feet to the Southwest corner of said Lot 5 also being the Southeast corner of said Lot A and point of compound curvature; thence along said West line of Lot 5 and East line of Lot A, from a radial line which bears South 78°37'23" West. 260.53 feet along the arc of a non-tangent 1899.00 foot radius curve to the right through a central angle of 07°51'38" subtended by a chord which bears North 07°26'48" West a distance of 260.33 feet; thence continuing on said line, North 00°22'01" East a distance of 285.95 feet to the point of beginning

Described as "Resultant Parcel 5" in that certain Lot Line Adjustment Certificate of Compliance" recorded April 24, 2019, (instrument) 2019-0025627, Official Records.

Parcel Two:

All that real property situated within Section 27, Township 11 North, Range 5 East, Mount Diablo Meridian, City of

Roseville, County of Placer, State of California and being a portion of Lot 5 & Lot 7 as shown and so designated on that certain Final Map entitled "Westbrook - Phases 2 & 3 Large Lot Subdivision" filed for record on December 8, 2016 in Book DD of Maps, at Page 79, Placer County Records and being more particularly described as follows:

Beginning at the Southeast corner of Lot 6, also being a point on the West right-of-way line of Daylight Drive as shown and so designated on said Final Map and an angle point on the Easterly line of said Lot 5, thence from said point of beginning along said West right-of-way line the following five arcs, courses and distances:

1. South 00°52'17" East a distance of 503.11 feet to a point of curvature;
2. 262.86 feet along the arc of a tangent 2429.00 foot radius curve to the left through a central angle of 06°12'01" subtended by a chord which bears South 03°58'17" East a distance of 262.73 feet;
3, South 07°04'18" East a distance of 39.66 feet;
4. South 82°55'42" West a distance of 10.00 feet to a point of curvature; and
5. from a radial line which bears South 82°55'42" West, 47.22 feet along the arc of a non-tangent 31.00 foot radius curve to the right through a central angle of 87°16T4" subtended by a chord which bears South 36°33,49" West a distance of 42.78 feet to a point on the North right-of-way line of Solaire Drive as shown and so designated on said map;

thence along said right-of-way line, 267.88 feet along the arc of a reverse tangent 1019.00 foot radius curve to the left through a central angle of 15°03'44" subtended by a chord which bears South 72°40'04" West a distance of 267.11 feet; thence continuing on said right-of-way line, South 68°00'40" West a distance of 120.00 feet to the Southeasterly corner of Lot Bas shown and so designated on said Final Map also being an angle point on the Westerly line of Lot 7; thence on the Easterly line of said Lot Band Westerly line of said Lot 7 the following five arcs, courses and distances:

1. North 26°47'03" West a distance of 25.09 feet;
2. South 58°25'15" West a distance of 143.10 feet;
3, North 76°34'45" West a distance of 98.99 feet;
4. North 31'34'45" West a distance of 23.00 feet to a point of curvature; and
5. 660.65 feet along the arc of a tangent 1899.00 foot radius curve to the right through a central angle of 19°55'58" subtended by a chord which bears North 21°36'46" West a distance of 657.32 feet;

thence departing said line the following thirteen arcs, courses and distances:

1. North 78°28'14" East a distance of 85.80 feet to a point of curvature;
2. from a radial line which bears South 78°28'14" West, 22.96 feet along the arc of a non-tangent 1521.00 foot radius curve to the right through a central angle of 00°51'54" subtended by a chord which bears North 11'05'49" West a distance of 22.96 feet;
3. North 79°20'08" East a distance of 129.79 feet;
4. North 08°50'03" West a distance of 44.58 feet;
5. North 82°09'12" East a distance of 95.38 feet;
6. North 89°07'43" East a distance of 137.25 feet;
7. South 79°07'56" East a distance of 93.45 feet;
8. South 33'43'05" East a distance of 30.93 feet;
9. South 00°52'17" East a distance of 45.00 feet;
10. North 89°07'43" East a distance of 85.00 feet;
11. South 83°22'07" East a distance of 42.12 feet;
12. North 89°07'43" East a distance of 86.21 feet; and
13. North 00°52'17" West a distance of 327.50 feet to a point of the Easterly line of said Lot 5;
thence along said line, North 89°07'43" East a distance of 85.00 feet to the point of beginning.

Described as "Resultant Parcel 7" in that certain Lot Line Adjustment Certificate of Compliance" recorded April 24, 2019, (instrument) 2019-0025627, Official Records.

Parcel Three:

Parcels A and Bas shown on each as shown the Final Map of Westbrook- Phases 2 & 3, Large Lot Subdivision - Subdivision No. PL13-0318, recorded on December 8, 2016, in Book DD of Maps at Page 79, Official Records of Placer County, as such map has been corrected pursuant to that certain Certificate of Correction, recorded on March 21, 2017, as Document No. 2017-0020719 in the Official Records of Placer County.

A.P. N. 496-100-031-000, 496-100-033-000, 496-100-052-000, 496-100-053-000

Order No.: P-329224
Policy No.: OP-6-CAlOOl-7283171

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. Taxes, special and general, assessment districts and service areas for the fiscal year 2019-2020, 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. The terms, conditions and provisions as contained in the document entitled "Development Agreement", by and between the City of Roseville and Westpark S.V. 400, LLC, relative to the Sierra Vista Specific Plan, dated June 20, 2012, recorded July 25, 2012, as (instrument) 2012-0066790, Official Records.
Document Link

   First Amendment of Development Agreement relative to the Sierra Vista Specific Plan recorded May 11, 2016 as Instrument No. 2016-0035988, Official Records.
   Document Link

   The terms, conditions, provisions and stipulations as contained in the agreement entitled "Assignment and Assumption Agreement Relative to Sierra Vista Specific Plan Development Agreement", by and between Westpark S.V. 400 LLC, a California limited liability company, and WP Development Company, LLC, a California Limited Liability Company, recorded June 17, 2019, (instrument) 2019-0041105-00, Official Records.
   Document Link

   The terms, conditions, provisions and stipulations as contained in the agreement entitled "Assignment and Assumption Agreement Relative to Sierra Vista Specific Plan Development Agreement", by and between WP Development Company, LLC, a California Limited Liability Company (Developer) and K. Hovnanian Homes of Northern California, Inc., a California corporation (Assignee), recorded August 1, 2019, (instrument) 2019-0055155, Official Records.

4. The terms, conditions and provisions as contained in the document entitled "Landowner's Development Agreement", by and between Center Joint Unified School District and Westpark S.V. 400 LLC, dated June 20, 2012, recorded August 31, 2012, as (instrument) 2012-0080572, Official Records.
Document Link

   The terms, conditions, provisions and stipulations as contained in the agreement entitled "Assignment and Assumption Agreement Relative to the Agreement Between the Center Joint Unified School District and Westpark S.V. 400, LLC Entitled 'Landowners' Development Agreement", by and between Westpark S.V. 400 LLC, a California limited liability company, and WP Development Company, LLC, a California Limited Liability Company, recorded June 17, 2019, (instrument) 2019-0041107-00, Official Records.
   Document Link

   The terms, conditions, provisions and stipulations as contained in the agreement entitled "Assignment and Assumption Agreement Relative to the Agreement Between the Center Joint United School District and

Westpark S.V. 400, LLC Entitled "Landowner's Development Agreement", dated August 1, 2019, by and between, WP Development Company, LLC, a California Limited Liability Company (Assignor) and K Hovnanian Homes of Northern California, Inc., a California corporation (Assignee), recorded August 1, 2019, (instrument) 2019-0055156, Official Records

5. An "Amendment to Notice of Special Tax Lien" pursuant to the requirements of Section 3114.5 of the Streets and Highway Code and the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311 of the California Government Code, to give notice that a Lien to secure payment of a special tax was imposed, and, recorded April 17, 2014, as (instrument) 2014-0024373, Official Records.
Document Link

A 2018 Amendment to 2014 Amendment to Notice of Special Tax Lien, recorded June 13, 2018, Instrument No. 2018-42226, Official Records,
Document Link

6. **Terms, provisions, covenants, conditions, restrictions and easements, provided in the Covenants, Conditions and Restrictions, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex,** gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons, in document recorded July 7, 2014, as (instrument) 2014-0045131, Official Records.

Note: Section 12956.1 of the Government Code provides the following:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."
Document Link

Said Covenants, Conditions and Restrictions were modified in part by instrument recorded April 29, 2016, (instrument) 2016-0031912, Official Records.
Document Link

A "Declaration of Annexation" wherein the herein described land was annexed to the terms and provisions of the above mentioned restrictions, recorded May 11, 2017, (instrument) 2017-0034670, Official Records.
Document Link

Said Covenants, Conditions and Restrictions were modified in part by instrument recorded May 11, 2017, (instrument) 2017-0034671, Official Records.
Document Link

The terms, conditions and provisions as contained in the document entitled "Designation of Merchant Builder Status Under Declaration of Covenants, Conditions and Restrictions for Westbrook", by and between Westpark S.V. 400 LLC, a California limited liability company and WP Development Company, LLC, a California Limited Liability Company, recorded June 17, 2019, as (instrument) 2019-0041109, Official Records.
Document Link

The terms, conditions and provisions as contained in the document entitled "Designation of Merchant Builder Status Under Declaration of Covenants, Conditions and Restrictions for Westbrook", by and between Westpark S.V. 400 LLC, a California limited liability company (Declarant) and K. Hovnanian Homes of Northern California, Inc., a California corporation (Buyer), recorded August 1, 2019, as (instrument) 2019-0055158, Official Records

7. A "Notice of Special Tax Lien" pursuant to the requirements of Section 3114.S of the Streets and Highway Code and the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title S, commencing with Section 53311 of the California Government Code, to give notice that a Lien to secure payment of a special tax was imposed, and recorded December 19, 2014, as (instrument) 2014-0091784, Official Records.
Document Link

Amended Notice of Special Tax Lien, dated April 21, 2016, recorded May 3, 2016, as (instrument) 2016-0032962, Official Records.
Document Link

And Re-Recorded August 12, 2016, (instrument) 2016-0066555, Official Records.
Document Link

Amended Notice of Tax Lien, recorded March 23, 2018, Instrument No. 2018-0019675, Official Records.
Document Link

Amended Notice of Tax Lien, recorded April 2, 2019, Instrument No. 2019-0020272, Official Records.
Document link

Amended Notice of Tax Lien, recorded April 2, 2019, Instrument No. 2019-0020273, Official Records.
Document link

8. An "Amended Notice of Special Tax Lien", pursuant to the requirements of Sections 3117.S of the Streets and Highway Code and the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311, et seq., of the Government Code to give notice that a Lien to secure payment of a special tax in the Westbrook Community District No. 1, recorded May 3, 2016, as (instrument) 2016-0032961, Official Records.
Document Link

And Re-Recorded August 12, 2016, (instrument) 2016-0066554, Official Records.
Document Link

Amended Notice of Special Tax Lien, recorded March 23, 2018, Instrument No. 2018-0019674, Official Records.
Document Link

9. Provisions and conditions set forth in the "NOTES" of the following map Westbrook - Phases 2 & 3, recorded December 8, 2016, in Book DD of Maps, at Page 79.

Reference is made to a copy of said map for further particulars.
Document Link

10. Dedications as set forth and shown on the official map of said subdivision as follows:

A. Public utility easement lying contiguous to the Right of Ways shown thereon
Document Link

11. The terms, conditions, provisions and stipulations as contained in the agreement entitled "Backbone Infrastructure Agreement", by and between Lennar Homes of California, Inc., a California corporation, and Westpark S.V. 400, LLC, a California limited liability company, recorded June 13, 2017, (instrument) 2017-0043205, Official Records.
Document Link

Affects Lots 1 through 10, 16 and 17 of Parcel One

First Amendment to Backbone Infrastructure Agreement recorded January 10, 2019, (instrument) 2019-0001644, Official Records.
Document link

12. Any rights, easements, interests or claims which may exist or arise by reason of or reflected by the following facts shown on the ALTA/NSPS Survey dated June 3, 2019, Job No. 18437.KVOV, by MacKay & Somps Engineers.

The following as disclosed by the Survey, which lie along the Easterly boundary of Parcel Two:

PVC Riser/Riser Groups, Drainage Inlet, Sewer, Storm Drain, Water Valve, Electric Box and Gas Electronic Test Station.

13. The terms, conditions, provisions and stipulations as contained in the agreement entitled "Reciprocal Easement Agreement", by and between Westpark S. V 400, LLC, a California limited liability company (WB-41 Owner), and WP Development Company, LLC, a California limited liability company (WB-42 Owner), recorded August 1, 2019, (instrument) 2019-0055152, Official Records.

Assignment and Assumption of Reciprocal Easement Agreement, by and between WP Development Company, LLC, a California limited liability company (Assignor) and K. Hovnanian Homes of Northern California, Inc., a California corporation (Assignee), recorded August 1, 2019, (instrument) 2019-0055157, Official Records.

14. A Deed of Trust, Security Agreement, Assignment of Rents and Fixture filing to secure an indebtedness in the amount shown below and any other obligations secured thereby:

Amount:	$5,013,675.00
Dated:	August 1, 2019
Trustor:	K. Hovnanian Homes of Northern California, Inc., a California corporation
Trustee:	Placer Title Company
Beneficiary:	WP DEVELOPMENT COMPANY, LLC, a California limited liability company
Recorded:	August 1, 2019 as (instrument) 2019-0055159

Placer Title Company

Policy Issuing Agent for Westcor Land Title Insurance Company

Order No. **P-329224**
Policy No. **OP-6-CAI00l-7283171**

CLTA Endorsement 101.4
Mechanics' Liens, No Notice of Completion
Fee: **$1387 .60**

The Company hereby insures the insured against loss which the insured shall sustain by reason of any statutory lien for labor or material attaching to the estate or interest referred to in Schedule A arising out of any work of improvement under construction or completed at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: August 1, 2019 at 2:57PM

Issued By:
Placer Title Company
9085 Foothills Blvd.
Roseville, CA 95747
Agent ID: CA1001

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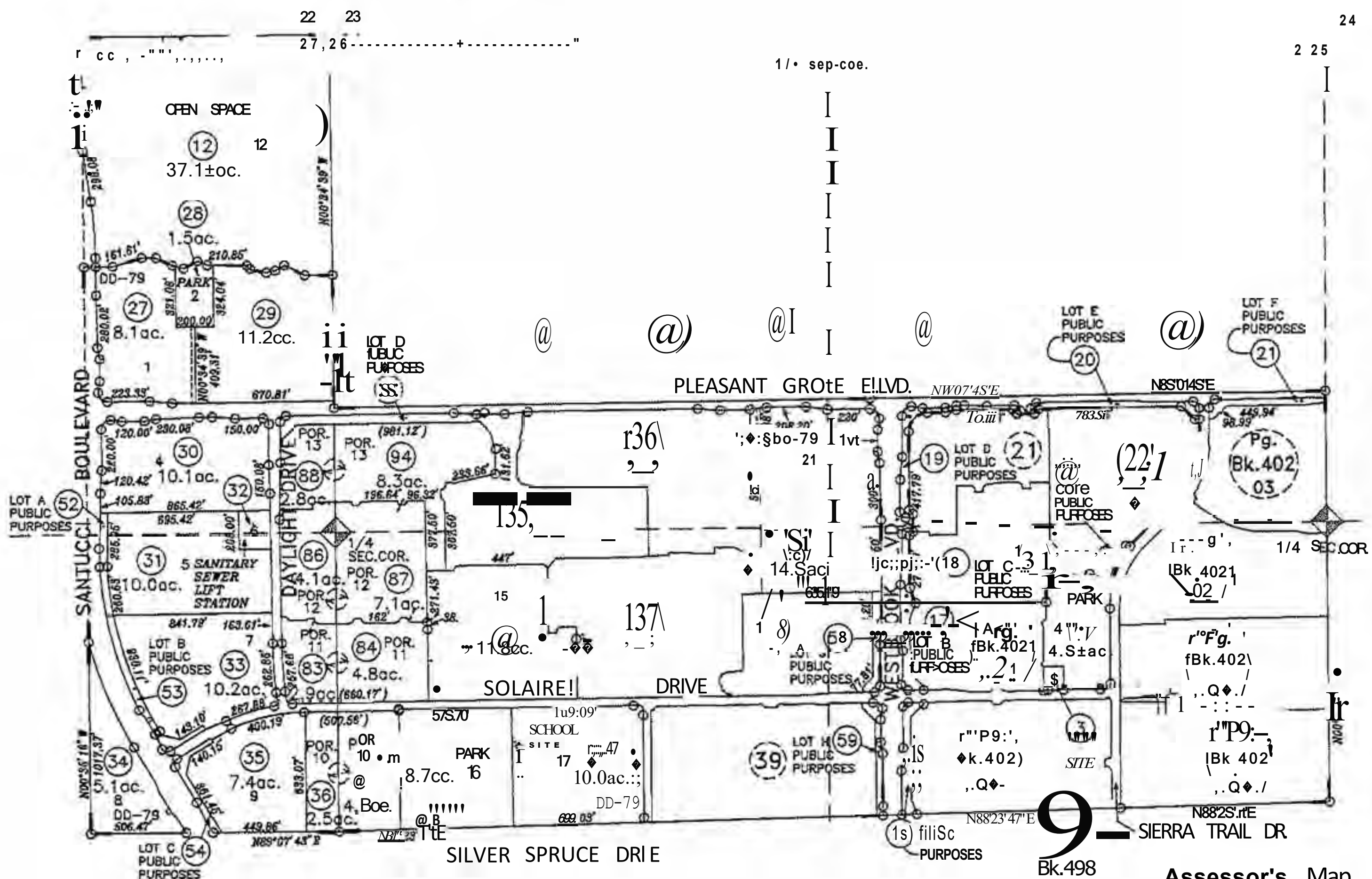
POR. SEC. 26 & 27, T.11 N., R.SE., M.D.B.&M.

Westbrook – Ph. 1 Large Lot Subd. M.O.R. Bk. CC, Pg. 85
Westbrook – Ph. 2&3 Large Lot Subd. M.O.R. Bk. DD, Pg. 79
Westbrook – Ph. 2 Village 1A & 1B M.O.R. Bk. EE, Pg. 4 & 5



10-22-2018
08-31-2018
07-20-2018
02-28-2018
02-23-2018
12-15-2017
11-15-2017
11-13-2017
10-18-2017
09-27-2017
08-22-2017
08-18-2017
01-22-2017
12-12-2016
12-01-2016
11-14-2016
09-19-2016
10-08-2015
09-15-2014

4. 017 & 014-000

NOTE
Al distances on curved lines are shown per recorded documentation

NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

Assessor's Map Bk.496 Pg.10
County of Placer, Calif.

NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

Preliminary Report Top Sheet

♦ HELP US STAY ON TOP OF YOUR TRANSACTION ♦

IF ANY OF THESE QUESTIONS ARE ANSWERED "YES", OR IF YOU HAVE QUESTIONS ABOUT THE BELOW, PLEASE CONTACT YOUR ESCROW OFFICER IMMEDIATELY

- Have any of the principals recently filed bankruptcy?
- Do any of the principals plan to use a power of attorney?
- Are any of the principals going through a divorce? (if so, is there an attorney involved?)
- Is anyone currently vested in title deceased? Has a new Tax I.D. Number been established?
- Do any of the principals NOT have a valid photo identification?
- Is there construction work in progress or incomplete construction?
    - Any construction completed in the last year?
    - Any construction completed in the last 4 months?
- Is there a mobile or manufactured home on the property?
- Are the sellers a non-resident alien or a foreign out of country seller?
- Is the property an investment property or not considered seller's principal residence?
- Will a new entity be formed? (i.e. Partnership, LLC, Corporation)
- If your principals are currently vested or are taking title in their trust, have bank accounts been established in the name of the Trust?
- Will any of the principals be participating in a 1031 Exchange?
- Are any of the principals not able to sign with a Placer Title Company? If so, an approved notary will be required.

THANK YOU FOR CHOOSING

Placer Title Company

PLACER TITLE COMPANY
A MOTHER LODE COMPANY

Escrow Number: P-551745

WIRE FRAUD ADVISORY

Parties to a real estate transaction are often targets for wire fraud and financial confidence schemes, unfortunately with many losing tens or hundreds of thousands of dollars because they relied (without verification) on “revised” or “new” wire instructions appearing to come from a trusted party to the transaction.

IF YOU INTEND TO WIRE FUNDS IN CONJUNCTION WITH THIS REAL ESTATE TRANSACTION, WE STRONGLY RECOMMEND THAT YOU VERBALLY VERIFY THOSE INSTRUCTIONS THROUGH A KNOWN, TRUSTED PHONE NUMBER PRIOR TO SENDING FUNDS.

In addition, the following self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **DO NOT RELY** on emails purporting to change wire instructions. Placer Title Company will never change its wire instructions in the course of a transaction. If you receive a random or unsolicited email from anyone requesting funds to be wired, and attaching “new,” “alternate,” “updated,” “revised” and/or “different” wire instructions, contact your escrow officer immediately (at a verifiable number in the manner noted below) and before wiring any money.

- **VERIFY** the wire instructions you do receive by calling the party who sent the instructions to you. However, **DO NOT** use the phone number provided in the email containing the instructions, and **DO NOT** send a reply email to verify, since the email address may be incorrect, fraudulent or being intercepted by the fraudster. Rather, use phone numbers you have called before and/or can independently verify through other sources (company website or internet search).

- **USE COMPLEX PASSWORDS** that are at least ten (10) characters long and contain a combination of mixed case, numbers, and symbols. You should also change your password often and not reuse the same password for other online accounts.

- **ENABLE MULTI-FACTOR AUTHENTICATION** for all email accounts. Your email provider may have specific instructions on how to implement this feature.

- **CHECK FOR AUTO-FORWARDING** on your email account and disable it. This is one of the most “silent” ways a fraudster can monitor your email account because every email that comes in is automatically forwarded to them, even if you change your password.

This Notice is not intended to provide legal or professional advice, nor is it an exclusive list of self-protection strategies. Customers are encouraged to always be aware of such schemes, and to contact their escrow officer if ever in doubt.

Placer Title Company
1508 Eureka Road, Suite 150
Roseville, CA 95661
Phone: (916)782-3711
Fax: (800) 521-1393

PLACER TITLE COMPANY
A MOTHER LODE COMPANY

Order No.:	P-551745
Reference:	
Escrow Officer:	Tracy Murphy
Email:	TeamTracy@placertitle.com
Email Loan Docs To:	110edocs@placertitle.com
Proposed Insured:	
Proposed Loan Amount:	
Proposed Underwriter:	Old Republic National Title Insurance Company
Property Address:	3301 Pleasant Grove Boulevard, Roseville, CA 95747

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, Placer Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated: April 1, 2022 at 7:30AM
Title Officer: Tony Cabral

The form of policy of title insurance contemplated by this report is:

Parcel Map Guarantee

The estate or interest in the land hereinafter described or referred to covered by this report is:

Fee Simple

Title to said estate or interest at the date hereof is vested in:

Solaire II - Roseville, L.P., a Delaware limited partnership

The land referred to in this report is described as follows:

See Exhibit “A” Attached for Legal Description

Exhibit "A"
Legal Description

That certain real property located in the City of Roseville, County of Placer and State of California, more particularly described as follows:

Lot 4, as shown the Final Map of Westbrook – Phases 2 & 3, Large Lot Subdivision – Subdivision No. PL13-0318, recorded on December 8, 2016, in Book DD of Maps at Page 79, Official Records of Placer County, as such map has been corrected pursuant to that certain Certificate of Correction, recorded on March 21, 2017, as Document No. 2017-0020719 in the Official Records of Placer County

APN: 496-100-030-000

EXCEPTIONS

At the date hereof, exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. Taxes, special and general, assessment districts and service areas for the fiscal year 2022-2023, 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.

   NOTE: (For proration purposes only)

   Taxes, special and general, assessment districts and service areas for the Fiscal Year 2021-2022

1st Installment:	$2,780.17	PAID
2nd Installment:	$2,780.17	PAID
Parcel Number:	496-100-030-000	
Code Area:	005-070	
Land Value:	$451,674.00	
Improvements:	$0.00	
Exemption:	$0.00	

3. A "Notice of Special Tax Lien" pursuant to the requirements of Section 3114.5 of the Streets and Highway Code and Section 53328.3 of the Government Code to give notice that a Lien to secure payment of a special tax in the City of Roseville Community Facilities District No. 3 (Municipal Services) , recorded October 22, 2004, as (instrument) 2004-0140669, Official Records.
   Document Link

   Amended Notice of Special Tax Lien recorded on April 17, 2014, Instrument No. 2014-0024373, Official Records.
   Document Link

   A 2018 Amendment to 2014 Amendment to Notice of Special Tax Lien, recorded June 13, 2018, Instrument No. 2018-42226, Official Records.
   Document Link

4. The terms, conditions and provisions as contained in the document entitled "Development Agreement", by and between the City of Roseville and Westpark S.V. 400, LLC, dated June 20, 2012, recorded July 25, 2012, as (instrument) 2012-0066790, Official Records.
   Document Link

   First Amendment of Development Agreement relative to the Sierra Vista Specific Plan recorded May 11, 2016 as Instrument No. 2016-0035988, Official Records.
   Document Link

   Second Amendment of Development Agreement relative to the Sierra Vista Specific Plan recorded March 10, 2022 as Instrument No. 2022-0021197, Official Records
   Document Link

Assignment and Assumption Agreement relative to the Sierra Vista Specific Plan Development Agreement recorded March 18, 2022 as Instrument No. 2022-0024155, Official Records
Document Link

5. The terms, conditions and provisions as contained in the document entitled "Landowner's Development Agreement", by and between Center Joint Unified School District and Westpark S.V. 400 LLC, dated June 20, 2012, recorded August 31, 2012, as (instrument) 2012-0080572, Official Records.
Document Link

Assignment and Assumption Agreement relative to the agreement between the Center Joint Unified School District and Westpark S.V. 400, LLC, Entitled "Landowner's Development Agreement", recorded March 18, 2022 as (instrument) 2022-0024156, Official Records.
Document Link

6. A "Notice of Special Tax Lien" pursuant to the requirements of Section 3114.5 of the Streets and Highway Code and Section 53328.3 of the Government Code to give notice that a Lien to secure payment of a special tax in the City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities), recorded April 30, 2014, as (instrument) 2014-0027736, Official Records.
Document Link

Amended Notice of Special Tax Lien recorded on December 5, 2014, Instrument No. 2014-0087891, Official Records.
Document Link

2nd Amended Notice of Special Tax Lien recorded May 3, 2016, Instrument No. 2016-0032961, Official Records.
Document Link

Corrected Amended Notice of Special Tax Lien recorded August 12, 2016, Instrument No. 2016-0066554, Official Records.
Document Link

3rd Amended Notice of Special Tax Lien recorded March 23, 2018, Instrument No. 2018-019674, Official Records.
Document Link

4th Amended Notice of Special Tax Lien recorded April 2, 2019, Instrument No. 2019-0020273, Official Records.
Document Link

5th Amended Notice of Special Tax Lien recorded January 22, 2022, Instrument No. 00064431, Official Records.
Document Link

7. Terms, provisions, covenants, conditions, restrictions and easements, provided in the Covenants, Conditions and Restrictions, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons, in document recorded July 7, 2014, as (instrument) 2014-0045131, Official Records.

Note: Section 12956.1 of the Government Code provides the following:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender

expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."
Document Link

A "Declaration of Annexation" wherein the herein described land was annexed to the terms and provisions of the above mentioned restrictions, recorded May 11, 2017, (instrument) 2017-0034670, Official Records.
Document Link

Said Covenants, Conditions and Restrictions were modified in part by instrument recorded May 11, 2017, (instrument) 2017-0034671, Official Records.
Document Link

Notice of Designation of Merchant Builder Status Under Declaration of Covenants, Conditions and Restrictions of Westbrook by instrument recorded January 4, 2019, (instrument) 2019-0000630, Official Records.
Document Link

Notice of Designation of Merchant Builder Status Under Declaration of Covenants, Conditions and Restrictions of Westbrook by instrument recorded March 18, 2022 (instrument) 2022-0024157, Official Records.
Document Link

8. A "Notice of Special Tax Lien" pursuant to the requirements of Section 3114.5 of the Streets and Highway Code and Section 53328.3 of the Government Code to give notice that a Lien to secure payment of a special tax in the City of Roseville Westbrook Community Facilities District No. 2 (Public Services), recorded December 19, 2014, as (instrument) 2014-0091784, Official Records.
Document Link

Amended Notice of Special Tax Lien, dated April 21, 2016, recorded May 3, 2016, as (instrument) 2016-0032962, Official Records.
Document Link

And Re-Recorded August 12, 2016, (instrument) 2016-0066555, Official Records.
Document Link

Amended Notice of Tax Lien, recorded March 23, 2018, Instrument No. 2018-0019675, Official Records.
Document Link

9. Provisions and conditions set forth in the "NOTES" of the following map Westbrook - Phases 2 & 3, recorded December 8, 2016, in Book DD of Maps, at Page 79.

Reference is made to a copy of said map for further particulars.
Document Link

10. Dedications as set forth and shown on the official map of said subdivision as follows:

A. Public utility easement lying contiguous to the Right of Ways shown thereon
B. Bus shelter easement.
Document Link

11. Any rights, easements, interests or claims which may exist or arise by reason of or reflected by the following facts shown on the ALTA/NSPS Survey dated March 15, 2022, Job No. 18437.BEA by MacKay & Somps.

a. North face of the wall lying Northerly of the Southerly boundary line by various widths, as shown on said Survey.
b. Six Pilaster corners lying Northerly of the Southerly boundary line by various widths, as shown on said Survey.
c. Wooden sidewalk and street barriers lying 0.8' North of the South boundary line as show on said Survey.
d. Back of curb and sidewalks meandering along the Northerly, Easterly and Westerly boundaries by 0.2', as shown on said Survey.

12. An instrument entitled "Memorandum of Option and Development Agreement", dated March 18, 2022, between Solaire II - Roseville, L.P., a Delaware limited partnership (Owner) , and Beazer Home Holdings, LLC, a Delaware limited liability company (Builder), and on the terms and conditions as contained therein, recorded March 18, 2022, (instrument) 2022-0024158, Official Records
Document Link

13. The terms, conditions, provisions and stipulations as contained in the agreement entitled "Construction License and Indemnity Agreement", by and between Solaire II - Roseville, L.P., a Delaware limited partnership (Owner), and Beazer Homes Holdings, LLC, a Delaware limited liability company (Builder), recorded March 18, 2022, (instrument) 2022-0024159, Official Records.
Document Link

14. We find no open deeds of trust of record.

15. Rights and claims of any parties in possession, including any unrecorded leases and/or subleases affecting the herein described property.

16. In the event the land described in this report is divided or its boundaries are adjusted we will require a Resolution Approving Boundary Line Adjustment, a Certificate of Compliance, Parcel Map, Subdivision Map or other satisfactory evidence that said division or adjustment is not in violation of the Subdivision Map Act (commencing with Government Code Section 66410).

************************ SPECIAL INFORMATION ************************

*** CHAIN OF TITLE REPORT:

According to the public records, no deeds conveying the property described in this report have been recorded within a period of 2 years prior to the date of this report, except as shown herein:

Grant Deed recorded March 18, 2022, Instrument No. 2022-0024154, Official Records.
Document Link

*** LENDER'S SUPPLEMENTAL ADDRESS REPORT:

The above numbered report is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association Loan Form Policy:

Placer Title Company states that the herein described property is unimproved and that the property address is:

Lot 4, Westbrook, Book DD, Page 79, Roseville, CA 95747

*** NOTICE REGARDING FUNDS DEPOSITED IN ESCROW:

IMPORTANT NOTICE- ACCEPTABLE TYPE OF FUNDS

Please be advised that in accordance with the provisions of the California Insurance Code, Section 12413.1, any funds deposited for the closing must be deposited into the escrow depository and cleared prior to disbursement. Funds deposited by wire transfer may be disbursed upon receipt. Funds deposit via cashier's checks drawn on a California based bank may be disbursed the next business day. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

IMPORTANT NOTE: PLEASE BE ADVISED THAT ESCROW HOLDER DOES NOT ACCEPT CASH, MONEY ORDERS, ACH TRANSFERS, OR FOREIGN CHECKS.

PLEASE CONTACT ESCROW REGARDING QUESTIONS ON TYPE OF FUNDS REQUIRED IN ORDER TO FACILITATE THE PROMPT CLOSING OF THIS TRANSACTION.

NOTE: If you intend to remit multiple cashier's checks to close your escrow (which may or may not include gift funds or third party funds) IRS cash reporting under IRS Code 8300 may be required. For this reason, you may wish to consider wiring funds in lieu of remitting cashier's checks.

*** DISCLOSURE OF DISCOUNTS ***

You may be entitled to a discount on your title premiums and/or escrow fees if you meet any of the following conditions:

1. You are an employee of the title insurer or Placer Title Company and the property is your primary residence; or
2. The transaction is a loan, the purpose of which is to rebuild the improvements on the property as a result of a governmentally declared disaster; or
3. The property is being purchased or encumbered by a religious, charitable or nonprofit organization for its use within the normal activities for which such entity was intended.

Please advise the company if you believe any of the above discounts apply.

*** LENDER'S NOTE ***

In accordance with Executive Order 13224, and the USA Patriot Act, **PLACER TITLE COMPANY** compares the names of parties to the proposed transaction to the Specially Designated Nationals and Blocked Persons (SDN List) maintained by the United States Office of Foreign Asset Control.

*** BUYER'S NOTE ***

If an ALTA Residential Owner's Policy is requested and if the property described herein is determined to be eligible for this policy, the following Exceptions From Coverage will appear in the policy:

1. Taxes or assessments which are not shown as liens by the public records or by the records of any taxing authority.

2. (a) Water rights, claims or title to water; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) unpatented mining claims; whether or not the matters exception under (a), (b) or (c) are shown by the public records.

3. Any rights, interest or claims of parties in possession of the land which are not shown by the public records.

4. Any easements or liens not shown by the public records. This exception does not limit the lien coverage in Item 8 of the Covered Title Risks.

5. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This exception does not limit the forced removal coverage in Item 12 of the Covered Title Risks.

CLTA PRELIMINARY REPORT FORM

Attachment One (Rev 06-05-14)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
   Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I (continued)

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning: a) building; b) zoning; c) land use; d) improvements on the Land; e) land division; and f) environmental protection. This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks: a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records; b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date; c) that result in no loss to You; or d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right: a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b) in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount or $2,500.00 (whichever is less)	$10,000.00
Covered Risk 18:	1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 19:	1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 21:	1% of Policy Amount or $2,500.00 (whichever is less)	$5,000.00

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

EXCLUSIONS FROM COVERAGE (continued)

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
    (i) the occupancy, use, or enjoyment of the Land;
    (ii) the character, dimensions, or location of any improvement erected on the Land;
    (iii) the subdivision of land; or
    (iv) environmental protection;

    or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

    (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

EXCLUSIONS FROM COVERAGE (continued)

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

NOTICE

FEDERAL FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA)

Upon the sale of United States real property, by a non-resident alien, foreign corporation, partnership or trust, the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA), and as revised by the Tax Reform Act of 1984 (26 USCA 897 (C)(1)(A)(1) and 26 USCA 1445), Revised by the Path Act of 2015, These changes may be reviewed in full in H.R. 2029, now known as Public Law 114-113. See Section 324 of the law for the full text of FIRPTA changes. Effective February 27, 2016, the amendments to FIRPTA contained in the PATH Act have increased the holdback rate from 10% of gross proceeds to 15% of gross proceeds of the sale, regardless of whether the actual tax due may exceed (or be less than) the amount withheld if ANY of the following conditions are met:

1. If the amount realized (generally the sales price) is $300,000 or less, and the property will be used by the Transferee as a residence (as provided for in the current regulations), no monies need be withheld or remitted to the IRS.

2. If the amount realized exceeds $300,000 but does not exceed $1,000,000, and the property will be used by the Transferee as a residence, (as provided for in the current regulations) then the withholding rate is 10% on the full amount realized (generally the sales prices)

3. If the amount realized exceeds $1,000,000, then the withholding rate is 15% on the entire amount, regardless of use by the Transferee. The exemption for personal use as a residence does not apply in this scenario.
If the purchaser who is required to withhold income tax from the seller fails to do so, the purchaser is subject to fines and penalties as provided under Internal Revenue Code Section 1445.

Escrow Holder will, upon written instructions from the purchaser, withhold Federal Income Tax from the seller and will deposit said tax with the Internal Revenue Service, together with IRS Forms 8288 and 8288-A. The fee charged for this service is $25.00 payable to the escrow holder.

CALIFORNIA WITHHOLDING

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a transferee (Buyer) may be required to withhold an amount equal to 3 1/3 percent of the sales price or an alternative withholding amount certified to by the seller in the case of a disposition of California real property interest by either:

1. A seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary or the seller, OR
2. A corporate seller that has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars ($500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars ($100,000.00), OR
2. The seller executes a written certificate, under the penalty of perjury, of any of the following:
   a. The property qualifies as the seller's (or decedent's, if being sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121; or
   b. The seller (or decedent, if being sold by the decedent's estate) last used the property as the seller's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period; or
   c. The seller has a loss or zero gain for California income tax purposes on this sale; or
   d. The property is being compulsorily or involuntarily converted and the seller intends to acquire property that is similar or related in service or use to qualify for non-recognition of gain for California income tax purposes under IRC Section 1033; or
   e. If the transfer qualifies for non-recognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest); or
   f. The seller is a corporation (or an LLC classified as a corporation for federal and California income tax purposes) that is either qualified through the California Secretary of State or has a permanent place of Business in California; or
   g. The seller is a partnership (or an LLC that is not a disregarded single member LLC and is classified as a partnership for federal and California income tax purposes) with recorded title to the property in the name of the partnership of LLC; or
   h. The seller is a tax-exempt entity under either California or federal law; or
   i. The seller is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust; or
   j. The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031; or
   k. The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031; or
   l. The transfer of this property will be an installment sale that you will report as such for California tax purposes and the buyer has agreed to withhold on each principal payment instead of withholding the full amount at the time of transfer.

The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

NOTICE
DEPOSIT OF FUNDS AND DISBURSEMENT DISCLOSURE

Unless you elect otherwise (as described below), all funds received by (the "Company") in escrow will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The depositor acknowledges that the deposit of funds in a non-interest bearing demand account by Escrow Holder may result in said company receiving a range of economic benefits from the bank in the form of services, credits, considerations, or other things of value. The depositor hereby specifically waives any claim to such economic benefits payable to Escrow Holder resulting from non-interest bearing deposits. Unless you direct the Company to open an interest-bearing account (as described below), the Company shall have no obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by the Company and/or its affiliated company. Any such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow.

If you elect, funds deposited by you prior to the close of escrow may be placed in an individual interest-bearing account arrangement that the Company has established with one of its financial institutions. You do not have an opportunity to earn interest on the funds deposited by a lender. If you elect to earn interest through this special account arrangement, the Company will charge you an additional fee of $50.00 for the establishment and maintenance of the account. This fee compensates the Company for the costs associated with opening and managing the interest-bearing account, preparing correspondence/documentation, transferring funds, maintaining appropriate records for audit/reconciliation purposes, and filing any required tax withholding statements. It is important that you consider this cost in your decision since the cost may exceed the interest you earn.

Placer Title Co., Centric Title and Escrow, Montana Title and Escrow, National Closing Solutions, National Closing Solutions of Alabama, National Closing Solutions of Maryland, North Idaho Title Insurance, Placer Title Insurance Agency of Utah, Premier Reverse Closings, Premier Title Agency, Texas National Title, Washington Title and Escrow, Western Auxiliary Corp., Wyoming Title and Escrow

NOTICE AT COLLECTION AND PRIVACY POLICY
Updated July 1, 2021

We respect your personal information and are committed to protecting it. We are disclosing how Mother Lode Holding Company and its subsidiaries listed above (together referred to as "we," "us," or "our") collect, use, and share your personal information. Sections 1 and 2 constitute our Notice at Collection, Sections 1 – 9 are our Privacy Policy, and Sections 10 – 11 are additional sections of our Privacy Policy that apply only to California residents.

1. Personal Information We Collect

We may collect and over the last 12 months have collected personal information in the following categories: (A) Identity information such as name, postal address, email address, date of birth, social security number, driver's license, passport, signature, physical characteristics or description, telephone number, or other similar information; (B) Financial information (such as bank account information) and insurance information; (C) Records of services or products requested or purchased; (D) Biometric information (thumbprints obtained by notaries); (E) Internet or other electronic network activity information, such as online identifier, Internet Protocol address, and information relating to interaction with our Internet websites and mobile applications; (F) Audio (voice messages), electronic, or similar information; (G) Professional or employment-related information; (H) Education information; (I) Characteristics of protected classifications such as marital status; (J) Geolocation information (with consent when using our mobile applications); and (K) information relating to pandemics, including medical, health, and travel information.

2. Purposes

We collect the above information, and have collected it in the last 12 months, for the following purposes: Our operational purposes, including providing escrow and title services, fulfilling a transaction, verifying customer information, and providing and improving customer service (categories A-K); Detecting, protecting against, and reporting malicious, deceptive, fraudulent, or illegal activity (A-I); Providing and improving Websites, and debugging to find and repair errors (A, C E, F, J); Auditing and complying with legal and other similar requirements (A-I); and to reduce the risk of spreading infectious diseases and to protect our employees and guests (K).

3. Sources, Sharing

The sources from which the information is and was collected include: the consumer or their authorized representative (A-J); government entities, service providers, financial institutions, our affiliates, real estate settlement service providers, real estate brokers and agents (A-D, F-I); and our internet websites and mobile applications (A-C, E-J). The categories of third parties with whom we share and have shared personal information include: a consumer's authorized representative (A-I); government entities, service providers and consultants, financial institutions, our affiliates, real estate settlement service providers, real estate brokers and agents, abstractors (A-I); notaries public (K); and data analytics and internet service providers (E, F, J). We may also disclose your information as part of a business transaction, such as a merger, sale, reorganization or acquisition (A-J).

4. Cookies and similar technologies

We use "cookies" and similar technologies when you access our websites or mobile applications. A "cookie" is a piece of information that our website sends to your browser, which then stores this information on your system. If a cookie is used, our website will be able to "remember" information about you and your preferences either until you exit your current browser window (if the cookie is temporary) or until you disable or delete the cookie. Many users prefer to use cookies in order to help them navigate a website as seamlessly as possible.

We use "cookies" in the following situations. The first situation is with respect to temporary cookies. If you are accessing our services through one of our online applications our server may automatically send your browser a temporary cookie, which is used to help your browser navigate our site. The only information contained in these temporary cookies is a direction value that lets our software determine which page to show when you hit the back button in your browser. This bit of information is erased when you close your current browser window. The second situation in which we may use cookies is with respect to permanent cookies. This type of cookie remains on your system, although you can always delete or disable it through your browser preferences. There are two instances in which we use a permanent cookie. First, when you visit our website and request documentation or a response from us. When you are filling out a form, you may be given the option of having our website deliver a cookie to your local hard drive. You might choose to receive this type of cookie in order to save time in filling out forms and/or revisiting our website. We only send this type of cookie to your browser when you have clicked on the box labeled "Please remember my profile information" when submitting information or communicating with us. The second instance where we use a permanent cookie is where we track traffic patterns on our site. Analysis of the collected information allows us to improve our website and the user experience. In both instances of a persistent cookie, if you choose not to accept the cookie, you will still be able to use our website. Even if you choose to receive this type of cookie, you can set your browser to notify you when you receive any cookie, giving you the chance to decide whether to accept or reject it each time one is sent.

5. Links to Other Websites and Do Not Track

Our website may contain links to third party websites, which are provided and maintained by the third party. Third party websites are not subject to this notice or privacy policy. Currently, we do not recognize "do not track" requests from Internet browsers or similar devices.

6. Sale

We don't sell personal information about consumers and haven't sold information about consumers in the last 12 months.

7. Minors

We don't collect information from minors under the age of 18.

8. Safeguards

We restrict access to the information we collect to individuals and entities who need to know the information to provide services as set forth above. We also maintain physical, electronic and procedural safeguards to protect information, including data encryption.

9. Access and Changes

This notice and policy can be accessed https://www.mlhc.com/privacy-policy. Disabled consumers may access this notice in an alternative format by contacting MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661, or calling our toll free number at 1-877-626-0668, or emailing privacy@mlhc.com. This notice and policy will change from time to time. All changes will be provided at https://www.mlhc.com/privacy-policy and furnished through an appropriate method such as electronically, by mail, or in person. The effective date will be stated on the notice and policy.

Questions about this notice and privacy policy may be sent to MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661 or privacy@mlhc.com.

CALIFORNIA SUPPLEMENT - THE REMAINDER OF THIS POLICY APPLIES ONLY TO CALIFORNIA RESIDENTS

10. Requests Under the California Consumer Privacy Act ("CCPA")

California residents have the right to make a "request to know" (1) the specific pieces of personal information we have collected about them; (2) categories of personal information we have collected; (3) categories of sources from which the personal information was collected; (4) categories of personal information we disclosed for a business purpose; (5) purpose for collecting the information; and (6) categories of third parties with whom we shared personal information. California residents have the right to request that we deliver to them their personal information free of charge. California residents have the right to make a "request to delete" from our records of their personal information that we have collected, subject to legal limitations. We do not discriminate against consumers for exercising rights under the CCPA or other laws.

11. How to Make a Request under the California Consumer Privacy Act

To make a CCPA "request to know," a "request to delete," or any other request under the CCPA, a California consumer may (1) submit a request to privacy@mlhc.com; (2) call us toll-free at 1-877-626-0668; or (3) send a written request to MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661. Please note that you must verify your identity before we take further action. To verify your identity, we will try to use information you have already provided. We may also need additional information. Consistent with California law, you may designate an authorized agent to make a request on your behalf. To do this, you must provide a valid power of attorney, the requester's valid government issued identification, and the authorized agent's valid government issued identification. California residents may "opt out" of the sale of their personal information. However, we do not sell your personal information and therefore we do not offer an "opt out."

Upon receipt of a verified consumer request, we will respond by giving you the information requested for the 12-month period before our receipt of your verified consumer request at no cost to you, or deleting the information and notifying any service providers to delete it, subject to legal limitations. If we have a valid reason to retain personal information or are otherwise unable to comply with a request, we will tell you. For example, the law may not require us or allow us to delete certain information collected. In addition, personal information we collect pursuant to the federal Gramm-Leach-Bliley Act is exempt from most of the provisions of the CCPA.

Questions about this notice and privacy policy may be sent to MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661 or privacy@mlhc.com.

GRAMM-LEACH-BLILEY ACT PRIVACY POLICY NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) requires financial companies to provide you with a notice of their privacy policies and practices, such as the types of nonpublic personal information that they collect about you and the categories of persons or entities to whom it may be disclosed. In compliance with the Gramm-Leach-Bliley-Act, we are notifying you of the privacy policies and practices of:

Mother Lode Holding Co.
Montana Title and Escrow Co.
National Closing Solutions, Inc.
National Closing Solutions of Alabama
National Closing Solutions of Maryland
Premier Reverse Closings
Centric Title and Escrow
Placer Title Co.
Placer Title Insurance Agency of Utah
Premier Title Agency
North Idaho Title Insurance Co.
Texas National Title
Western Auxiliary Corp.
Wyoming Title and Escrow Co.

The types of personal information we collect and share depend on the transaction involved. This information may include:

- Identity information such as Social Security number and driver's license information.
- Financial information such as mortgage loan account balances, checking account information and wire transfer instructions
- Information from others involved in your transaction such as documents received from your lender

We collect this information from you, such as on an application or other forms, from our files, and from our affiliates or others involved in your transaction, such as the real estate agent or lender.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to non-affiliates as permitted by law for our everyday business purposes, such as to process your transactions and respond to legal and regulatory matters. We do not sell your personal information or share it for marketing purposes.

We do not share 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.

Questions about this notice and privacy policy may be sent to MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661 or privacy@mlhc.com.

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/privacy-policy
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 State Privacy Rights section location at https://www.oldrepublictitle.com/privacypolicy for your rights under state law.

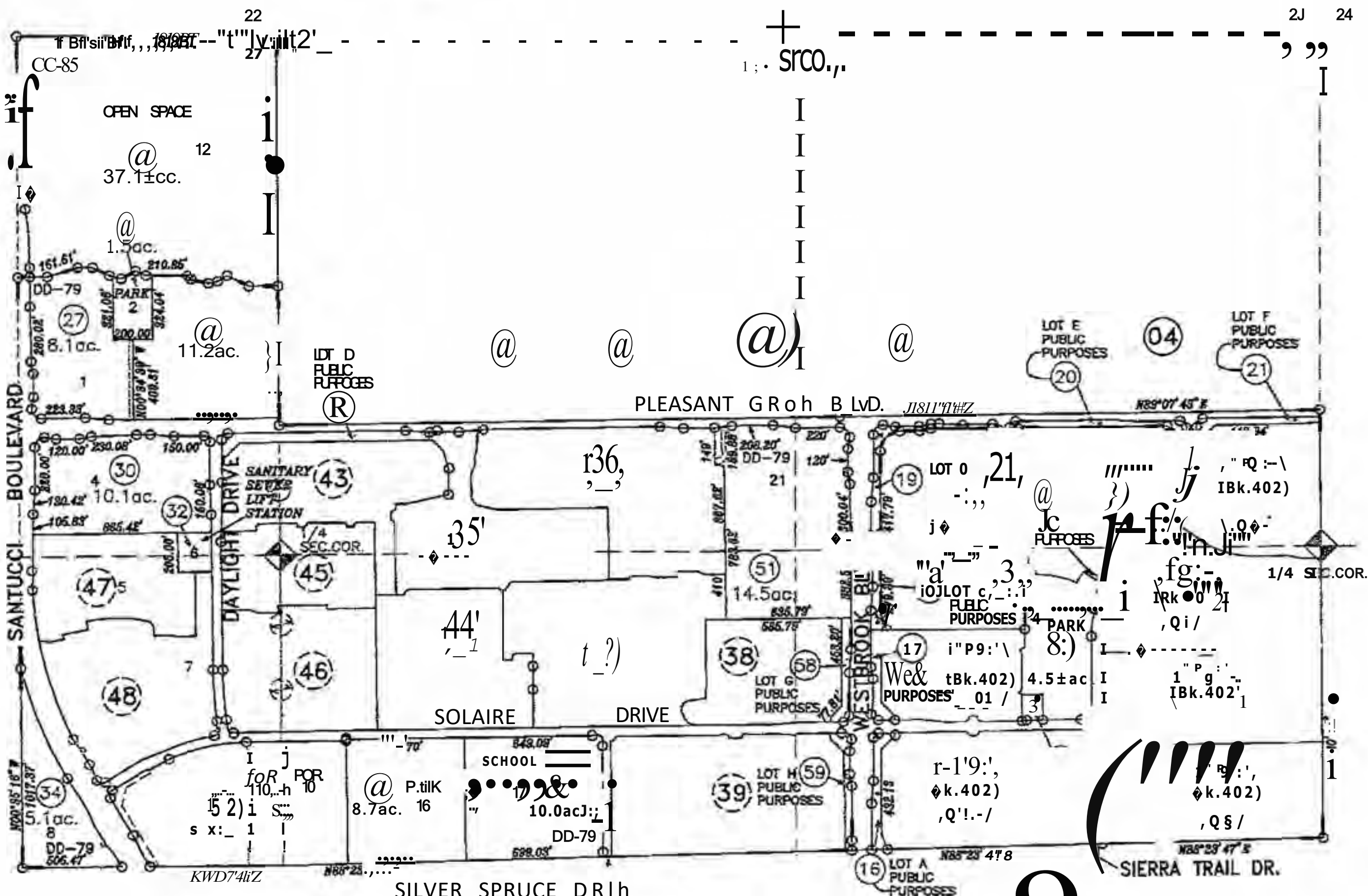
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies • Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., 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.

Affiliates Who May be Delivering This Notice				
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	Guardian Consumer Services, Inc.	iMarc, Inc.	Kansas City Management Group, LLC	L.T. Service Corp.
Lenders Inspection Company	Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic National Ancillary Services, Inc.
Old Republic National Commercial Title Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company	Old Republic Title Company	Old Republic Title Companies, Inc.
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.
RamQuest Software, Inc.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	Surety Title Agency, Inc.	The Title Company of North Carolina
Trident Land Transfer Company, LLC				

POR. SEC. 26 & 27, T.11 N., R.SE., M.D.B.&M.

496-10

Westbrook – Ph. 1 Large Lot Subd. M.O.R. Bk. CC, Pg. 85
Westbrook – Ph. 2&3 Large Lot Subd. M.O.R. Bk. DD, Pg. 79
Westbrook – Ph. 2 Village 1A & 1B M.O.R. Bk. EE, Pg. 4 & 5



Assessor's Map Bk.496 Pg.10
County of Placer, Calif.

05-22-2019
07-08-2019
10-22-2018
08-31-2018
07-20-2018
02-28-2018
02-23-2018
12-15-2017
11-15-2017
11-13-2017
10-18-2017
09-27-2017
08-22-2017
08-18-2017
01-22-2017
12-12-2016
12-01-2016
11-14-2016
09-19-2016
10-08-2015
09-15-2014 ALS

7 &;4, 017 & 014-000

NOTE
All distances on curved lines are shown per recorded documentation

NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

NOTE
Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

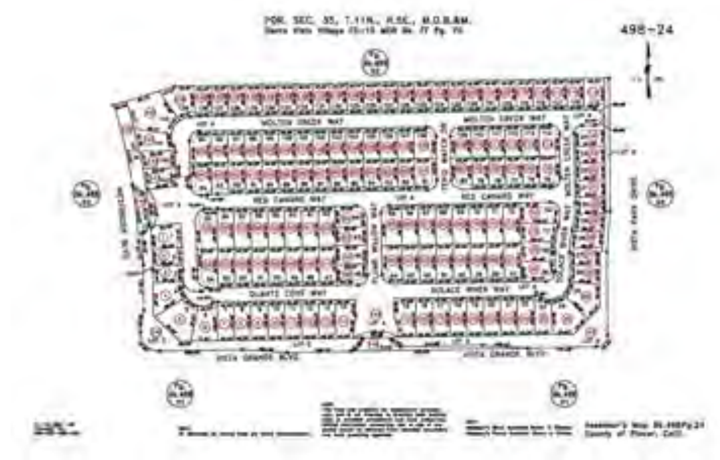
Addendum E

Comparable Data

Land Sales - MDR Lots

Land Sale Profile Sale No. 1

Location & Property Identification



Property Name:	Sierra Vista - Parcel FD-10
Sub-Property Type:	Residential, Residential Subdivision
Address:	NEC of Vista Grande & Westbrook Boulevards
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2796819

Sale Information

Sale Price:	$26,455,000
Effective Sale Price:	$26,455,000
Sale Date:	03/29/2022
Sale Status:	Closed
$/Unit (Potential):	$185,000 /Unit
Grantor/Seller:	John Mourier Construction, Inc.
Grantee/Buyer:	Richmond American Homes
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed

Sale Analysis

Expenditures After Purchase:	$53,000
Expenditures Description:	permits & fees
Other Adjustment:	$1,665
Adjustment Comments:	annual special taxes

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	498-020-026
Acres(Gross):	20.46
Land-SF(Gross):	891,237
Potential Building SF:	3,600
No. of Units (Potential):	143
Topography:	Level
Corner Lot:	Yes
Zoning Code:	RS/DS
Zoning Desc.:	Small lot residential
Flood Zone Designation:	X
Source of Land Info.:	Public Records

Comments

This comparable represents the sale of 143 finished lots sold in two phases closing 3 months apart (the first one closing in Dec. 2021). Permits and fees average

Comments (Cont'd)

approximately $53,000 per lot and annual special taxes are $1,665/lot. The typical lot size is 3,600 square feet.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Westpark-Federico Parcel FD-4
Sub-Property Type:	Residential, Residential Subdivision
Address:	W/O Market St., S/O Earl Rush Dr.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2619364

Sale Information

Sale Price:	$2,000,000
Effective Sale Price:	$2,000,000
Sale Date:	02/01/2021
Sale Status:	Closed
$/Unit (Potential):	$60,606 /Approved Lot
Grantor/Seller:	Solaire Community Builders, LLC.
Grantee/Buyer:	K. Hovnanian Homes
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed

Sale Analysis

Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	498-020-010
Acres(Gross):	7.70
Land-SF(Gross):	335,342
Potential Building SF:	4,500
No. of Units (Potential):	33
Shape:	Irregular
Topography:	Level
Zoning Code:	LDR
Zoning Desc.:	Low Density Residential
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Source of Land Info.:	Other

Comments

This sale represents the sale of 33 LDR paper lots with a typical lot size of 4,500 square feet in Phase 1 of Westpark-Federico. Permits & Fees are approximately $62,148/lot and development costs are approximately $62,437/lot. Annual special taxes are $1,836/lot. These

Comments (Cont'd)

lots are located within the CJUSD.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Fiddyment Ranch, Village F-11B
Sub-Property Type:	Residential, Residential Subdivision
Address:	NEQ of Holt Pky, & N. Hayden Pky.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2619390

Sale Information

Sale Price:	$15,200,000
Effective Sale Price:	$15,200,000
Sale Date:	01/26/2021
Contract Date:	12/19/2019
Sale Status:	Closed
$/Unit (Potential):	$100,000 /Approved Lot
Grantor/Seller:	JEN California 15, LLC.
Grantee/Buyer:	Curve Development
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed

Improvement and Site Data

Legal/Tax/Parcel ID:	492-012-047
Acres(Gross):	17.88
Land-SF(Gross):	778,765
Potential Building SF:	2,451
No. of Units (Potential):	152
Topography:	Level
Zoning Desc.:	Single-family
Source of Land Info.:	Other

Comments

This comparable represents the sale of 152 finished lots (43'x57') in phase 3 of Fiddyment Farms. Permits & Fees are $69,529/lot and annual special assessments are $1,435/lot. Reportedly, the builder is constructing a 152-unit rental project with homes ranging in size from 1,357 to 1,589 square feet.

Sale Analysis

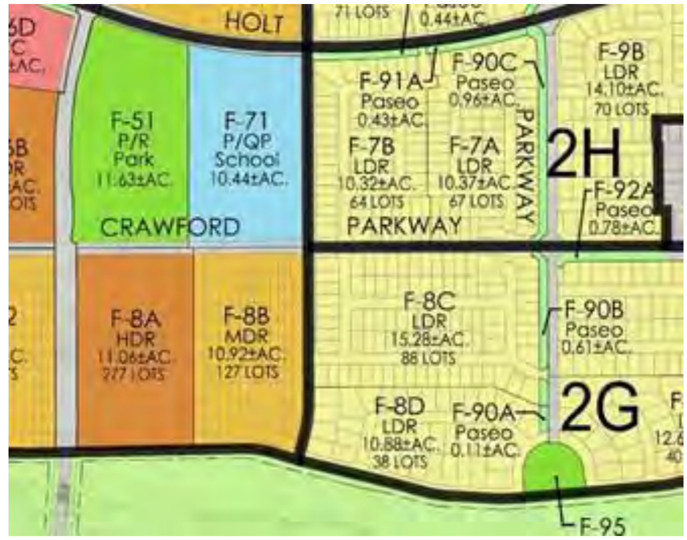
Sale Price Includes FF&E?	No

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	Fiddyment Ranch, Village F-8B (ptn.)
Sub-Property Type:	Residential, Residential Subdivision
Address:	S/O Crawford Pky, E/O N. Hayden Pky.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2547660



Sale Information

Sale Price:	$6,930,000
Effective Sale Price:	$6,930,000
Sale Date:	12/23/2020
Sale Status:	Closed
$/Unit (Potential):	$105,000 /Approved Lot
Grantor/Seller:	JEN California 15, LLC.
Grantee/Buyer:	DR Horton
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed

Legal/Tax/Parcel ID:	492-012-092
Acres(Gross):	62.99
Land-SF(Gross):	2,743,844
Potential Building SF:	2,343
No. of Units (Potential):	66
Topography:	Level
Zoning Desc.:	Single-family
Source of Land Info.:	Other

Comments

This comparable represents the sale of 66 finished lots (33'x71') in phase 3 of Fiddyment Farms. These represent alley-loaded lots. Permits & Fees are $69,529/lot and annual special assessments are $1,435/lot. This transaction represents a two part phased takedown; the next takedown is for 61 lots and is anticipated to close in June 2021.

Sale Analysis

Sale Price Includes FF&E?	No

Improvement and Site Data

Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name:	Winding Creek Parcels C-10 & C-13
Sub-Property Type:	Residential, Residential Subdivision
Address:	W/O Westbrook Blvd., N/O Blue Oaks Blvd.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2474149

Sale Information

Sale Price:	$9,640,000
Effective Sale Price:	$9,640,000
Sale Date:	12/09/2020
Sale Status:	Closed
$/Unit (Potential):	$112,093 /Approved Lot
Grantor/Seller:	Anthem United Creekview Development, LP.
Grantee/Buyer:	K. Hovnanian Homes
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	170-101-050 (ptn.)
Acres(Gross):	13.19
Land-SF(Gross):	574,556
Potential Building SF:	4,050
No. of Units (Potential):	86
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Zoning Code:	RS/DS
Zoning Desc.:	Small lot residential
Easements:	No
Environmental Issues:	No
Flood Zone Designation:	X (Shaded)
Source of Land Info.:	Past Appraisal

Comments

This comparable represents the sale of 86 finished lots with a typical lot size of 4,050 square feet. Permits & fees are $82,223 per lot and annual special assessments are $2,420 per lot.

Sale Analysis

Land Sale Profile

Sale No. 6

Location & Property Identification

Property Name:	Winding Creek Parcels C-23 & C-24
Sub-Property Type:	Residential, Residential Subdivision
Address:	W/O Westbrook Blvd., N/O Blue Oaks Blvd.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2619439

Sale Information

Sale Price:	$12,600,000
Effective Sale Price:	$12,600,000
Sale Date:	11/15/2020
Contract Date:	06/12/2020
Sale Status:	Closed
$/Unit (Potential):	$105,000 /Approved Lot
Grantor/Seller:	Anthem United Creekview Development, LP.
Grantee/Buyer:	Forestar USA Real Estate Group, Inc. (DR Horton)
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed

Sale Analysis

Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	017-490-011, -012
Acres(Gross):	16.25
Land-SF(Gross):	707,850
Potential Building SF:	3,600
No. of Units (Potential):	120
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Zoning Code:	RS/DS
Zoning Desc.:	Small lot residential
Easements:	No
Environmental Issues:	No
Flood Zone Designation:	X (Shaded)
Source of Land Info.:	Past Appraisal

Comments

This comparable represents the sale of 120 finished MDR lots with a typical lot size of 3,600 square feet (45'x80'). Permits & fees are $77,026 per lot and annual special

Comments (Cont'd)

assessments are $1,910 per lot. DR Horton is constructing The Wilds at Winding Creek which will offer plans ranging in size from 1,547 to 1,969 square feet.

Land Sale Profile — Sale No. 7

Location & Property Identification

Property Name:	Westpark-Federico Parcels FD-20A
Sub-Property Type:	Residential, Residential Subdivision
Address:	W/O Westbrook Blvd., N/O Earl Rush Dr.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2558506

Sale Information

Sale Price:	$5,775,000
Effective Sale Price:	$5,775,000
Sale Date:	07/02/2020
Contract Date:	03/25/2020
Sale Status:	Closed
$/Unit (Potential):	$52,500 /Unit
Grantor/Seller:	Solaire Community Builders, LLC.
Grantee/Buyer:	Tri Pointe Homes, Inc.
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	66286

Sale Analysis

Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	498-020-004
Acres(Gross):	14.93
Land-SF(Gross):	650,350
Potential Building SF:	3,375
No. of Units (Potential):	110
Shape:	Irregular
Topography:	Level
Zoning Code:	MDR
Zoning Desc.:	Medium Density Residential
Environmental Issues:	No
Flood Zone Designation:	X
Source of Land Info.:	Other

Comments

This sale represents the sale of 110 MDR paper lots, with a typical lot size of 3,375 square feet, in Phase 1 of Westpark-Federico. Permits & Fees are approximately $74,656/lot and development costs are approximately

Comments (Cont'd)

$48,530/lot. Annual special taxes are $1,632/lot. These lots are located within the RJUHSD/RCSD.

Land Sales - Commercial Land

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	1001 Roseville Pky
Sub-Property Type:	Commercial
Address:	1001 Roseville Pky.
City/State/Zip:	Roseville, CA 95678
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2972842

Sale Information

Sale Price:	$6,011,500
Effective Sale Price:	$6,011,500
Sale Date:	12/12/2022
Sale Status:	Closed
$/Acre(Gross):	$513,803
$/Land SF(Gross):	$11.80
Grantor/Seller:	Parcel 32 LLC
Grantee/Buyer:	Roseville RP Snf LLC
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	2022.90885

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	363-030-064
Acres(Gross):	11.70
Land-SF(Gross):	509,652
Shape:	Square
Topography:	Level
Corner Lot:	Yes
Zoning Code:	CC-SA / NC
Zoning Desc.:	Community Commercial, Special Area
Source of Land Info.:	Public Records

Comments

The buyer intends to construct a 41,844-square-foot, 51-bed skilled nursing facility which would specialize in helping patients recover from fractures, joint replacements, strokes, heart attacks and other medical procedures that require additional therapy and monitoring after leaving the hospital. The estimated cost of construction is $19.5 million.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	5500 Baseline Rd
Sub-Property Type:	Commercial
Address:	5500 Baseline Rd.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2972941

Sale Information

Sale Price:	$3,496,000
Effective Sale Price:	$3,496,000
Sale Date:	12/09/2021
Sale Status:	Closed
$/Acre(Gross):	$330,435
$/Land SF(Gross):	$7.59
Grantor/Seller:	KV Sierra Vista LLC
Grantee/Buyer:	Circle K Stores Inc
Assemblage:	Yes
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	2021.153532

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	499-010-081 & -099
Acres(Gross):	10.58
Land-SF(Gross):	460,864
Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
Zoning Code:	GC
Zoning Desc.:	General Commercial
Source of Land Info.:	Public Records

Comments

This comparable represents the sale of 2 contiguous assessor's parcels zoned for general commercial situated at the entrance of the new home development Sierra West, being developed by Lennar. The property was purchased by Circle K Stores and intends to construct a 5,200 square foot retail store with gas station and car wash.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	5600 Lonetree Blvd.
Sub-Property Type:	Commercial
Address:	5600 Lonetree Blvd.
City/State/Zip:	Rocklin, CA 95765
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2277473

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	017-283-010
Acres(Gross):	10.90
Land-SF(Gross):	474,804
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Zoning Code:	PD-IP
Zoning Desc.:	Planned Dev., Industrial Park
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Source of Land Info.:	Broker

Sale Information

Sale Price:	$3,798,500
Effective Sale Price:	$3,798,500
Sale Date:	10/14/2021
Recording Date:	12/29/2021
Sale Status:	Closed
$/Acre(Gross):	$348,486
$/Land SF(Gross):	$8.00
Grantor/Seller:	Rocklin Corp Center, LLC.
Grantee/Buyer:	MZA Investment LLC
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Exposure Time:	22 (months)
Financing:	Cash to seller
Recording No.:	2021-0156411

Comments

This comparable comprises the sale of 10.9 acres of vacant, commercial land in Rocklin. The parcel is nearly rectangular in shape and is situated adjacent to newer office/light industrial development as well as Strikes Unlimited.

Sale Analysis

Sale Price Includes FF&E?	No

Improvement and Site Data

Land Sale Profile — Sale No. 4

Location & Property Identification

Property Name:	290 Conference Center Dr
Sub-Property Type:	Commercial
Address:	290 Conference Center Dr.
City/State/Zip:	Roseville, CA 95678
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2694181

Sale Information

Sale Price:	$4,815,558
Effective Sale Price:	$4,815,558
Sale Date:	06/25/2021
Sale Status:	Closed
$/Acre(Gross):	$437,778
$/Land SF(Gross):	$10.05
Grantor/Seller:	City of Roseville
Grantee/Buyer:	Roseville Junction, LLC.
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	2021.84231

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	363-011-086
Acres(Gross):	11.00
Land-SF(Gross):	479,160
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Zoning Code:	CC/SA-NC
Zoning Desc.:	Community Commercial, Special Area
Flood Plain:	No
Flood Zone Designation:	X
Source of Land Info.:	Public Records

Comments

This site is planned for the development of a project identified as Roseville Junction, which will include two five-story hotels, three restaurant buildings and outdoor event space. The site is located adjacent to VillaSport Athletic Club and has direct freeway visibility from Highway 65.

Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name:	S/O Whitney Ranch Pky., W/O Wildcat Blvd.
Sub-Property Type:	Commercial
Address:	S/O Whitney Ranch Pky., W/O Wildcat Blvd.
City/State/Zip:	Rocklin, CA 95765
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2694153

Sale Information

Sale Price:	$5,000,000
Effective Sale Price:	$5,000,000
Sale Date:	06/16/2021
Sale Status:	Closed
$/Acre(Gross):	$431,406
$/Land SF(Gross):	$9.90
Grantor/Seller:	Aldebaran International, Inc.
Grantee/Buyer:	Oakwood Trails 7V, LLC.
Assemblage:	No
Portfolio Sale:	No
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller - buyer obtained financing
Document Type:	Deed
Recording No.:	2021.79413

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	017-171-039
Acres(Gross):	11.59
Land-SF(Gross):	504,860
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Zoning Code:	PD-C
Zoning Desc.:	Planned Dev., Commercial
Flood Zone Designation:	X
Source of Land Info.:	Public Records

Comments

This property has previously been marketed for residential development; however, it has a commercial zoning designation. It is located adjacent to the Ansel Park Independent Living development (to the south), Montessa at Whitney Ranch multi-family residential complex (to the north), and single family residential (to the east). A 232 unit apartment development is proposed for the parcel immediately west, a Chevron gas station with convenience store and carwash project has been approved for the parcel immediately east. The remaining surrounding vacant parcels are also zoned for commercial development. The buyer's plans for the property could not be confirmed.

Land Sales - HDR Parcel

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Anatolia Apartments
Sub-Property Type:	Residential, Multifamily
Address:	4321 Anatolia Dr.
City/State/Zip:	Rancho Cordova, CA 95742
County:	Sacramento
Market Orientation:	Suburban
IRR Event ID:	2520415

Sale Information

Sale Price:	$2,800,000
Effective Sale Price:	$2,800,000
Sale Date:	09/01/2022
Recording Date:	09/30/2022
Listing Price:	$2,600,000
Listing Date:	05/26/2021
Sale Status:	Closed
$/Acre(Gross):	$353,090
$/Land SF(Gross):	$8.11
$/Acre(Usable):	$476,190
$/Land SF(Usable):	$10.93
$/Unit (Potential):	$23,333 /Apt. Unit
Grantor/Seller:	DHIR Capital LLC
Grantee/Buyer:	Brighton Ten LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Exposure Time:	6 (months)
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	20220930.288

Improvement and Site Data

Legal/Tax/Parcel ID:	067-0430-043, -044
Acres(Usable/Gross):	5.88/7.93
Land-SF(Usable/Gross):	256,132/345,430
Usable/Gross Ratio:	0.74
No. of Units (Potential):	120
Zoning Code:	RD-20
Zoning Desc.:	Residential - 20 units/acre
Source of Land Info.:	Public Records

Comments

This comparable represents a recent sale of two non-adjacent parcels totaling 7.93 acres. The larger parcel (5.88 net acres) is proposed for a 120-unit multi-family residential project. The listing broker does not know what the buyer plans for the smaller parcel though much of it is currently used as access for an adjacent property so the overall site utility of the smaller parcel may be minimal.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Poppy Grove Site
Sub-Property Type:	Residential, Multifamily
Address:	10149 Bruceville Rd.
City/State/Zip:	Elk Grove, CA 95757
County:	Sacramento
Market Orientation:	Suburban
IRR Event ID:	2905831

Legal/Tax/Parcel ID:	132-0050-161
Acres(Usable/Gross):	14.06/16.73
Land-SF(Usable/Gross):	612,453/728,758
Usable/Gross Ratio:	0.84
No. of Units (Potential):	387
Zoning Code:	RD-30
Zoning Desc.:	Multifamily
Source of Land Info.:	Owner

Sale Information

Sale Price:	$9,600,000
Effective Sale Price:	$9,600,000
Sale Date:	08/16/2022
Recording Date:	09/12/2022
Contract Date:	09/07/2021
Sale Status:	Closed
$/Acre(Gross):	$573,819
$/Land SF(Gross):	$13.17
$/Acre(Usable):	$682,788
$/Land SF(Usable):	$15.67
$/Unit (Potential):	$24,806 /Apt. Unit
Grantor/Seller:	10149 Bruceville LLC
Grantee/Buyer:	Poppy Grove III LP
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	20220912.742

Comments

Sale of a vacant, fully entitled site proposed for development with 384 affordable apartments units. Seller is an entity of CRP Affordable Housing and Community Development, LLC. Sale involved a double escrow transaction, with the seller entering into a purchase contract to acquire the property from Nguyen Pham in February 2021 (which closed escrow on June 8, 2022), then entered into contract in September 2021 to sell the property to the buyer (an entity of E. Smith & Company and Urbancore Development, LLC). During escrow, the seller secured development entitlements for 384 affordable housing units; however, there were no deed restrictions recorded again the property restricting use to affordable housing when the transaction closed escrow. Purchase price was based on $25,000 per entitled unit (384 units). During escrow, the buyer acquired approvals to develop an additional 3 units (387 units total).

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Avenida Folsom Senior Living
Sub-Property Type:	Residential, Multifamily
Address:	115 Healthy Way
City/State/Zip:	Folsom, CA 95630
County:	Sacramento
Market Orientation:	Suburban
IRR Event ID:	2945351

Legal/Tax/Parcel ID:	072-2270-006
Acres(Gross):	6.29
Land-SF(Gross):	273,992
No. of Units (Potential):	154
Zoning Code:	R-M (SP95-1)
Zoning Desc.:	Residential Multifamily SPA
Source of Land Info.:	Public Records

Sale Information

Sale Price:	$4,500,000
Effective Sale Price:	$4,500,000
Sale Date:	07/21/2022
Recording Date:	07/21/2022
Sale Status:	Closed
$/Acre(Gross):	$715,421
$/Land SF(Gross):	$16.42
$/Unit (Potential):	$29,221 /Unit
Grantor/Seller:	Blue Mountain Broadstone Inc.
Grantee/Buyer:	150 Healthy Way Investor LP
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	2022072100952

Comments

The Developer plans to construct a 4-story, 201,798 SF senior (age-restricted) apartment community containing 154 market-rate units. The site is irregularly shaped, vacant, and consisted of a previously-graded building pad with approximately 35-foot fill slopes on the west and southwest boundaries. The project site will include surface parking lots arranged around the building to accommodate 168 vehicles, landscaping, and indoor and outdoor amenities. The underlying zoning designation of the site is C-2 PD (Commercial, Planned Development District) and required a Conditional Use Permit for the proposed use.

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA

Land Sale Profile — Sale No. 4

Location & Property Identification

Property Name:	Fiddyment Ranch F-8A
Sub-Property Type:	Residential, Multifamily
Address:	2700 N. Hayden Pkwy
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2812608

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	492-012-091
Acres(Gross):	12.00
Land-SF(Gross):	522,720
No. of Units (Potential):	277
Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
Zoning Code:	HDR
Zoning Desc.:	High Density Residential
Environmental Issues:	No
Flood Zone Designation:	X
Source of Land Info.:	Public Records

Sale Information

Sale Price:	$4,155,000
Effective Sale Price:	$4,155,000
Sale Date:	01/10/2022
Contract Date:	09/14/2020
Sale Status:	Closed
$/Acre(Gross):	$346,250
$/Land SF(Gross):	$7.95
$/Unit (Potential):	$15,000 /Approved Unit
Grantor/Seller:	Jen California 15, LLC.
Grantee/Buyer:	Pacific West Communities, Inc.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	2022.3708

Comments

This comparable represents the sale of a multifamily land parcel entitled for the development of 277 units (54 of which are designated as "moderate income"). The status of the site is contour grading with all utilities stubbed, and the two adjacent streets improved to the back of curb (“superpad” condition). The contract was negotiated on 9/14/2020 and closed upon the approval of entitlements.

Sale Analysis

Sale Price Includes FF&E?	No

Improvement and Site Data

Land Sale Profile Sale No. 5

Location & Property Identification

Property Name:	11295 Folsom Boulevard Land Site
Sub-Property Type:	Residential, Multifamily
Address:	11295 Folsom Blvd.
City/State/Zip:	Rancho Cordova, CA 95742
County:	Sacramento
Market Orientation:	Suburban
IRR Event ID:	2809850

Sale Information

Sale Price:	$2,150,000
Effective Sale Price:	$2,150,000
Sale Date:	08/11/2021
Sale Status:	Closed
$/Acre(Gross):	$951,327
$/Land SF(Gross):	$21.84
$/Acre(Usable):	$951,327
$/Land SF(Usable):	$21.84
$/Unit (Potential):	$26,220 /Apt. Unit
Grantor/Seller:	VS Real Estate, LLC
Grantee/Buyer:	Blue Bronco
Property Rights:	Fee Simple
Financing:	Cash to seller
Rent Subsidized:	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	058-0270-041
Acres(Usable/Gross):	2.26/2.26
Land-SF(Usable/Gross):	98,445/98,445
Usable/Gross Ratio:	1.00
No. of Units (Potential):	82
M&S Class:	A
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Frontage Feet:	280
Frontage Desc.:	Folsom Blvd
Frontage Type:	2 way, 2 lanes each way
Traffic Control at Entry:	None
Traffic Flow:	Moderate
Visibility Rating:	Average
Zoning Code:	M-1/ TOD Overlay
Zoning Desc.:	Light Industrial/Manufacturing
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	06067C0207H
Date:	08/16/2012
Source of Land Info.:	Public Records

Comments

Sale of a site purchased for development of an affordable housing development. Buyer indicated there were no entitlements as of the date of sale; however, the zoning in place and their proposed use had discretionary by-right approvals possible.

APPENDIX C

THE CITY OF ROSEVILLE AND PLACER COUNTY

The District is located in the City of Roseville (the "City"), which is located in southwestern Placer County (the "County"), California (the "State"). Certain financial and economic data for the City, County and State are presented in this appendix for information purposes only. The 2023 Bonds are not a debt or obligation of the County or State, but are a special limited obligation of the City secured solely by the Special Tax Revenues and other amounts pledged under the Fiscal Agent Agreement, all as described in more detail in this Official Statement.

General

The City is located in the County, which is located in the Sacramento Valley near the foothills of the Sierra Nevada mountain range, about 16 miles northeast of Sacramento and 110 miles east of San Francisco. The City presently occupies 43 square miles in the southwestern part of the County and is the largest city in the County as well as the residential and business center of the County. It is bordered by Sacramento County to the south, the City of Rocklin to the north and un-incorporated Placer County to the east and west. The estimated population of the City as of January 2022 was approximately 151,034.

The City has warm summers typical of central California, with an average July temperature of 77 degrees. Winter temperatures are moderate; the average January temperature is 46 degrees. The temperature drops below freezing an average of eight days per year. Rainfall averages 20 inches annually and falls mostly during the winter.

The City is predominately comprised of residential housing, small and large businesses, as well as numerous retail centers, the latter of which play a vital role in the economy of the City and contribute significantly to City and County sales tax receipts. The City has the thirteenth highest retail sales of all cities in the State, and the City is considered a regional shopping destination. The Westfield Galleria at Roseville is the main shopping center in the City and the second largest shopping mall in Northern California. Across from the Westfield Galleria lies the "Fountains at Roseville," a 330,000 square foot retail center, containing additional stores and several recreation centers. Plans call for future construction of hotel, additional retail, and office buildings in connection with the Fountains at Roseville project. In addition to the Westfield Galleria and Fountains at Roseville, the City has many shopping plazas surrounding the Westfield Galleria and the Douglas Boulevard financial corridor. The City is also home to one of the largest auto malls in the United States and a popular water park, Roseville Golfland-SunSplash.

Municipal Government

The City was incorporated on April 10, 1909 and is a charter city. The City operates under the council-manager form of government, with a five-member City Council elected by district for staggered four-year terms.

City services include, among others, police and fire protection, library services, street maintenance, and parks and recreation. The City also owns two golf courses and provides its own electricity, water, sewer and refuse services to its citizens.

Population

The following table sets forth population estimates for the City, County and State for the past five years.

POPULATION ESTIMATES
City, County and State
Calendar Years 2018 through 2022, as of January 1

Year	City of Roseville	Placer County	State of California
2018	137,983	389,387	39,586,646
2019	141,299	395,978	39,695,376
2020	147,245	404,739	39,538,223
2021	148,794	407,517	39,303,157
2022	151,034	409,025	39,185,605

Source: California State Department of Finance.

Effective Buying Income

Effective buying income ("**EBI**") is designated as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis. The following table demonstrates the growth in annual estimated EBI for the City, the County, the State and the United States.

EFFECTIVE BUYING INCOME (EBI)
City, County, State and United States
As of January 1, 2019 through 2023

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2019	City of Roseville	$4,981,208	$75,784
	Placer County	14,736,480	74,797
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of Roseville	$4,834,974	$72,395
	Placer County	14,333,583	72,431
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Roseville	$4,126,395	$66,668
	Placer County	12,122,101	65,269
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2022	City of Roseville	$6,165,433	$87,539
	Placer County	18,491,490	88,051
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Roseville	$6,996,310	$92,853
	Placer County	19,349,979	91,862
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326

Source: Claritas, LLC.

Employment and Industry

The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 3.3 percent in December 2022, down from a revised 3.7 percent in November 2022, and below the year-ago estimate of 4.3 percent. This compares with an unadjusted unemployment rate of 3.7 percent for California and 3.3 percent for the nation during the same period. The unemployment rate was 2.8 percent in El Dorado County, 2.5 percent in Placer County, 3.5 percent in Sacramento County, and 3.6 percent in Yolo County.

The following table summarizes the civilian labor force, employment and unemployment, as well as employment by industry, in the Sacramento--Arden-Arcade--Roseville MSA for the years 2017 through 2021.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Sacramento Arden Arcade Roseville Metropolitan Statistical Area
(El Dorado, Placer, Sacramento, and Yolo Counties)
Civilian Labor Force, Employment and Unemployment
Annual Averages

	2017	2018	2019	2020	2021
Civilian Labor Force (1)	1,074,000	1,088,300	1,100,800	1,091,700	1,099,300
Employment	1,024,800	1,046,900	1,060,300	994,000	1,028,800
Unemployment	49,200	41,500	40,500	97,700	70,500
Unemployment Rate	4.6%	3.8%	3.7%	9.0%	6.4%
Wage and Salary Employment (2)					
Agriculture	9,800	9,100	8,700	8,300	9,000
Mining and Logging	400	500	500	600	700
Construction	58,700	64,500	69,400	70,200	74,100
Manufacturing	35,700	36,000	36,800	36,100	37,500
Wholesale Trade	26,500	28,400	28,600	26,500	26,400
Retail Trade	101,400	102,000	100,500	95,200	101,100
Transportation, Warehousing and Utilities	27,400	29,500	32,200	34,300	37,100
Information	12,600	12,400	11,900	10,200	10,000
Finance and Insurance	37,400	36,700	35,200	34,800	34,300
Real Estate and Rental and Leasing	15,200	16,800	17,300	16,900	17,400
Professional and Business Services	132,400	136,000	137,200	132,500	136,700
Educational and Health Services	153,600	159,800	166,600	164,000	168,400
Leisure and Hospitality	103,300	106,200	109,600	83,900	92,800
Other Services	33,000	34,200	35,400	31,000	32,600
Federal Government	14,200	14,100	14,200	14,800	14,500
State Government	118,400	120,400	121,900	121,700	126,800
Local Government	102,600	103,500	105,300	98,900	98,000
Total, All Industries (3)	982,500	1,009,900	1,031,300	979,700	1,017,200

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department

Major Employers

The following table lists the major employers within the County, in alphabetical order.

MAJOR EMPLOYERS
Placer County
(In Alphabetical Order)
March 2023

Employer	Location	Industry
Backyard Bar & BBQ	Truckee	Restaurants
City of Roseville	Roseville	Government Offices-City/Village & Twp
City of Roseville California	Roseville	Government Offices-City/Village & Twp
Costco Wholesale	Roseville	Wholesale Clubs
Golfland Sunsplash Roseville	Roseville	Golf Courses-Miniature
Kaiser Permanente Roseville MD	Roseville	Hospitals
Northstar California	Truckee	Resorts
Oracle	Rocklin	Computer Software-Manufacturers
Palisades Tahoe-Alpine Meadows	Alpine Meadows	Resorts
Placer County Fire Dept	Auburn	Fire Departments
Placer County Food Stamps	Auburn	County Government-Social/Human Resources
Placer County Sheriff	Auburn	Government Offices-County
Placer County Sheriff Dept	Tahoe City	Government Offices-County
PRIDE Industries	Roseville	Employment Agencies & Opportunities
Resort At Squaw Creek A	Alpine Meadows	Hotels & Motels
Roseville Toyota	Roseville	Automobile Dealers-New Cars
Sheriff's Training	Auburn	Government Offices-County
Sierra Joint Cmnty Clg Dist	Rocklin	School Districts
Stagg Howard A Pro Corp	Roseville	Attorneys
Sutter Auburn Faith Hospital	Auburn	Hospitals
Sutter Roseville Med Ctr Fndtn	Roseville	Hospitals
TASQ Technology	Roseville	Importers (whls)
Thunder Valley Casino	Lincoln	Casinos
Union Pacific Railroad Co	Roseville	Railroads
Walmart Supercenter	Roseville	Department Stores

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2023 1st Edition.

Principal Employers

The following table shows the principal employers in the City, as shown in the City's Comprehensive Annual Financial Report for fiscal year ending June 30, 2021.

PRINCIPAL EMPLOYERS
City of Roseville
As of June 30, 2021

Employer	Number of Employees
The Permanente Medical Group & Foundation Group	5,200
Hewlett Packard	100
Sutter Roseville Medical Group	2,202
Union Pacific Railroad Company	1,150
Roseville City School District	1,133
Roseville Joint Union High School	1,005
City of Roseville	1,896
PRIDE Industries	1,062
Adventists Health	1,320
Top Golf	450
Total – Top Ten	15,518
Total City-Wide Employment	92,281

Source: City of Roseville Comprehensive Annual Financial Report for Fiscal Year 2020-21.

Construction Permits

The following table shows valuations of residential and non-residential building permits issued for calendar years 2017 through 2021. Annual figures are not yet available for 2022.

BUILDING PERMIT VALUATION
City of Roseville
(Valuation in Thousands of Dollars)

	2017	2018	2019	2020	2021
Permit Valuation					
New Single-family	$322,386.5	$220,813.8	$265,615.3	$322,748.5	$467,676.3
New Multi-family	51,882.2	0.0	6,855.8	46,469.0	0.0
Res. Alterations/Additions	7,283.3	8,598.7	16,133.8	5,126.3	39,648.3
Total Residential	$381,552.0	$229,412.5	288,604.9	$374,343.8	$507,324.6
New Commercial	$81,544.8	$21,072.5	$24,136.7	$23,230.8	$16,627.7
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	8,356.1	11,541.4	9,358.1	12,610.6	12,351.9
Com. Alterations/Additions	51,836.3	38,098.5	46,155.6	24,553.9	29,192.0
Total Nonresidential	$141,737.2	$70,712.4	$79,650.40	$60,395.3	$58,171.6
New Dwelling Units					
Single-Family	1,201	806	1,001	1,226	1,860
Multiple Family	486	0	65	372	0
Total New Dwelling Units	1,687	806	1,066	1,598	1,860

Source: Construction Industry Research Board, Building Permit Summary.

The County's 2021-22 assessment roll totaled $89,326,713,518 as compared to the prior year's assessment roll of $84,363,765,321, which reflected a 5.88% increase. These numbers over the last two years contrast with the real estate decline years of 2008 and after, where the County assessment roll experienced declines.

The following table shows residential and non-residential building permits issued within the County for calendar years 2017 through 2021. Annual figures are not yet available for 2022.

BUILDING PERMIT VALUATION
County of Placer
(Valuation in Thousands of Dollars)

	2017	2018	2019	2020	2021
Permit Valuation					
New Single-family	$771,800.5	$696,737.4	$693,647.7	$827,822.1	$1,323,114.6
New Multi-family	92,565.5	23,384.7	7,896.7	72,442.8	11,183.1
Res. Alterations/Additions	89,429.2	99,341.6	86,964.2	52,440.8	107,613.1
Total Residential	$953,795.2	$819,463.7	$788,508.6	$952,705.7	$1,441,910.8
New Commercial	$138,544.8	$90,424.4	$73,609.7	$58,855.0	$52,238.1
New Industrial	0.0	7,956.4	268.7	25.0	1,155.5
New Other	57,356.4	68,208.3	110,951.1	76,576.0	73,032.7
Com. Alterations/Additions	94,058.6	84,271.0	78,159.7	49,149.7	58,371.2
Total Nonresidential	$289,959.8	$250,860.1	$262,989.2	$184,605.7	$184,797.5
New Dwelling Units					
Single-Family	2,500	1,963	2,080	2,552	4,176
Multiple Family	782	19	71	540	66
Total New Dwelling Units	3,282	1,982	2,151	3,092	4,242

Source: Construction Industry Research Board, Building Permit Summary.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

The total taxable sales during first three quarters of calendar year 2022 in the City were reported to be $4,383,732,148, a 7.22% increase from the total taxable sales of $4,088,517,403 reported during the first three quarters of calendar year 2021.

TAXABLE TRANSACTIONS
City of Roseville
Calendar Years 2017 through 2021
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2017	3,715	$3,915,184	5,257	$4,642,069
2018	3,705	4,048,870	5,393	4,767,160
2019	3,748	4,021,058	5,578	4,889,702
2020	3,912	3,692,180	5,968	4,425,817
2021	3,623	4,798,530	5,602	5,613,856

Source: State Department of Tax and Fee Administration.

The total taxable sales during the first three quarters of calendar year 2022 in the County were reported to be $9,993,613,382, an 7.58% increase over the total taxable sales of $9,289,378,568 reported during the first three quarters of calendar year 2021.

TAXABLE TRANSACTIONS
Placer County
Calendar Years 2017 through 2021
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2017	8,713	$7,194,952	13,365	$9,428,862
2018	8,717	7,724,326	13,794	9,909,906
2019	8,771	7,943,537	14,193	10,341,805
2020	9,165	7,931,068	15,141	10,319,123
2021	8,130	9,627,064	13,720	12,617,739

Source: State Department of Tax and Fee Administration.

Transportation

The transportation network in and around the City is an integral part of its development. Centrally located in the State, the area is the hub of several major highways. Interstate 80 runs through the City, connecting San Francisco to New York. Highway 65 runs north through the City, from I-80 to Lincoln and Marysville. Interstate 5, which is west of the City, runs north to Seattle and south to Los Angeles.

Union Pacific Railroad bought Southern Pacific in 1996 and the J.R. Davis Yard, located in Roseville, is the largest rail facility on the West Coast. Union Pacific owns and operates track in 23 states, primarily west of the Mississippi River. Amtrak provides passenger service daily to San Francisco and San Jose, and the California Zephyr connects the County to the Midwest and Chicago.

Greyhound operates a station in the City, providing interstate destination services. Greyhound also operates throughout the County, with bus depots or regularly scheduled stops in most of the communities along major highways and roads.

Sacramento International Airport serves the Roseville area. Served by ten major carriers and several commuter airlines, as well as air-freight carriers, the airport handles passenger flights to over 140 cities with more than 130 scheduled departures per day and 4.3 million passengers annually. Nearby Auburn Municipal Airport serves charter and private aircraft for coastal, state and transcontinental flights. Executive air service is available as well. Auburn Municipal has an elevation of 1,520 feet and an east/west runway 3,100 feet in length.

Several trucking companies serve the City, ranging from interstate lines to local haulers, and transporting a wide variety of goods. United Parcel Service, with a distribution center in Rocklin, offers freight transportation services as well.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

May 17, 2023

City Council
City of Roseville
311 Vernon Street
Roseville, California 95678

OPINION: $3,540,000 City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2023

Members of the City Council:

We have acted as bond counsel to the City of Roseville (the "City") in connection with the issuance by the City of the $3,540,000 City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2023 (the "Bonds"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, et seq. of the California Government Code (the "Act") and a Fiscal Agent Agreement dated as of December 1, 2014, as supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of July 1, 2018, Supplemental Agreement No. 2 to Fiscal Agent Agreement, dated as of May 1, 2019 and Supplemental Agreement No. 3 to Fiscal Agent Agreement dated as of May 1, 2023 (collectively, the "Fiscal Agent Agreement"), in each case, by and between the City, on behalf of the City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities), and U.S. Bank Trust Company, National Association, as successor fiscal agent to The Bank of New York Mellon Trust Company, N.A. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement, and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a public body, corporate and politic, with the power to adopt the resolution authorizing the issuance of the Bonds, enter into Supplemental Agreement No. 3 to Fiscal Agent Agreement, dated as of May 1, 2023, to perform the agreements on its part contained therein and in the Fiscal Agent Agreement, and to issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

3. The Fiscal Agent Agreement has been duly entered into by the City and constitutes a valid and binding obligation of the City enforceable upon the City.

4. Pursuant to the Act, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKINGS

$3,540,000
CITY OF ROSEVILLE
WESTBROOK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2023

This CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") dated as of May 17, 2023, is executed and delivered by the CITY OF ROSEVILLE (the "City") in connection with the execution and delivery of its City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2023 (the "Bonds"). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement dated as of December 1, 2014, as supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of July 1, 2018, Supplemental Agreement No. 2 to Fiscal Agent Agreement dated as of May 1, 2019 and Supplemental Agreement No. 3 to Fiscal Agent Agreement dated as of May 1, 2023 (collectively, the "Fiscal Agent Agreement"), by and between the City and U.S. Bank Trust Company, National Association, as successor fiscal agent to The Bank of New York Mellon Trust Company, N.A. (the "Fiscal Agent").

The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Annual Report Date" means the date that is nine months after the end of the City's fiscal year (currently April 1 based on the City's fiscal year end of June 30).

"Dissemination Agent" means Willdan Financial Services, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"Listed Events" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the final official statement executed by the City in connection with the issuance of the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2024, with the report for the 2022-23 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form required by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine prior to each Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(a) The City’s audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following information:

(i) Principal amount of all outstanding bonds of the District.

(ii) Balance in the improvement fund.

(iii) Balance in 2023 Reserve Account of the Reserve Fund, and statement of the Reserve Requirement for the Bonds. Statement of projected draws on the 2023 Reserve Account of the Reserve Fund, if any.

(iv) Balance in other funds and accounts held by the City or fiscal agent related to the Bonds.

(v) Additional debt authorized by the City and payable from or secured by assessments or special taxes with respect to property within the District.

(vi) The Special Tax levy, the delinquency rate, total amount of delinquencies, number of parcels delinquent in payment for the five most recent fiscal years.

(vii) Notwithstanding the June 30th reporting date for the Annual Report, the following information shall be reported as of the last day of the month immediately preceding the date of the Annual Report rather than as of June 30th. Identity of each delinquent taxpayer responsible for 5 percent or more of total Special Tax levied, and the following information: assessor parcel number, assessed value of applicable properties, amount of Special Tax levied, amount delinquent by parcel number and status of foreclosure proceedings. If any foreclosure has been completed, summary of results of foreclosure sales or transfers.

(viii) Most recently available total assessed value of all parcels subject to the Special Tax.

(ix) List of landowners and assessor's parcel number of parcels subject to 20 percent or more of the Special Tax levy including the following information: development status to the extent shown in City records, land use classification, assessed value (land and improvements).

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional fiscal agent or the change of name of the fiscal agent, if material.

(15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for the definition of “financial obligation,” see clause (e)).

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for the definition of "financial obligation," see clause (e)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Fiscal Agent Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above. The Dissemination Agent shall not be responsible for determining whether an event it material.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders, or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Certificate as of the date first above written.

CITY OF ROSEVILLE, for and on behalf of City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities)

By: ________________________________
Name:
Title:

WILLDAN FINANCIAL SERVICES, as Dissemination Agent

By: ________________________________
Name:
Title:

APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT

The following contains a brief summary of certain provisions of the Fiscal Agent Agreement not found in the main body of the Official Statement. Investors are hereby directed to obtain a complete copy of the Fiscal Agent Agreement, which is available from the City or the Fiscal Agent upon request.

Certain Definitions

"Acquisition Agreement" means the Funding, Construction and Acquisition Agreement, dated as of December 1, 2014 and entered into by and between the City and WP Development Company, LLC, a California limited liability corporation, and any amendments thereto.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 *et seq.* of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the City in carrying out its duties under the Agreement (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the liens of delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto, any amounts paid by the City from its general funds pursuant to the Agreement, and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the issuance and administration of the Bonds and/or the discharge of their respective duties under the Agreement (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States) and, in the case of the City, in any way related to the administration of the District. Administrative Expenses shall include any such expenses incurred in prior years but not yet paid, and any advances of funds by the City under the Agreement.

"Agreement" means the Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the respective Series of Outstanding Bonds in such Bond Year, assuming that such Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the respective Series of Outstanding Bonds, including any mandatory sinking fund payments, due in such Bond Year.

"Authorized Officer" means the City Treasurer/Financial Executive, the City Manager, City Finance Director or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in the Agreement as required to be undertaken by an Authorized Officer.

"Bond Counsel" means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Year" means each twelve-month period beginning on September 2 in any year and extending to the next succeeding September 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on September 1, 2015.

"*Bonds*" means the 2014 Bonds and any Additional Bonds.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed.

"CDIAC" means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

"City" means the City of Roseville, California, and any successor thereto.

"Closing Date" means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced in the Agreement) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Continuing Disclosure Certificate" means (i) with respect to the 2014 Bonds, the Continuing Disclosure Agreement, dated as of December 18, 2014, by and between the City and Willdan Financial Services, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof, (ii) with respect to the 2018 Bonds, the Continuing Disclosure Agreement, dated as of July 1, 2018, by and among the City and Willdan Financial Services, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof, (iii) with respect to the 2019 Bonds, the Continuing Disclosure Agreement, dated as of April 1, 2019, by and among the City and Willdan Financial Services, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof, and (iv) with respect to the 2023 Bonds, the Continuing Disclosure Agreement, dated as of May 1, 2023, by and among the City and Willdan Financial Services, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Cost of Issuance" means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses incurred by the City in connection with the issuance of the Bonds, financial advisor fees, Bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

"DTC" means the Depository Trust Company, New York, New York, and its successors and assigns.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to the Agreement.

"District" means the City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) formed pursuant to the Resolution of Formation.

"*Fair Market Value*" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment).

(i) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons; or

(ii) Any of the following obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank, (ii) certificates of beneficial ownership issued by the Farmers Home Administration, (iii) participation certificates issued by the General Services Administration, (iv) mortgage-backed bonds or passthrough obligations issued and guaranteed by the Government National Mortgage Association, (v) project notes issued by the United States Department of Housing and Urban Development, and (vi) public housing notes and bonds guaranteed by the United States of America.

"Finance Director" means the duly acting Finance Director or Treasurer of the City, or if the City has no Finance Director, such officer of the City serving a similar role.

"Fiscal Agent" means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers in the Agreement provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Agreement.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Information Services" means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the City may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Officer's Certificate" means a written certificate of the City signed by an Authorized Officer of the City.

"Ordinance" means any ordinance of the City levying the Special Taxes.

"Original Purchaser" means the first purchaser of the Bonds from the City.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Agreement) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of the Agreement; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to the Agreement or any Supplemental Agreement.

"Owner" or *"Bondowner"* means any person who shall be the registered owner of any Outstanding Bond.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means any of the following, to the extent that they are lawful investments for City funds at the time of investment, and are acquired at Fair Market Value (the Fiscal Agent is entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment):

(i) Federal Securities;

(ii) any of following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal

Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation; and bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent and its affiliates), provided that (a) in the case of a savings and loan association, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association shall be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank) shall be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors Protection Corporation Liquidation in the event of insolvency, or any commercial bank provided that: (a) the unsecured obligations of such bank shall be rated in one of the top two rating categories by a nationally recognized rating service, or such bank shall be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus an undivided profits of such bank shall be not less than $100 million; (c) the repurchase obligation under any such repurchase obligation shall be required to be performed in not more than thirty (30) days; (d) the entity holding such securities as described in clause (c) shall have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book-entry procedures described by 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in the one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in the highest rating category by Standard & Poor's Ratings Services or Moody's Investor Service, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered pursuant to the Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) and (iv) above, such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered pursuant to the Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper which at the time of purchase is of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, or Standard and Poor's Corporation, of issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars ($500,000,000) and having an "AA" or higher rating for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a bank or insurance company whose long term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) shares in a common law trust established pursuant to Title 1, Division 7, Charter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(xiii) shares in the California Asset Management Program; or

(xiii) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, *provided, however,* that the Fiscal Agent shall be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement.

(xiv) any other lawful investment for City funds.

“Prepayment” means moneys received by the City from the prepayment of Special Taxes as provided in the "Rate, Method of Apportionment, and Manner of Collection of Special Tax" applicable to the District, net of amounts attributable to the Development Impact Fee Deferral decribed therein.

"Principal Office" means the corporate trust office of the Fiscal Agent set forth in the Agreement, or such other or additional offices as may be designated by the Fiscal Agent.

"Project" means the acquisitions and improvements described in the Resolution of Intention, including Administrative Expenses related thereto.

"Record Date" means the fifteenth (15th) day of the month next preceding the month of the applicable Interest Payment Date whether or not such day is a Business Day.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Resolution of Formation" means Resolution No. 14-131, adopted by the City Council of the City on April 16, 2014, establishing the District for the purpose of providing for the financing of certain public facilities in and for such District, as amended by Resolution No. 14-509, adopted by the City Council of the City on November 19, 2014.

"Resolution of Intention" means Resolution No. 14-75, adopted by the City Council of the City on March 5, 2014.

"Securities Depositories" means The Depository Trust Company, New York, New York; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Series" means a series of bonds issued under this Fiscal Agent Agreement.

"Supplemental Agreement" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City under the Act and which agreement is amendatory of or supplemental to the Agreement, but only if and to the extent that such agreement is specifically authorized under the Agreement.

"Treasurer" means the duly acting Treasurer/Financial Executive of the City or if the City has no Treasurer/Financial Executive, the Finance Director or other officer of the City serving a similar role.

Bond Fund

Establishment. There is established as a separate fund to be held by the Fiscal Agent the Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Bond Fund, to the credit of which deposits shall be made as required by the Agreement, or the Act. Within the Bond Fund, the Fiscal Agent shall establish and maintain a Capitalized Interest Account, to the credit of which deposit shall be made as required by the Agreement. Moneys in the Bond Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

Within the Bond Fund there is hereby established the Prepayment Account, which shall be used exclusively for the administration of any prepayments of Special Taxes to assure the timely redemption of Bonds. Monies in the Prepayment Account shall be used to redeem Bonds on the redemption date specified in the notice to the Fiscal Agent given pursuant to the Agreement. In the event all of the Special Taxes are prepaid in full, the Prepayment Account shall be closed.

Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the sinking payments set forth in the Agreement, provided however, that so long as monies remain in the Capitalized Interest Account of the Bond Fund, the Fiscal Agent shall first withdraw from such Capitalized Interest Account for payment to the Owners of the respective Bonds the interest then due and payable on such Bonds.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on any Series of Bonds, the Fiscal Agent shall withdraw from the respective reserve account within the Reserve Fund established for such Series of Bonds to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent shall provide written notice to the Treasurer and Finance Director of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from such investment and deposit shall be retained in the Bond Fund to be used for the purposes of such fund.

Deficiency. If ten days before any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner, the Fiscal Agent shall report to the Treasurer and Finance Director such fact. The City covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

If on any Interest Payment Date the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent shall notify the Treasurer and Finance Director in writing of such fact, and the Treasurer or Finance Director shall notify CDIAC of such fact within 10 days of such Interest Payment Date. The Fiscal Agent has no obligation under the Agreement to provide notice or disclosure to the Bondowners of insufficient funds or anticipation of deficiency in the Bond Fund.

Certain Covenants

Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of the Agreement and all Supplemental Agreements and of the Bonds.

Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default under the Agreement, to the benefits of the Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Agreement.

Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Fund and to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund, the Reserve Fund and the Costs of Issuance Fund. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice, be subject to the inspection of the City and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

Compliance with Law; Completion of Project. The City will comply with all applicable provisions of the Act and the law in completing the acquisition and construction of the Project; provided that the City shall have no obligation to advance any funds to complete the Project in excess of the amounts available therefor in the Improvement Fund.

Private Activity Bond Limitation. The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Collection of Special Tax Revenues. The City shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes. On or within five (5) Business Days of each June 1, the Fiscal Agent shall provide the Treasurer and Finance Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund. The receipt of such notice by the Treasurer and Finance Director shall in no way affect the obligations of the Treasurer or Finance Director under the following two paragraphs. Upon receipt of such notice, the Treasurer shall communicate with the Finance Director to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The City shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance such that the computation of the levy is complete before the final date on which County Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured real property tax roll. Upon the completion of the computation of the amounts of the levy, the City shall prepare or cause to be prepared, and shall transmit to the Finance Director, such data as the County Auditor requires to include the levy of the Special Taxes on the next secured real property tax roll.

The City shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the rate and method of apportionment of the Special Taxes for the District and the Ordinance. In any event, the Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation. The City covenants to apply the Tax Escalation Factor provided for in the rate and method of apportionment in each Fiscal Year beginning in Fiscal Year 2015-16 and continuing for each Fiscal Year thereafter through Fiscal Year 2047-48.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. Notwithstanding the foregoing, the Special Taxes may be collected in such other manner as the City shall prescribe if necessary to pay the debt service on the Bonds.

Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Agreement.

No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Yield of the Bonds. In determining the yield of the Bonds to comply with the Agreement, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing, without regard to whether or not redemption moneys are received or Bonds are redeemed.

Investment of Funds

Deposit and Investment of Moneys in Funds. Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Fiscal Agent, shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out under the Agreement provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received an Officer's Certificate specifying a specific money market fund and, if no such an Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested and notify the Treasurer or Finance Director that it is doing so until further direction is received from the Treasurer or Finance Director. Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Treasurer or Finance Director shall be invested by the Treasurer or Finance Director in any lawful investments that the City may make, which by their terms mature prior to the date on which such moneys are required to be paid out under the Agreement. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of the Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

The Fiscal Agent, Treasurer or Finance Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent, the Treasurer or the Finance Director shall incur any liability for losses arising from any investments made pursuant to the Agreement. Any losses arising from any investments made pursuant to the Agreement shall be offset against interest earnings and profits retained in the same fund.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to the Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by the Agreement or the Code) at Fair Market Value. For purposes of any Fair Market Value determination under the Agreement, the Fiscal Agent shall be entitled to conclusively rely on an Officer's Certificate of the City and shall be fully protected in relying thereon. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued by the City at their present value (within the meaning of Section 148 of the Code).

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions in the Agreement for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer under the Agreement, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent under the Agreement.

The Fiscal Agent

Limited Liability of Fiscal Agent. The recitals of facts, covenants and agreements in the Agreement and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Agreement or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. The Fiscal Agent has no liability regarding the use of the proceeds from the purchase of the Bonds deposited in funds held by the City.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of the Agreement, including all Officer's Certificates of the City meeting such requirements; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the

Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of the Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Agreement, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by the Agreement at the request or direction of any of the Owners pursuant to the Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent shall not be considered in breach of or in default in its obligations under the Agreement or progress in respect thereto in the event of unavoidable delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent.

The Fiscal Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Fiscal Agent, or another method or system specified by the Fiscal Agent as available for use in connection with its services under the Agreement); provided, however, that the City shall provide to the Fiscal Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such

Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

The permissive right of the Fiscal Agent to do things enumerated in the Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any Officer's Certificate, notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties and given in accordance with the requirements hereof. The Fiscal Agent may execute any of the powers under the Agreement or perform any duties under the Agreement either directly or by or through agents or attorneys and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it under the Agreement. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Agreement in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Agreement, such matter (unless other evidence in respect thereof be in the Agreement specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of the Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Compensation, Indemnification. The City shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under the Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under the Agreement. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any costs, claims, expenses or liabilities, including, without limitation, fees and expenses of its attorneys which it may incur in the exercise and performance of its powers and duties under the Agreement which are not due to its negligence or willful misconduct. This obligation of the City shall survive resignation or removal of the Fiscal Agent under the Agreement and payment of the Bonds and discharge of the Agreement.

Amendments

Amendments Permitted. The Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Agreement. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Agreement), or reduce the percentage of Bonds required for the amendment hereof. No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

The Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in the Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power in the Agreement reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Agreement, or in regard to questions arising under the Agreement, as the City and the Fiscal Agent may deem necessary or desirable, and which shall not adversely affect the rights of the Owners of the Bonds;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations.

No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

Owners' Meetings. The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of said meeting.

Procedure for Amendment with Written Consent of Owners. The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of the Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by the Agreement, to take effect when and as provided. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required under the Agreement, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in the Agreement provided.

If consent of the Owners is required, such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in the Agreement) and a notice shall have been mailed as hereinafter provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by the Agreement. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise above specifically provided) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in the Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in the Agreement. Upon request, the City shall provide an Officer's Certificate to the Fiscal Agent listing those Bonds which are disqualified pursuant to the Agreement.

Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to the Agreement, the Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Agreement of the City and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced under the Agreement subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of the Agreement for any and all purposes.

Endorsement or Replacement of Bonds Issued After Amendments. The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in the Agreement shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Amendatory Endorsement of Bonds. The provisions of the Agreement shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Opinion of Counsel Regarding Supplemental Agreement. The Fiscal Agent shall be furnished, upon request, an opinion of counsel that any Supplemental Agreement entered into by the City and the Fiscal Agent complies with the provisions of the Agreement, and the Fiscal Agent may conclusively rely upon such opinion.

Defeasance and Discharge

If the City shall pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with (in the event that all of the Bonds are to be defeased) the amounts then on deposit in the funds and accounts provided for in the Agreement, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums, or;

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and (in the event that all of the Bonds are to be defeased) moneys then on deposit in the fund and accounts provided for in the Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in the Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in the Agreement and all other obligations of the City under the Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligations of the City related to certain tax matters and to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent pursuant to the Agreement; and thereafter Special Taxes shall not be payable to the Fiscal Agent. Notice of such election shall be filed with the Fiscal Agent.

Any funds thereafter held by the Fiscal Agent upon payments of all fees and expenses of the Fiscal Agent, which are not required for said purpose, shall be paid over to the City.

APPENDIX G

THE BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the 2023 Bonds, payment of principal, interest and other payments on the 2023 Bonds (herein, the "Securities") to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Securities (the "Issuer") nor the fiscal agent appointed with respect to the Securities (the "Agent") takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC") will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding

company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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CITY OF ROSEVILLE WESTBROOK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) SPECIAL TAX BONDS SERIES 2023

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