

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.

\$4,115,000
CITY OF ROSEVILLE
VILLAGES AT SIERRA VISTA 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 Villages at Sierra Vista 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 Fiscal Agent Agreement dated as of July 1, 2019, as supplemented and amended, including by a Supplemental Agreement No. 4 to Fiscal Agent Agreement dated as of September 1, 2023 (collectively, the "Fiscal Agent Agreement") by and between the City and U.S. Bank Trust Company, National Association, as successor fiscal agent (the "Fiscal Agent"). The 2023 Bonds are being issued to (i) construct and acquire certain public facilities of benefit to 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 March 1, 2024. The City has previously issued special tax bonds for the District in 2019, 2020, 2021, and 2022, which remain outstanding on a parity basis. The 2023 Bonds represent the fifth series of special tax bonds issued for the District, and the issuance of additional parity bonds in the future is contemplated as ongoing development in the District proceeds, 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 –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 – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The 2023 Bonds are secured by and payable from a parity 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 currently in the District and subject to the Special Tax is composed of completed homes and lots under development, planned to comprise upon build out 1,205 residential homes in the Sierra Vista Specific Plan, which is located in the northwest portion of the City. The land currently in the District constitutes a portion of a larger development project being undertaken by JMC Homes in the area, and additional land is expected to annex into the District from the future annexation area. John Mourier Construction, Inc. ("JMC Homes") and an affiliated entity are developing most of the property within the District, with Richmond American Homes of Maryland, Inc. ("Richmond American Homes") developing the remaining 143 lots. 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."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF PLACER, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2023 BONDS. THE 2023 BONDS DO NOT CONSTITUTE A DEBT OF THE CITY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "SPECIAL RISK FACTORS," SHOULD BE READ IN ITS ENTIRETY.

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 September 7, 2023.

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**CITY OF ROSEVILLE
VILLAGES AT SIERRA VISTA 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%	3.750%	101.195	5H5
2025	10,000	5.000	3.890	102.098	5J1
2026	15,000	5.000	3.910	103.040	5K8
2027	20,000	5.000	3.910	103.983	5L6
2028	25,000	5.000	3.980	104.568	5M4
2029	30,000	5.000	4.050	105.002	5N2
2030	40,000	5.000	4.080	105.540	5P7
2031	45,000	5.000	4.110	106.004	5Q5
2032	55,000	5.000	4.170	106.165	5R3
2033	60,000	5.000	4.250	105.551 ^(C)	5S1

\$435,000 – 5.000% Term Bond Due September 1, 2038; Yield 4.770%; Price: 101.663^(C)%
CUSIP†: 5T9

\$3,370,000 - 5.000% Term Bond Due September 1, 2053; Yield 5.030%; Price: 99.537%
CUSIP†: 5W2

^(C) Priced to optional call at par on September 1, 2032.

† CUSIP Global Services (CGS) is managed on behalf of American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. 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 Rocucci, *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

Special Tax Consultant and Administrator

Willdan Financial Services
Temecula, California

Appraiser

Integra Realty Resources
Sacramento, 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

\$4,115,000
CITY OF ROSEVILLE
VILLAGES AT SIERRA VISTA 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 Villages at Sierra Vista 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. On March 21, 2018, the City Council of the City (the “**City Council**”), as legislative body of the District, adopted a Resolution of Intention to form the District under the Mello-Roos Community Facilities Act of 1982, as amended (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 May 2, 2018, the City Council adopted a Resolution of Formation (the “**Resolution of Formation**”), which established the District and a future annexation area for the District (the “**Future Annexation Area**”), set forth the Rate and Method within the District and set forth the necessity to incur bonded indebtedness in a total amount not to exceed \$310,000,000. On the same day, an election was held within the District in which the qualified elector in the District, John Mourier Construction, Inc. (“**JMC Homes**”), approved the

proposed bonded indebtedness and the levy of the Special Tax. Change proceedings were undertaken in the District in January 2019 to amend the Rate and Method, which proceedings were approved by JMC Homes, as the qualified elector in the District. Additional property has been added from the Future Annexation Area into the District since that time, as further described herein. In late 2021 and early 2022 JMC Homes sold 143 finished lots comprising Village FD-10 to Richmond American Homes of Maryland, Inc., a Maryland corporation (“**Richmond American Homes**”). See “THE DISTRICT” and “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT”.

Development in the District. The land currently in the District is developing into 1,205 single-family homes. This constitutes a portion of a larger development project being undertaken by JMC Homes in the area, and additional land currently owned by JMC Homes or Mourier Investments, LLC (“**MILLC**”), an investment affiliate of JMC Homes, is expected to annex into the District from the Future Annexation Area. Construction status of the 1,205 taxable properties being developed by JMC Homes and Richmond American Homes within the District as of June 1, 2023 is summarized as follows:

Description	Number of Lots ⁽¹⁾	Finished Lots	Building Permits	Model Homes	Homes Under Construction	Homes Sold and Closed to Individuals
Total CFD	1,205	415	790	13	64	703

(1) Consists of 1,062 lots being developed by JMC Homes and its affiliate FD-24, LLC, and 143 lots being developed by Richmond American Homes.
Sources: JMC Homes and Richmond American Homes.

It is anticipated that additional land will be annexed into the District in the future from the Future Annexation Area. See “THE DISTRICT” for additional information on the land currently in the District and in the Future Annexation Area.

Authority for Issuance of the 2023 Bonds. The 2023 Bonds are issued pursuant to the Act, a resolution adopted by the City Council on August 2, 2023 (the “**Resolution of Issuance**”) and a Fiscal Agent Agreement dated as of July 1, 2019, as supplemented and amended by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of July 1, 2020, Supplemental Agreement No. 2 to Fiscal Agent Agreement dated as of August 1, 2021, Supplemental Agreement No. 3 to Fiscal Agent Agreement dated as of August 1, 2022 and Supplemental Agreement No. 4 to Fiscal Agent Agreement dated as of September 1, 2023 (collectively, the “**Fiscal Agent Agreement**”) between the City and U.S. Bank Trust Company, National Association, as successor fiscal agent (the “**Fiscal Agent**”).

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 March 1, 2024. 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 Participants and Indirect Participants, as more fully described herein. See “APPENDIX G – DTC AND THE BOOK-ENTRY ONLY 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) as part of the development being undertaken by JMC Homes. The Improvements consist generally of water, wastewater, drainage, roadway and other infrastructure improvements necessary for development of property within the District and the surrounding area, 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.

Security and Source of Payment of the Bonds. As security for the payment of the Bonds, a 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 the Amended Rate, Method of Apportionment, and Manner of Collection of Special Tax for the District (the “**Rate and Method**”). The Rate and Method is set forth in its entirety in APPENDIX A hereto. Pursuant to the Rate and Method, a “Facilities Special Tax” will be levied and collected until the earlier of (i) the Transition Year or (ii) Fiscal Year 2082-83, and a “Maintenance Special Tax” will be levied and collected beginning in the Transition Year. *Only the “Facilities Special Tax” is pledged to the payment of the Bonds (as defined herein), and the definition of “Special Taxes” used in the Fiscal Agent Agreement and this Official Statement refers only to the “Facilities Special Tax” levied in accordance with the Rate and Method.* See “SECURITY AND SOURCES OF PAYMENT OF THE BONDS – Special Tax Methodology.”

The 2023 Bonds, Prior Bonds and any Additional Bonds are payable from the “**Special Tax Revenues**,” consisting of the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, net of the administration charge of the County (currently at 1%), but do not include any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure. The 2023 Bonds are also payable from amounts held in certain funds and accounts pursuant to the Fiscal Agent Agreement, including a reserve fund, all as more fully described herein. See “– 2023 Reserve Account of the Reserve Fund,” below.

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.”

Additional Parity Bonds. The maximum authorized indebtedness for the District is \$310,000,000. The City has previously issued the following series of special tax bonds pursuant to this authorization:

- \$12,540,000 City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2019 (the “**2019 Bonds**”);
- \$9,835,000 City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2020 (the “**2020 Bonds**”);
- \$10,375,000 City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2021 (the “**2021 Bonds**”); and
- \$3,405,000 City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2022 (the “**2022 Bonds**”).

Collectively, the 2019 Bonds, 2020 Bonds, 2021 Bonds and 2022 Bonds are referred to as the “**Prior Bonds**.” The 2023 Bonds represent the fifth series of special tax bonds issued under the authorization, and additional series of parity bonds are expected in the future to finance additional infrastructure improvements needed by JMC Homes for the development of the project as additional property is annexed into the District. In addition, the City may utilize a portion of the available authorized bond amount for the funding of certain deferred impact fees owed to the City, as described below under “– Use of Bond Authorization for Development Impact Fee Deferral Bonds.” Any special tax bonds issued for the District in the future that are secured on parity with the 2023 Bonds and Prior Bonds (herein, “**Additional Bonds**” and collectively with the 2023 Bonds and Prior 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 – Parity Bonds.”

The principal amount of the 2023 Bonds has been sized based on the Special Taxes that can be generated from the 135 residential lots annexed into the District in 2023 (although all of the Special Taxes levied in the District are pledged to the 2023 Bonds, Prior Bonds and any Additional Bonds, on a parity basis). Additional Bonds are expected to be issued in multiple series for the purpose of financing the improvements as additional property in the future annexation area is annexed into the District, resulting in the currently projected total aggregate principal amount of 2023 Bonds, Prior Bonds and additional bonds of approximately \$126,000,000. This approximate principal amount does not take into account refunding bonds and bonds issued to pay for the Development Impact Fee Deferral (described below) for property in the District. However, the actual aggregate amount of Additional Bonds to fund Improvements and the Development Impact Fee Deferral may vary depending on interest rates at the time of bond issuance, the timing of each bond issue and other factors that may impact the timing and size of each bond issue.

Use of Bond Authorization for Development Impact Fee Deferral Bonds. In connection with the approval of development in the District, the City agreed that payment of certain impact fees owed by JMC Homes and merchant builders will be deferred (referred to as the “Development Impact Fee Deferral” in the Rate and Method) to allow payment of the deferred fees after the 2019 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 2019 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.

2023 Reserve Account of the Reserve Fund. In connection with the issuance of the 2019 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. Accordingly, a reserve account for the 2023 Bonds will be established within the Reserve Fund (the “**2023 Reserve Account**”). Amounts in each Reserve Account are available solely for the payment of debt service on the related series of Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Reserve Fund.” If there are additional delinquencies after depletion of funds in any Reserve Account, the City is not obligated to supplement the Reserve Accounts.

Appraised Value of Property. Property in the District is security for the Special Tax which secures the Bonds. The City authorized the preparation of an appraisal with a date of value of June 1, 2023 for the 723 lots currently within the District without an improved assessed value, which sets forth an aggregate not-less-than appraised value of \$209,214,000 as of such date. The appraiser combined that amount with the assessed value of the 482 then existing homes with an improved assessed value in the District to arrive at an estimated total value of taxable property in the District (1,205 total properties) of \$465,676,052 (the “**Composite Value**”). The valuation accounts for the impact of the lien of the Special Tax and assumes certain proceeds from the 2023 Bonds (but not any Additional Bonds that may be issued in the future) are available to reimburse for certain completed infrastructure improvements and fund ongoing improvements, and adds the estimated bond amount to the value of property. 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. See “VALUE OF PROPERTY WITHIN THE DISTRICT – The Appraisal” and APPENDIX B.

The \$465,676,052 estimated value of property in the District as shown in the appraisal is 9.43 times the \$49,394,861 aggregate principal amount of the direct and overlapping bonded debt in the District (including the 2023 Bonds). This is an average, and individual parcels may vary widely from the average. See “VALUE OF PROPERTY WITHIN THE DISTRICT – Value to Special Tax Burden Ratios.”

The appraised value of the appraised parcels in the District was computed as of June 1, 2023. Development of land in the District and home building by JMC Homes and Richmond American Homes is underway. As of June 1, 2023, JMC Homes had sold and closed 697 homes to individuals and Richmond American Homes had sold and closed 6 homes to individuals. See “THE DISTRICT – Development in the District” and “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT.”

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 funds established and pledged to the Bonds 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 funds established and pledged to the Bonds, 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:

Estimated Sources of Funds:

Principal Amount of 2023 Bonds	\$4,115,000.00
Plus: Net Original Issue Premium	7,494.60
Total	\$4,122,494.60

Estimated Uses of Funds:

Deposit to Improvement Fund	\$3,436,202.84
Deposit to 2023 Reserve Account of the Reserve Fund ⁽¹⁾	359,504.76
Costs of Issuance ⁽²⁾	326,787.00
Total	\$4,122,494.60

(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 March 21, 2018, 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 May 2, 2018, the City Council adopted the Resolution of Formation, which established the District and the Future Annexation Area, set forth the Rate and Method within the District and set forth the necessity to incur bonded indebtedness in a total amount not to exceed \$310,000,000. On the same day, an election was held within the District in which the qualified elector in the District, JMC Homes, approved the proposed bonded indebtedness and the levy of the Special Tax. Change proceedings were undertaken in the District in January 2019 to amend the Rate and Method, which proceedings were approved by JMC Homes, as the qualified elector in the District. See "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT" below and APPENDIX A.

The principal amount of the 2023 Bonds has been sized based on the Special Taxes that can be generated from the 135 residential units annexed into the District in 2023 (although all of the Special Taxes levied in the District are pledged to the 2023 Bonds, Prior Bonds and any Additional Bonds, on a parity basis). Additional Bonds are expected to be issued for Improvements as additional property in the future annexation area is annexed into the District. For the purpose of financing the Improvements, Bonds are expected to be issued in an aggregate principal amount of approximately \$110,000,000, including the 2023 Bonds, Prior Bonds and future Additional Bonds. This approximate principal amount does not take into account refunding bonds and bonds issued to pay for the Development Impact Fee Deferral for property in the District. However, the actual aggregate amount of Additional Bonds to fund Improvements and the Development Impact Fee Deferral may vary depending on interest rates at the time of bond issuance, the timing of each bond issue and other factors that may impact the timing and size of each bond issue.

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 March 1, 2024. 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 ("**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 Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

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 – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

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 Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Redemption

Optional Redemption. The 2023 Bonds are subject to optional redemption from any source of available funds (other than 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 date on and after September 1, 2029 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:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2029 through August 31, 2030	103%
September 1, 2030 through August 31, 2031	102
September 1, 2031 through August 31, 2032	101
September 1, 2032 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:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2024 through and including March 1, 2030	103%
September 1, 2030 and March 1, 2031	102
September 1, 2031 and March 1, 2032	101
September 1, 2032 and any Interest Payment Date thereafter	100

Mandatory Sinking Fund Redemption. The Term 2023 Bonds maturing September 1, 2038 and September 1, 2053 are subject to mandatory sinking payment redemption in part on September 1, 2034 and September 1, 2039, 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	\$70,000
2035	80,000
2036	85,000
2037	95,000
2038 (maturity)	105,000

Term 2023 Bonds Maturing September 1, 2053

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
2039	\$120,000
2040	130,000
2041	140,000
2042	155,000
2043	170,000
2044	185,000
2045	200,000
2046	215,000
2047	235,000
2048	250,000
2049	270,000
2050	290,000
2051	315,000
2052	335,000
2053 (maturity)	360,000

The amounts in the foregoing tables will be reduced pro rata, at the direction of the City in an Officer's Certificate, as a result of any prior partial optional redemption or mandatory redemption of the 2023 Bonds. In the event of a Prepayment, the City shall determine the allocation of prepayment proceeds among the 2023 Bonds, Prior Bonds and Additional Bonds (if any).

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 designated corporate trust 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 then surrendered at the designated corporate trust 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 that results in relatively uniform debt service. 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 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 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 – DTC AND THE BOOK-ENTRY ONLY 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 2023 Bonds, Prior Bonds and any Additional Bonds that may be issued in the future) are payable from and secured by proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes (but excluding any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure), 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 Council through the application of the Rate and Method 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 certain funds and accounts established under the Fiscal Agent Agreement 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 XIII A 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 Rate and Method 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 in the Rate and Method. Under the Rate and Method, Special Taxes for the purpose of making payments on the Bonds will be levied annually in an amount not in excess of the maximum approved amount. 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 remains 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 Rate and Method apportions the Annual Facilities Costs (as defined in the Rate and Method and described below) among the taxable parcels of real property within the District according to the rate

and methodology set forth in the Rate and Method. See “Special Tax Methodology” below. See also “APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The City may levy the Special Tax up to the amount of the Maximum Annual Facilities Special Tax set forth in the Rate and Method, if conditions so require. The City has covenanted to annually levy the Special Taxes in an amount at least sufficient to pay the Annual Facilities Costs (as defined below). Because each Special Tax levy is limited to the Maximum Annual Facilities Special Tax rates authorized as set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the amount of the Annual Facilities 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

Pursuant to the Rate and Method, a “Facilities Special Tax” will be levied and collected until the earlier of (i) the Transition Year or (ii) Fiscal Year 2082-83, and a “Maintenance Special Tax” will be levied and collected beginning in the Transition Year. For the definition of “Transition Year” and related matters, see APPENDIX A. *Only the “Facilities Special Tax” is pledged to the payment of the Bonds, and the definition of “Special Taxes” used in the Fiscal Agent Agreement and this Official Statement refers only to the “Facilities Special Tax” levied in accordance with the Rate and Method. Capitalized terms set forth in this section and not otherwise defined have the meanings set forth in the Rate and Method.*

Determination of Annual Facilities Costs. Each year, the City will determine the Annual Facilities Costs of the District for the upcoming Fiscal Year. The “**Annual Facilities Costs**” includes the following amounts (less any available earnings on any reserve fund, special tax funds, available capitalized interest or any other available revenues):

- (i) Debt Service to be paid from Facilities Special Taxes;
- (ii) the amount needed to replenish bond reserve funds to the level required by Bond documents, to the extent not included in a computation of Annual Facilities Costs in a previous Fiscal Year;
- (iii) Administrative Expenses for such Fiscal Year;
- (iv) the amount needed to (1) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year, and (2) 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 the current or any previous Fiscal Year, to the extent not already included in the calculation of Annual Facilities Costs;
- (v) the amount needed to (1) cure any delinquencies in the payment of the Facilities Special Taxes in the prior Fiscal Year, (2) to fund any foreseeable deficiency of the amount to be available for the payment of Facilities Special Taxes which are expected to

occur in such Fiscal Year, in each case, to the extent not already included in the calculation of Annual Facilities Costs;

(vi) pay-as-you-go expenditures for authorized improvements; and

(vii) during the Deferral Bonding Period, the amount needed to pay Development Impact Fee Deferrals not financed by Bonds.

The Annual Facilities 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 Facilities Special Tax identified for each parcel in the Rate and Method.

Parcels Subject to the Facilities Special Tax. The Rate and Method refers to five “original parcels,” corresponding to five separate development areas within the District, and additional parcels that are annexed into the District over time. Each fiscal year, 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 Rate and Method. Taxable Parcels that are acquired by a public agency after the District is formed will remain subject to the Facilities Special Tax unless a “trade” resulting in no loss of Facilities Special Tax revenue can be made, as described in the Rate and Method.

Limitation on Increases in Levy of Facilities Special Tax. If owners are delinquent in the payment of Facilities Special Taxes, the City may not increase Facilities Special Tax levies to make up for delinquencies for prior Fiscal Years above the Maximum Facilities 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.”

Duration of the Facilities Special Tax; Transition Year. The Facilities Special Tax will be levied and collected (up to maximum allowable amount) until the earlier of (i) the Transition Year or (ii) Fiscal Year 2082-83. Transition Year means the first Fiscal Year following the Fiscal Year in which the Transition Event occurred, and Transition Event means the earlier of (i) after the Initial Bonding Period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral has been repaid in full to the City and the City determines funding is no longer needed for Annual Facilities Costs, or (ii) Fiscal Year 2083-84. Initial Bonding Period means the period in which Bonds are outstanding which financed or refinanced Authorized Facilities costs other than the Development Impact Fee Deferral.

Prepayment of the Facilities Special Tax. The Rate and Method provides that landowners may prepay some of the Facilities 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 Rate and Method, which is generally based on the net present value of the remaining years in which the Facilities Special Tax will be collected, 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 (which amount is not available for prepayment of the Bonds), all as described in Section 8 of the Rate and Method 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.

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 identified for each parcel in the Rate and Method.

For the 621 low-density-residential (LDR) units in the District, the Maximum Annual Facilities Special Tax for Fiscal Year 2023-24 equals \$1,987.35 per unit, while for the 449 planned medium-density-residential (MDR) units in the current boundary of the District, the Maximum Annual Facilities Special Tax for Fiscal Year 2023-24 equals \$1,766.53 per unit. 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 Rate and Method); however, the Maximum Annual Facilities Special Tax of taxable parcels shall never be less, but may be greater than the Assigned Maximum Annual Facilities Special Tax prior to subdivision. The Maximum Annual Facilities Special Tax (as defined in the Rate and Method) shall escalate by 2% per year until the Transition Event, and thereafter shall no longer be levied. 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 3” in such Appendix.

Annual Special Tax Levy. The Special Tax will be levied each year by calculating the amount needed 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 such amount; however, the Rate and Method establishes a priority for which properties will be levied a Special Tax. First, all “Developed Parcels” (per the Rate and Method, “Developed Parcels” are parcels with a small lot final map) in the District receive a levy of up to the Maximum Annual Facilities Special Tax rate. If additional amounts are needed, a levy is made against each “Small Lot Tentative Map Parcel” in the District, then each “Large Lot Parcel” in the District, then each “Undeveloped Parcel” in the District. For single-family detached property, Developed Parcels are parcels shown on a Final Small Lot Subdivision Map recorded prior to May 1 of the preceding Fiscal Year. See “APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

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 Rate and Method. The Special Tax is authorized to be levied in an amount not to exceed the Maximum Special Tax levy as described in the Rate and Method notwithstanding that a lower amount is sufficient to pay debt service on the Bonds. The Rate and Method 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 Facilities 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 in an amount equal to the Maximum Annual Facilities Special Tax on Developed Parcels, for deposit into the Improvement Fund for 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 Rate and Method.

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 accounts of the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement with respect to each series of Bonds, 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 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 accounts of the Reserve Fund balance to the Reserve Requirement with respect to each series of Bonds, 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 2nd 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 amounts in the Reserve Fund. See “THE IMPROVEMENTS – Construction and Acquisition of the Improvements.”

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 \$3,250 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 2023 Bonds benefit from the 2023 Reserve Account within the Reserve Fund established pursuant to the Fiscal Agent Agreement; however, if delinquencies in the payment of the Special Taxes with respect to the 2023 Bonds are significant enough to completely deplete the 2023 Reserve Account within the Reserve Fund, there could be a default or a delay in payments of principal and interest to the owners of the 2023 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 Facilities Special Tax rates set forth in the Rate and Method, 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 2023 Bonds, Prior Bonds and any Additional Bonds, and to replenish the reserve accounts established for each respective series of Bonds in the Reserve Fund. However, such adjustment is subject to the Maximum Annual Facilities Special Tax and to the limitation described under the caption “–Special Tax Methodology” 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

A Reserve Fund has been established under the Fiscal Agent Agreement, and within the Reserve Fund, separate accounts are being established for each series of Bonds. Accordingly, a 2023 Reserve Account is being established for the 2023 Bonds. Amounts in the reserve accounts for the 2019 Bonds, 2020, Bonds and 2021 Bonds and 2022 Bonds are available solely for the payment of debt service on those respective series of Bonds, and amounts in the 2023 Reserve Account are available solely for the payment of debt service on the 2023 Bonds. 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.

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**,” which means, with respect to any series of Bonds, the least of (i) 125% of the average Annual Debt Service with respect to the applicable series of Bonds; (ii) Maximum Annual Debt Service with respect to the applicable series of Bonds; and (iii) 10% of the original principal amount of the applicable series of Bonds (or, if the applicable series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series of Bonds); provided, that—

(a) the Reserve Requirement for each series of Bonds shall not increase after the date of issuance of the respective series;

(b) in no event shall the City be obligated to deposit an amount in any reserve subaccount in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, if the amount of any such deposit is so limited, the Reserve Requirement shall be only the amount of such deposit as permitted by the Code; and

(c) the City may meet all or a portion of the Reserve Requirement with respect to any series of Bonds by depositing a Qualified Reserve Fund Credit Instrument.

For each series of Additional Bonds, the Fiscal Agent shall establish a separate subaccount within the Reserve Fund for such series and moneys in each subaccount shall be held in trust by the Fiscal Agent for the benefit of the Owners of the respective series of Bonds.

The City has the right to either meet the Reserve Requirement at the time of issuance of a series of Bonds or at any time thereafter to cause the Fiscal Agent to release cash from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (1) a Qualified Reserve Fund Credit Instrument, and (2) in the case of a release, an opinion of Bond Counsel stating that such release will not, of itself, cause the portion of the interest on the Bonds secured thereby to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent in connection with a release of cash, the Fiscal Agent will transfer such funds to the City. Prior to the expiration of any Qualified Reserve Fund Credit Instrument, if applicable, the City is obligated either to replace such Qualified Reserve Fund Credit Instrument with a new Qualified Reserve Fund Credit Instrument, or to deposit or cause to be deposited with the Fiscal Agent an amount of funds such that the funds on deposit in the Reserve Fund together with all Qualified Reserve Fund Credit Instruments held by the Fiscal Agent are at least equal to the Reserve Requirement (which funds may come from a draw by the Fiscal Agent on the Qualified Reserve Fund Credit Instrument prior to its expiration).

“Qualified Reserve Fund Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent, provided that all of the following requirements are met: (a) the long-term credit rating of such bank or insurance company is rated in the top two categories (without regard to modifier) by Standard & Poor's Financial Services LLC or Moody's Investors Service, Inc. at the time of issuance; (b) such letter of credit or surety bond has a term of at least 12 months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement being met by such instrument or with respect to which funds are proposed to be released pursuant to the Fiscal Agent Agreement; and (d) the Fiscal Agent is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to the Fiscal Agent Agreement.

Whenever, on the Business Day prior to any Interest Payment Date, the amount in any reserve account within the Reserve Fund exceeds the Reserve Requirement for the applicable series of Bonds covered by such reserve account, the Fiscal Agent shall provide written notice to the Chief Financial Officer of the amount of the excess. The Chief Financial Officer shall advise the Fiscal Agent in writing of the amount, if any, of any transfer required pursuant to the Fiscal Agent Agreement, and otherwise direct the Fiscal Agent to transfer an amount equal to the excess to the Improvement Fund, if the Project has not been completed as of the date of such transfer, or if the Project has been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Outstanding Bonds covered by the applicable reserve account in accordance with the Fiscal Agent Agreement; provided, that to the extent that such excess results from the prepayment of Special Taxes and redemption of Bonds, such amount shall be transferred to the Prepayment Account and applied to the corresponding redemption of Bonds.

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 (and within the Improvement Fund, accounts corresponding to respective series of Bonds), 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 JMC Homes 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."

Parity Bonds

The Resolution of Formation authorizes the issuance of up to \$310,000,000 of special tax bonds for the District. In 2019, the City issued \$12,540,000 initial principal amount of 2019 Bonds, in 2020, the City issued \$9,835,000 initial principal amount of 2020 Bonds, in 2021, the City issued \$10,375,000 initial principal amount of 2021 Bonds and in 2022, the City issued \$3,405,000 initial principal amount of 2022 Bonds. The 2023 Bonds represent the fifth series of special tax bonds issued under the authorization. The City expects that it will, by a Supplemental Agreement, authorize the issuance of one or more additional series of Additional Bonds payable from Special Taxes and secured by the Special Tax Revenues on a parity with the Bonds, as additional property is annexed in the District and/or through the issuance of bond to finance the Development Impact Fee Deferral, and, to the extent Bonds remain outstanding, upon compliance by the City with the conditions set forth in the Fiscal Agent Agreement, which include the following:

(i) There shall be deposited into a reserve account of the Reserve Fund, an amount at least equal to the Reserve Requirement with respect to such Additional Bonds.

(ii) For each Bond Year the Additional Bonds are Outstanding, projected Special Taxes Revenues, if levied at the maximum annual Special Tax rates per the Rate and Method, in each Fiscal Year are at least equal to 110% of Debt Service due in the Bond Year that begins in the corresponding Fiscal Year, as calculated by the special tax consultant to the City.

(iii) Both of the following conditions are met:

(A) Regarding All Parcels in the District: 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 Additional Bonds, as determined by an MAI appraisal, assessed valuations shown on the then current County tax roll, or by a combination of both methods, is at least 3.00 times the sum of (1) the aggregate principal amount of all Bonds then Outstanding, plus (2) the aggregate principal amount of the Additional Bonds proposed to be issued, plus (3) the aggregate principal amount of any bonds then outstanding and payable from assessments which are a lien against property in the District, plus (4) a portion of the aggregate principal amount of all bonds issued under the Act, other than Bonds then

Outstanding, 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.

(B) Regarding Recently Annexed Parcels: The aggregate value of the Recently Annexed Parcels, including then existing improvements and any facilities to be constructed or acquired with the proceeds of the Additional Bonds, as determined by an MAI appraisal, assessed valuations shown on the then current County tax roll, or by a combination of both methods, is at least 3.00 times the sum of (1) the Attributable Principal Amount of all Bonds then Outstanding, plus (2) the Attributable Principal Amount of the Additional Bonds proposed to be issued, plus (3) the amount of any bonds then outstanding and payable from assessments which are a lien against the Recently Annexed Parcels, plus (4) the allocation of Other Mello-Roos Bonds determined to be applicable to the Recently Annexed Parcels.

As used herein, “*Recently Annexed Parcels*” means all parcels in the District subject to the Special Tax which were annexed into the District following the closing date for the then-most recently issued series of Bonds, and “*Attributable Principal Amount*” means for the Bonds or any Additional Bonds, calculated separately, an amount equal to the aggregate outstanding principal amount of such Bonds and Additional Bonds multiplied by a fraction, the numerator of which is the amount of special taxes that will be levied for such Bonds and Additional Bonds on Recently Annexed Parcels in the first fiscal year in which the levy includes debt service for the applicable series of Additional Bonds, and the denominator of which is the total amount of special taxes that will be levied for the Bonds and Additional Bonds on all parcels of land in the District against which the special taxes are levied to pay the Bonds and Additional Bonds in such fiscal year.

Additional Bonds may be issued for the purpose of refunding any outstanding Bonds without meeting the foregoing conditions so long as debt service on the refunding Bonds in each Bond Year is less than debt service on the Bonds refunded.

Nothing in the Fiscal Agent Agreement shall be interpreted to prohibit issuance of bonds or Additional Bonds secured on a subordinate basis to the Bonds.

In connection with the approval of development in the District, the City has agreed that payment of certain impact fees owed by JMC Homes and other builders will be deferred (referred to as the “Development Impact Fee Deferral” in the Rate and Method) to allow payment of the deferred fees after the 2019 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 2019 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 Bonds have been sized so that there is at least 110% annual debt service coverage from Special Tax Revenues if levied at the Maximum Annual Facilities Special Tax rate. 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, together with the annual debt service on the Prior Bonds, in each case, assuming no early redemptions, is set forth below.

City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Parity Debt Service
(Prior Bonds and 2023 Bonds)

Year Ending (Sept. 1)	Prior Bonds Debt Service	2023 Bonds Principal	2023 Bonds Interest	2023 Bonds Debt Service	Total Parity Debt Service
2024	\$1,816,237.50	\$10,000.00	\$202,320.83	\$212,320.83	2,028,558.33
2025	1,853,087.50	10,000.00	205,250.00	215,250.00	2,068,337.50
2026	1,893,387.50	15,000.00	204,750.00	219,750.00	2,113,137.50
2027	1,932,037.50	20,000.00	204,000.00	224,000.00	2,156,037.50
2028	1,966,787.50	25,000.00	203,000.00	228,000.00	2,194,787.50
2029	2,008,612.50	30,000.00	201,750.00	231,750.00	2,240,362.50
2030	2,047,862.50	40,000.00	200,250.00	240,250.00	2,288,112.50
2031	2,087,462.50	45,000.00	198,250.00	243,250.00	2,330,712.50
2032	2,129,362.50	55,000.00	196,000.00	251,000.00	2,380,362.50
2033	2,175,162.50	60,000.00	193,250.00	253,250.00	2,428,412.50
2034	2,218,281.26	70,000.00	190,250.00	260,250.00	2,478,531.26
2035	2,259,393.76	80,000.00	186,750.00	266,750.00	2,526,143.76
2036	2,307,000.00	85,000.00	182,750.00	267,750.00	2,574,750.00
2037	2,355,643.76	95,000.00	178,500.00	273,500.00	2,629,143.76
2038	2,400,075.00	105,000.00	173,750.00	278,750.00	2,678,825.00
2039	2,450,225.00	120,000.00	168,500.00	288,500.00	2,738,725.00
2040	2,500,700.00	130,000.00	162,500.00	292,500.00	2,793,200.00
2041	2,541,350.00	140,000.00	156,000.00	296,000.00	2,837,350.00
2042	2,597,287.50	155,000.00	149,000.00	304,000.00	2,901,287.50
2043	2,652,687.50	170,000.00	141,250.00	311,250.00	2,963,937.50
2044	2,702,175.00	185,000.00	132,750.00	317,750.00	3,019,925.00
2045	2,760,875.00	200,000.00	123,500.00	323,500.00	3,084,375.00
2046	2,813,168.76	215,000.00	113,500.00	328,500.00	3,141,668.76
2047	2,868,975.00	235,000.00	102,750.00	337,750.00	3,206,725.00
2048	2,927,875.00	250,000.00	91,000.00	341,000.00	3,268,875.00
2049	2,989,200.00	270,000.00	78,500.00	348,500.00	3,337,700.00
2050	1,882,700.00	290,000.00	65,000.00	355,000.00	2,237,700.00
2051	1,116,300.00	315,000.00	50,500.00	365,500.00	1,481,800.00
2052	292,600.00	335,000.00	34,750.00	369,750.00	662,350.00
2053	--	360,000.00	18,000.00	378,000.00	378,000.00
Totals	\$64,546,512.54	\$4,115,000.00	\$4,508,320.83	\$8,623,320.83	\$73,169,833.37

Source: Fiscal Agent for Prior Bonds; Underwriter for 2023 Bonds.

Projected Debt Service Coverage. The following table shows projected debt service coverage on the Bonds (consisting of the 2023 Bonds and the Prior Bonds) from the Maximum Special Taxes, based on certain assumptions and limitations and shown therein.

City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Coverage Calculations – Fiscal Year 2023-24
Ownership and Development Status as of June 1, 2023

Fiscal Year	Owner Occupied Maximum Special Tax	Remaining Completed Homes & Under Construction Maximum Special Tax	Final Mapped Lots Maximum Special Tax	Combined Maximum Special Tax	Priority Admin (Combined)⁽¹⁾	Combined Net Special Tax ⁽²⁾	Prior Bonds Debt Service	Series 2023 Debt Service ⁽³⁾	Total Debt Service ⁽³⁾	Coverage from Owner Occupied	Coverage from Owner Occupied & Under Construction	Coverage from All
2023-24	\$1,341,237	\$158,546	\$766,011	\$2,265,794	\$(22,658)	\$2,243,136	\$1,816,238	\$212,321	\$2,028,559	65.457%	73,194%	110.578%

(1) Calculated as 1% of the Maximum Special Tax.

(2) Special Taxes levied against any properties in private residential use may not be increased by more than 10% to cover delinquencies or defaults. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Taxes."

(3) Additional properties are expected to be annexed into the District in the future and additional Parity Bonds may be issued, which may change debt service from what is shown.

Sources: Underwriter for Series 2023 Debt Service; Fiscal Agent for Prior Bonds Debt Service; Appraiser and JMC Homes for Ownership and Development Status and Willdan Financial Services for Special Taxes.

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 included within the SVSP at adoption, and is a component of the SVSP. The full text of the SVSP is available on the City’s website.

Land Use Concept. The SVSP is planned primarily as a residential community, with a significant commercial and employment center along Baseline Road, which properties are not part of the District and not subject to the Special Taxes securing the Bonds. The overall mix and intensity of uses is similar to that found in adjacent portions of the City. The SVSP also provides for recreation, open space, employment and educational opportunities available to residents both within and outside the SVSP area.

The primary elements that comprise the form of the SVSP land use plan include: the residential neighborhoods; a range of commercial and employment uses, schools, parks and open space, as more particularly described below.

Residential Neighborhoods - A variety of housing styles similar to that found elsewhere in the City are planned, including affordable housing and designated age restricted neighborhoods. High density residential comprises approximately 30% of planned residential uses.

Commercial and Employment - A range of commercial and employment uses are proposed within the SVSP, including commercial mixed-use, business professional mixed-use, and community commercial uses. Conventional commercial sites are provided as well, typically along arterial roadways. The SVSP’s employment and service uses are intended to complement and further diversify the City’s employment, retail, service, and revenue base.

Neighborhood Parks - Neighborhood parks are proposed throughout the SVSP, some are located adjacent to the elementary schools and middle school sites, maximizing the potential for joint-use opportunities with the outdoor recreation facilities. Park facilities range from approximately one to approximately 10 acres in size. Some of the SVSP’s neighborhood parks would be linked to a system of paseos, providing a comprehensive network of pedestrian and bikeway connections to the SVSP’s parks and open space system. Neighborhood parks typically include a mix of soccer and baseball fields, tot lots, playgrounds, picnic area, and hard surface game courts.

Open Space - Approximately 317 acres of the SVSP are proposed as Open Space, comprising approximately 15 percent of the total project site acreage. Open Space land use and zoning is generally applied to lands that are environmentally sensitive or otherwise significant due to habitat, natural features, or man-made features. Open space corridors provide for passive recreation opportunities, preservation of significant resources, viewsheds, potential floodwater conveyance and retention, resource mitigation, wildlife

movement corridors, and can function to improve the interface between uses. In many locations, the preserve area accommodates a dedicated Class I pedestrian pathway to be shared with a vehicle maintenance road for maintenance activities. In addition, open space areas could accommodate utility lines and provide the conduit for drainage and space for storm water treatment and detention facilities within the SVSP area. Any disturbance or construction within open space preserve areas of the SVSP would comply with the provisions of the Army Corps of Engineers approved Open Space Management Plan and Section 404 permit requirements.

Land Use Plan. The SVSP land use plan includes a blend of residential, service, employment, open space and public uses. At the time of adoption the SVSP area was 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 gross acres, with many homes currently completed and occupied. Originally designated land uses included 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

Location and Description of the District and the Immediate Area

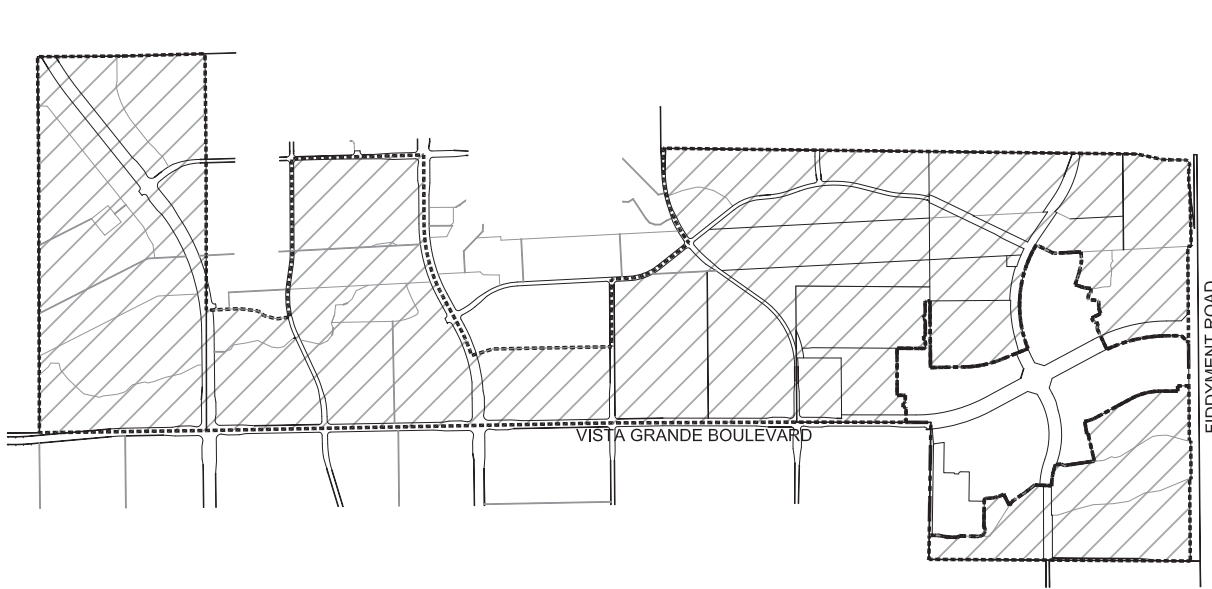
General. The District currently encompasses 1,205 single-family residential lots, comprising a mix of completed homes, homes under construction and lots under development. JMC Homes originally owned all of the land in the District and Future Annexation Area and is the developer and homebuilder of all of the lots currently in the District other than (1) 143 lots comprising Village FD-10, which were sold to Richmond American Homes in late 2021 and early 2022 as finished lots and (2) 135 lots comprising Village FD-24, which were transferred to FD-24, LLC, a California limited liability company (“**FD-24, LLC**”), an affiliate of JMC Homes, as unimproved lots. As of June 1, 2023, JMC Homes had sold and closed 697 homes to individuals and Richmond American Homes had sold and closed 6 homes to individuals.

The land currently in the District constitutes a portion of a larger development project being undertaken in the City by JMC Homes. Additional land is expected to annex into the District from the Future Annexation Area. The boundary of the District as originally formed comprised land planned for 395 homes. Acreage designated for an additional 810 residential units was annexed from the Future Annexation Area into the District in 2020 (283 lots), 2021 (297 lots), 2022 (95 lots) and 2023 (135 lots). The boundary of the District is expected to expand to include an approximate total of 2,383 lots subject to a Special Tax; the remaining 1,178 planned taxable lots in the Future Annexation Area are owned by MILLC, an investment affiliate of JMC Homes, and/or JMC Homes, and are expected to be annexed into the District and developed into an additional 1,178 single family residential units over the next few years and subject to the Special Tax, as market conditions warrant.

The District is located in the SVSP area, which is in the northwest portion of the City. The land is generally level topography, currently with large open annual grassland areas. The SVSP has targeted a majority of the creek corridors, and a portion of the seasonal wetlands, for preservation in permanent open space. High-voltage power lines run adjacent to certain land in the District. See “THE SIERRA VISTA SPECIFIC PLAN” above.

Map. A map showing the initial boundary of the District and the original areas in the Future Annexation Area appears on the next page, followed by a map showing the annexations to date.

PROPOSED BOUNDARY OF
THE VILLAGES AT SIERRA VISTA
 COMMUNITY FACILITIES DISTRICT NO. 1
 (PUBLIC FACILITIES)
 CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA
 SCALE: 1" = 800' SHEET 1 OF 1



LEGEND:

- PROPOSED CFD BOUNDARY
- AREAS OF FUTURE ANNEXATION

CITY CLERK'S STATEMENT:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER,
 STATE OF CALIFORNIA THIS _____ DAY OF _____, 2018.

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

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE
 VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), 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 _____, 2018, BY ITS RESOLUTION NUMBER, _____.

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

RECORDER'S STATEMENT:

FILED THIS _____ DAY OF _____, 2018, AT THE HOUR OF _____ O'CLOCK, ____M.,
 IN BOOK _____ OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE _____
 IN THE OFFICE OF THE RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOC NO. _____

 RYAN RONCO
 PLACER COUNTY RECORDER

FEE: _____

BY: _____
 DEPUTY

MAP PREPARED BY:

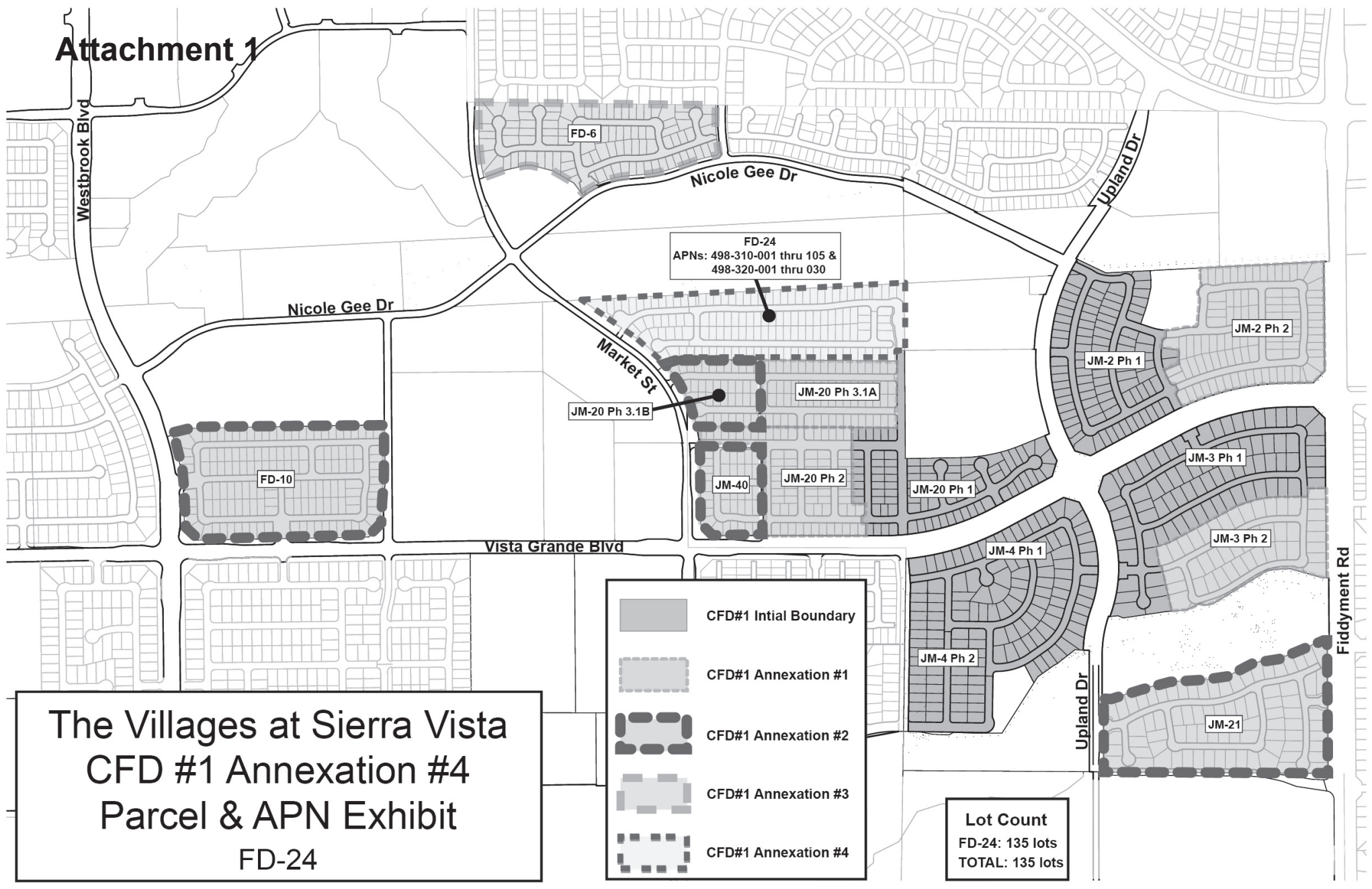
FEBRUARY, 2018



BAKER-WILLIAMS ENGINEERING GROUP

Engineering / Surveying / Land Planning / Entitlement Processing / GPS Services
 6020 Rutland Drive, Suite 119 ~ Carmichael, CA 95608
 (916) 331-4336 ~ fax: (916) 331-4430 ~ office@bwengineers.com

Attachment 1



Entitlements and Planned Development

JMC Homes and Richmond American Homes have provided the following information with respect to entitlements and current and anticipated development of land in the District. No assurance can be given that all information is complete. No assurance can be given that development of land in the District 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 Agreements 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.

Overview. As noted above, development within the current District boundary is anticipated to be consistent with the SVSP land uses, which primarily consist of low-density and medium-density residential neighborhoods. Permitted land uses are configured to reinforce the neighborhood identity and sense of community. See “THE SIERRA VISTA SPECIFIC PLAN” above.

MILLC and JMC Homes originally owned all of the approximately 693 acres comprising the overall project, which is approved for development in the SVSP for 2,839 residential units and 20.3 acres of non-residential (retail/office) uses. Property currently in the District and subject to the Special Tax comprises approximately 195 acres planned for 1,205 residential homes. This includes the 73 acres originally planned for 395 residential homes within the original boundary of the District, 42 acres annexed into the District in 2020 planned for 283 residential units, 49 acres annexed into the District in 2021 planned for 297 residential units, 14.5 acres annexed into the District in 2022 planned for 95 residential units, and 16.4 acres annexed in the District in 2023 planned for 135 residential units. The District includes a future annexation area, currently owned by MILLC or JMC Homes, planned for 1,178 residential lots which would be subject to a Special Tax if and when annexed.

Entitlements. 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. The land received full land use approval in 2010, including, but not limited to, approval of Specific Plan Zoning and Development Agreements, and subsequently received a Section 404 (wetlands) permit, California Water Board Section 401 Certification, and U.S. Fish and Wildlife Service Biological Opinion.

Phase 1 (Original District). With respect to the 395 lots that were part of the initial District boundary, site development for these 395 lots commenced in May 2018 and all of the improvements have been accepted by the City. Phase 1 is currently near build out.

Phase 2 (2020 Annexation). With respect to the 283 lots that annexed into the District in 2020, site development commenced in May 2020 and all the improvements have now been accepted by the City. Phase 2 is currently near build out.

Phase 3 (2021 Annexation). With respect to the 297 lots that annexed into the District in 2021, site development commenced in May 2021 and all the improvements have been accepted by the City. Phase 3 currently includes many completed homes and is near build out.

Phase 4 (2022 Annexation). With respect to the 95 lots that annexed into the District in 2022, site development commenced in May 2022 and all the improvements have been accepted by the City.

Phase 5 (2023 Annexation). With respect to the 135 lots that annexed into the District in 2023, site development commenced in May 2022 with acceptance by the City expected in July 2023. The two small lot final maps were recorded on June 30, 2022.

Future Phases. Property in the remaining Future Annexation Area encompasses land planned for development into an additional 1,178 residential units subject to a Special Tax when annexed; these parcels are not currently in the District and are therefore not currently subject to the Special Tax securing the Bonds. JMC Homes anticipates annexing additional lots into the District every few years as market conditions warrant, however, the timing of each annexation and number of lots in each annexation may vary based on market conditions. Much of the infrastructure required in the District has been installed by other developers and will benefit the future phases. Further, the City and JMC Homes could choose to create new community facilities districts or separate improvement areas for land within the Future Annexation Area.

Development Agreements. MILLC entered into Development Agreements, dated June 18, 2010 (“**Development Agreements**”) with the City in accordance with applicable state and local codes. The Development Agreements vest development rights, set forth infrastructure improvements and dedication requirements, secure the timing and methods for financing improvements, and specify 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 Agreements as well as the SVSP. The Development Agreements were 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.

Development Agreements are the primary implementation tools for the SVSP and are intended to create a binding contract between the City and MILLC and their assigned successors in interest, which set forth the needed infrastructure improvements, park dedication requirements, timing and method for financing improvements and other specific performance obligations of the City and MILLC, including obligations related to development of the property in the District, with the terms, conditions, rules, regulations, entitlements, vested rights and other provisions relating to the development of the property in the District according to the SVSP entitlements. Included are provisions relating to infrastructure improvements, public dedication requirements, landscaping amenities and other obligations of the parties. The Development Agreements have a 30-year term, run with the property, and may be modified only by mutual consent of the City and landowner and in a manner consistent with the SVSP. With the Development Agreements in place, subject to compliance with the terms of the Development Agreements, construction of homes within the District may occur upon City approval of subdivision maps, satisfaction of certain design requirements and conditions of such maps and issuance of building permits.

Land use and development entitlements granted under the Development Agreements for property in the District are consistent with the SVSP as described under the caption “THE SIERRA VISTA SPECIFIC PLAN” and summarized above.

Improvements. The Development Agreements set forth the responsibility of MILLC and its successors (including JMC Homes and FD-24, LLC) for a portion of the costs of certain public improvements required for its development within the SVSP, including an electric substation. The

dedication of the electric substation site occurred on May 26, 2017, and JMC Homes has satisfied its obligations with respect to it. JMC Homes does not believe any of these improvements – including completion of the electric substation by the City – will impair its ability to timely obtain building permits.

Funding of the Improvements with the 2023 Bonds and Additional Bonds proceeds will satisfy a portion, but not all, of the relevant obligations of the District for infrastructure improvements required by the Development Agreements. See Table 6 herein for a sources and uses table. The improvements not funded from the 2023 Bonds and Additional Bonds or Special Taxes are required to be funded by FD-24, LLC or its successor(s). See “THE IMPROVEMENTS” below.

No Affordable Units. There are no affordable unit requirements for the land in the current District boundary.

Environmental Matters

Flood Hazard Map Information. According to the Federal Emergency Management Agency’s flood insurance rate maps (Flood Area Panel Number 060243, with an effective date of November 2, 2018), the developable portions of the property in the project area (including land in the District) are located within Flood Zone X, described as areas of minimal flooding (outside of the 100 and 500-year floodplains).

Wetland Conditions. According to the City’s planning department, some jurisdictional wetlands will be affected by the development of the project, however the impact has been mitigated by the landowner. No additional environmental permits are required to be obtained.

Seismic Conditions. The property expected to be developed as part of the project (including land 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 Hazards. Land in the District is not located in a High or Very High Fire Hazard Severity Zone (FHSZ), as defined by CAL FIRE.

Current and Proposed Development

Overview. As noted above, development within the current District boundary has so far been, and is anticipated by JMC Homes to continue to be, consistent with the SVSP land uses, which primarily consist of low-density residential neighborhoods. Permitted land uses are configured to reinforce the neighborhood identity and sense of community. See “THE SIERRA VISTA SPECIFIC PLAN” above.

The land currently encompasses 1,205 single-family residential lots, comprising a mix of completed homes, homes under construction and lots under development. JMC Homes originally owned all of the land in the District and Future Annexation Area and is the developer and homebuilder of all of the lots currently in the District other than 143 lots comprising Village FD-10 sold to Richmond American Homes in late 2021 and early 2022 as finished lots, and the 135 lots comprising FD-24 transferred to FD-24, LLC in early 2022 as unimproved lots. Both JMC Homes and Richmond American have been actively constructing and selling homes to individual homebuyers. As of June 1, 2023, JMC Homes had sold and closed 697 homes to individuals and Richmond American Homes had sold and closed 6 homes to individuals.

Subdivision Maps. The current mapping configuration of parcels in the District, together with final map status, is set forth in the following table.

**Tentative Map and Final Map Status for Taxable Residential Parcels in the District
As of June 1, 2023**

Large-Lot Parcel	Village	Land Use	Planned Units	Tentative Map Approval Date	Small Lot Final Map Record Date
<u><i>Phase 1</i></u>					
JM-2A	Monument	LDR (Residential)	92	12/12/2013	12/27/2018
JM-3A	Pinnacle	LDR (Residential)	83	12/12/2013	12/27/2018
JM-4A/4B	Sentinel	LDR (Residential)	132	12/12/2013	8/23/2019
JM-20A	Palisade	MDR (Residential)	88	12/12/2013	12/27/2018
		Sub-Total	395		
<u><i>Phase 2</i></u>					
JM-2B	Monument	LDR (Residential)	95	1/9/2019	5/4/2020
JM-3B	Pinnacle	LDR (Residential)	44	1/9/2019	5/4/2020
JM-20B	Palisade	MDR (Residential)	75	1/9/2019	5/4/2020
JM-20 Phase 3.1A	Palisade	MDR (Residential)	69	1/9/2019	7/14/2020
		Sub-Total	283		
<u><i>Phase 3</i></u>					
JM-20 Phase 3.1B	Palisade	MDR (Residential)	39	1/9/2020	7/20/2021
JM-21	Excelsior	LDR (Residential)	80	1/9/2020	7/1/2021
JM-40	Palisade	MDR (Residential)	35	12/10/2020	7/1/2021
FD-10*	Seasons	MDR (Residential)	143	2/25/2021	8/20/2021
		Sub-Total	297		
<u><i>Phase 4</i></u>					
FD-6	TBD	LDR (Residential)	95	1/9/2020	6/29/2022
		Sub-Total	95		
<u><i>Phase 5</i></u>					
FD-24**	TBD	MDR (Residential)	135	1/9/2020	6/30/2022
		Sub-Total	135		
		Total	1,205		

* FD-10 was sold by JMC Homes to Richmond American Homes.

** FD-24 was transferred by MILLC to its affiliate, FD-24, LLC.

Source: JMC Homes.

**Future Annexation Area Not in District as of June 1, 2023
Owned by MILLC or JMC Homes**

Village (Parcel)	Land Use	Acres	Planned Units ⁽¹⁾
JM-1	MDR	17.00	134
JM-30	HDR	7.51	176
JM-41	CC	13.90	--
FD-7	LDR	8.34	58
FD-8A	LDR	16.51	75
FD-8B	LDR	18.91	81
FD-21	MDR	24.44	187
FD-23	MDR	17.66	127
FD-32A	HDR	3.81	78
FD-32B	HDR	4.23	116
FD-33 (1/2 owner)	HDR	4.30	86
CO-1	LDR	16.30	87
CO-2	LDR	8.77	43
CO-3	LDR	15.66	67
CO-20	MDR	12.71	94
CO-21	MDR	25.39	193
CO-22	LDR	4.81	32
CO-41	CC	0.16	--
Totals		220.41	1,178

(1) Includes 456 HDR units which under the Rate and Method would not be subject to the Special Tax.

Source: JMC Homes.

In-Tract Improvements. In addition to the Improvements described below, subdivision in-tract improvements have been underway at the project since 2018. With respect to the 1,070 units planned for phases 1 through 4, in-tract improvements are complete and accepted by the City. With respect to the 135 units planned for phase 5, in-tract improvements began in May 2022 and are expected to be accepted by the City by September 2023.

Backbone Infrastructure. With respect to the 1,205 units planned for phases 1 through 5, JMC Homes completed all basic (sometimes referred to as “backbone”) infrastructure required for development of all of the phases in the District and have been accepted by the City. Upon completion of various components of such infrastructure, JMC Homes and FD-24, LLC are eligible to be reimbursed for the cost thereof from proceeds of the Bonds as provided in an acquisition agreement entered into with the City, provided such proceeds are available.

JMC Homes and FD-24, LLC are responsible for the cost of construction of the infrastructure improvements and other costs required for the District and the Future Annexation Area. Proceeds of the Bonds and any additional bonds will provide a portion of the cost of improvements and the remainder will be contributed by JMC Homes and FD-24, LLC. See “THE IMPROVEMENTS – Estimated Cost of the Improvements.” Bonds for the District are expected to be issued on a parity with the 2023 Bonds and Prior Bonds in multiple series as development progresses and annexation of land into the District occurs. The pace of home construction in the District will be determined by JMC Homes, largely by market conditions and demand for homes.

Utilities. All typical urban utility services for finished lots are available at the lots or will be extended to the lots within the District. 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.

Development and Building Permits by Phase. The following tables show the development status, proposed product mix and estimated base sales prices for the 1,205 homes proposed for the various villages currently in the District. As shown in Tables 1 and 2 below, the Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5 parcels are all currently located within the boundary of the District and subject to the Special Tax securing the Bonds; territory remaining in the Future Annexation Area is anticipated to annex to the District in the future.

JMC Homes originally owned all of the land in the District and the Future Annexation Area, and is the developer and homebuilder of all of the lots currently in the District other than 143 lots sold to Richmond American Homes as finished lots and the 135 lots transferred to FD-24, LLC as unimproved lots. JMC Homes has been actively constructing and selling homes to individual homebuyers and Richmond American Homes recently commenced construction of its models and first phase of production homes. As of June 1, 2023, JMC Homes had sold and closed 697 homes to individuals and Richmond American Homes had sold and closed 6 homes to individuals. Construction status as of June 1, 2023 is summarized in the table on the following page.

Table 1
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Construction and Closing Summary – JMC Homes Only (Excludes FD-10) ⁽¹⁾
As of June 1, 2023

Description	Number of Lots	Number of Building Permits Issued	Homes Partially Completed	Finished Lots	Model Homes	Completed Homes Not Yet Sold	Sold Backlog	Sold & Closed
<u>Ph 1 (Initial Boundary) – 2019</u>								
JM-20 Phase 1	88	83	0	5	4	0	0	79
JM-2 Phase 1	92	92	0	0	0	0	0	92
JM-3 Phase 1	83	83	1	0	0	0	0	82
JM-4 Phase 1	92	89	0	3	3	0	0	86
<u>JM-4 Phase 2</u>	<u>40</u>	<u>40</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40</u>
Sub-Total	395	387	1	8	7	0	0	379
<u>Ph 2 (First Annexation) – 2020</u>								
JM-2 Phase 2	95	95	0	0	0	0	0	95
JM-3 Phase 2	44	44	0	0	0	0	0	44
JM-20 Phase 2	75	75	9	0	0	1	0	65
JM-20 Phase 3.1A	<u>69</u>	<u>69</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>69</u>
Sub-Total	283	283	9	0	0	1	0	273
<u>Ph 3 (Second Annexation) – 2021</u>								
JM-20 Phase 3.1B	39	39	0	0	0	5	0	34
JM-21	80	29	11	51	3	4	0	11
JM-40	<u>35</u>	<u>28</u>	<u>28</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	154	96	39	58	3	9	0	45
<u>Phase 4 (Third Annexation) – 2022</u>								
FD-6	95	0	0	95	0	0	0	0
Sub-Total	95	0	0	95	0	0	0	0
<u>Ph 5 (Fourth Annexation) – 2023</u>								
FD-24 ⁽²⁾	<u>135</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>135</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	135	0	0	0	135	0	0	0
Total	1,062	766	49	296	10	10	0	697

(1) FD-10 (143 lots) was sold by JMC Homes to Richmond American Homes in December 2021 and March 2022. The status of development of these lots is described elsewhere herein. See “*Home Construction Status – FD-10/Richmond American Homes*” below.

(2) FD-24 (135 lots) was transferred by MILLC to FD-24, LLC as unimproved lots and have no vertical home construction. Finished lots are based on building permit availability.

Model Homes and Production – JMC Homes and FD-24, LLC. As of June 1, 2023 (the date of value of the Appraisal), JMC Homes had 10 model homes built and open to the public. The model homes are located in JM-4, JM-20A and JM-21, within phases 1 and 3 of the development, but available to serve additional production phases. Phase 1 is near build out and sales are currently underway within phases 2 and 3 of the development. JMC Homes estimates that the last of the homes owned by JMC Homes and planned for phases 2 and 3 of the development will be completed and sold to individual homeowners by the first quarter of 2025, and the 95 homes planned for phase 4 of the development will be completed and sold to individual homeowners by the second quarter of 2025.

Home Sales, Plans and Sizes. The following table sets forth JMC Homes’ and FD-24, LLC’s current offerings and expectations with respect to floorplans, sizes and asking base prices for the 1,062 homes planned for the land currently in the District (phases 1 through 5). Base sales prices are subject to change and exclude options, upgrades, lot premiums and any incentives or price reductions being offered. There can be no assurance that sales prices of the remaining homes in

the future annexation areas will equal or exceed the sales prices for the homes in the current District boundary.

Table 2
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Sale Plans, Sizes and Asking Base Prices– JMC Homes Only (Excludes FD-10)⁽¹⁾

INITIAL CFD BOUNDARY (395 LOTS)						
Village	No. of Lots	Completed Models ⁽²⁾	Project Floorplans	Floorplan Size Range (sf)		Estimated Base Prices ⁽³⁾
				Low	High	
Palisade	88	4	5	1,203	2,184	\$499,990 – \$559,990
Monument	92	SOLD OUT				
Sentinel	132	3	3	1,754	2,178	\$669,990 – \$739,990
Pinnacle (Gated)	83	1 lot remaining				\$699,990
	395					
2020 ANNEXATION (283 LOTS)						
Village	No. of Lots	Completed Models ⁽²⁾	Project Floorplans	Floorplan Size Range (sf)		Estimated Base Prices ⁽³⁾
				Low	High	
Palisade	144	In Phase 1	5	1,203	2,184	\$499,990 – \$559,990
Monument	95	SOLD OUT				
Pinnacle (Gated)	44	SOLD OUT				
	283					
2021 ANNEXATION (297 LOTS)						
Village	No. of Lots	Completed Models ⁽²⁾	Project Floorplans	Floorplan Size Range (sf)		Estimated Base Prices ⁽³⁾
				Low	High	
Palisade	74	In Phase 1	5	1,203	2,184	\$499,990 – \$559,990
Excelsior (Gated)	80	3	7	2,201	3,822	\$669,990 – \$999,990
	154					
2022 ANNEXATION (95 LOTS)						
Village	No. of Lots	Completed Models ⁽²⁾	Project Floorplans	Floorplan Size Range (sf)		Estimated Base Prices ⁽³⁾
				Low	High	
FD-6 (Gated)	95	3 planned	TBD	TBD	TBD	TBD
	95					
2023 ANNEXATION (135 LOTS)						
Village	No. of Lots	Completed Models ⁽²⁾	Project Floorplans	Floorplan Size Range (sf)		Estimated Base Prices ⁽³⁾
				Low	High	
FD-24 (Gated) ⁽⁴⁾	135	TBD	TBD	TBD	TBD	TBD
	135					

(1) FD-10 (143 lots) was sold by JMC Homes to Richmond American Homes in December 2021 and March 2022. The status of development of these lots is described elsewhere herein. See “*Home Construction Status – FD-10/Richmond American Homes*” below.

(2) All models for Phase 1, 2 and JM-40 and JM-20 Phase 3.1B are located in Phase 1 of the project.

(3) Estimated base sales prices are as of June 1, 2023 and subject to change. Estimated base sales prices exclude options, upgrades, lot premiums and any incentives or price reductions being offered. There can be no assurance that sales prices of the remaining homes in the future annexation areas will equal or exceed the sales prices for the homes in the current District boundary.

(4) FD-24 (135 lots) was transferred by MILLC to FD-24, LLC as unimproved lots and have no vertical home construction. These lots are currently expected to be sold to a merchant builder by the end of 2023.

Source: JMC Homes.

Home Construction Status – FD-10/Richmond American Homes. Richmond American Homes plans to develop Village FD-10 with 143 single-family detached single and two-story homes in a neighborhood marketed as “Seasons at Sierra Vista.” The following table summarizes the development status for the 143 residential lots owned by Richmond American Homes as of June 1, 2023.

Table 3
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Richmond American Homes “Seasons at Sierra Vista” Neighborhood
Development Summary as of June 1, 2023

Village FD-10 Neighborhood	Total No. Planned Units	Final Mapped Parcels⁽¹⁾	Finished Lots not Under Construction	Units Completed and Unsold⁽²⁾	Units Under Construction and Unsold	Units Under Construction and in Escrow	Units Completed and Closed
Seasons	143	143	119	3	6	9	6

(1) As of June 1, 2023 Richmond American Homes obtained 24 building permits.

(2) Consists of 3 model homes which have not been released for sale.

Source: Richmond American Homes.

Richmond American Homes completed construction of three model homes in August 2022 and closed escrow of the first production homes to individual homebuyers in December 2022. Richmond American Homes anticipates reaching buildout and closing on the final homes to individual homebuyers by March 2026.

No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans outlined herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. Additionally, homes under contract may not result in closed escrows as sales contracts are subject to cancellation. See “SPECIAL RISK FACTORS – Concentration of Ownership” and “ – Property Values and Property Development.”

Transformer Supply Chain Challenges. Electric service within the City is provided by the City’s electric utility system. The electric utility is currently experiencing a known supply chain disruption with respect to obtaining electrical transformers needed for new development, having been advised by suppliers of up to a 2-year delay for new orders. Developers in the City have been made aware of the City’s known and foreseeable delay in obtaining electric transformers needed for development, which could affect development in Villages FD-6 and FD-24. Orders for the transformers required for that village have been submitted and the City is quoting lead times on those orders of 10-14 months, with no guarantee that they will be delivered within that timeframe. Currently, the City is not denying building permit issuance on lots in subdivisions that do not have transformers and developers can construct homes on the lots, but are building at their own risk of not having electricity when the home is finished and ready to be sold since the City will not issue an occupancy permit without electric service. The shipments of transformers are starting to be received by the City and supply chain issues are beginning to be resolved. FD-24, LLC continues to move forward with construction as planned and is monitoring the transformer capacity needs for Villages FD-6 and FD-24 Village FD-24 and cannot predict the outcome or impact from the delay, if any, in obtaining electric transformers on its ability to obtain building permits, construct homes, and energize and sell and convey such homes in the District.

Increasing Mortgage Interest Rates. Most of the purchasers of homes within the District finance their acquisitions with mortgage financing. As such, rising interest rates, decreased availability of mortgage financing or of certain mortgage programs, higher down payment requirements or increased monthly mortgage costs could have a negative impact on the estimated absorption rates of FD-24, LLC, JMC Homes and Richmond American Homes' planned for-sale homes by FD-24, LLC, JMC Homes and Richmond American Homes' in the District. Further, a combination of higher mortgage rates, delays in construction stemming from delays in the supply chain, homebuyers' inability to sell their existing homes and adverse changes in local, regional or national economic conditions, among other factors, could contribute to an increase in the builders' rate of home order cancellations. An increase in the level of such cancellations could similarly have a negative impact on the estimated absorption rates of FD-24, LLC, JMC Homes and Richmond American Homes' planned for-sale homes in the District.

COVID-19 Impact. Since the onset of the COVID-19 pandemic, FD-24, LLC, JMC Homes and Richmond American Homes have experienced increases in certain construction costs, supply chain delays, labor shortages, and increased cycle time for home deliveries. However, FD-24, LLC, JMC Homes and Richmond American Homes have not experienced any significant development delays resulting from work stoppages, reduced attendance of workers, or the ability to obtain necessary inspections and approvals for homes, which may be attributed, directly or indirectly, to the COVID-19 pandemic. See "RISK FACTORS – Pandemic Diseases."

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.

JMC Homes and Richmond American Homes have provided the respective information set forth in this section entitled "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT," other than information noted to be sourced from others. 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 JMC Homes, Richmond American Homes or of any subsequent landowners and in the event a landowner defaults in the payment of the Special Taxes, the District may proceed with judicial foreclosure but has no direct recourse to the assets of any landowner. 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 Property Owners in the District

As of June 1, 2023 (the date of value of the Appraisal), JMC Homes had ten model homes built and open to the public. The model homes are located in JM-4 (3 models), JM-20A (4 models) and JM-21 (3 models). Sales are currently underway within phase 1, and phase 3 of the development. All of the lots within phase 2 have been sold to individual homeowners. There are nine lots remaining in phase 1 (JM-20A), including the models and adjacent vacant lots used for parking, on which homes will be constructed once the entire subdivision is sold. The JM-20 models serve lots in phase 1, phase 2 and phase 3 of the development. JM-4 has six lots remaining in phase 1, including the three models and three adjacent vacant lots. These homes are serving as models for lots outside of the CFD and will be sold to individual homeowners once that project is completed. JMC Homes anticipates selling the last homes of phase 1 and phase 3 in 2025.

FD-10 was sold to Richmond American Homes, which is constructing and selling homes in the neighborhood marketed as "Seasons at Sierra Vista."

Value to Lien Ratios – By Ownership and Development Status. The following table shows ownership and value-to-lien ratios for parcels in the District as of June 1, 2023 (the Appraiser's date of value).

Table 4
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Value to Lien Ratios – By Ownership and Development Status as of June 1, 2023

Ownership / Development Status⁽¹⁾	No. of Parcels	Planned Units ⁽²⁾	Composite Value ⁽³⁾	FY 2023-24 Maximum Tax ⁽⁴⁾	Projected FY 2023-24 Special Tax Levy ⁽⁴⁾⁽⁵⁾	Allocable Debt CFD Bonds ⁽⁶⁾⁽⁷⁾	% of Total CFD Bonded Debt ⁽⁷⁾	Overlapping Debt ⁽⁸⁾	Total Direct & Overlapping Debt	Average Value to Lien Ratio
Individual Homeowners - Completed Homes ⁽⁹⁾	703	703	\$376,852,052	\$1,341,237	\$1,341,237	\$23,651,366	59.19%	8,783,668	\$32,435,033	11.62
<u>Richmond American Homes:</u>										
Homes Completed ⁽¹⁰⁾	3	3	\$1,530,000	\$5,299	\$5,299	\$93,453	0.23%	\$1,233	\$94,686	16.16
Homes Partially Completed ⁽¹¹⁾	15	15	3,000,000	26,498	26,498	467,265	1.17%	85,358	552,624	5.43
Finished Lots	119	119	17,255,000	210,217	210,217	3,706,964	9.28%	332,543	4,039,507	4.27
Subtotal – Richmond American Homes	137	137	\$21,785,000	\$242,014	\$242,014	\$4,267,682	10.68%	\$419,134	\$4,686,817	4.65
<u>JMC Homes:</u>										
Homes Completed ⁽¹⁰⁾	20	20	\$11,265,000	\$37,539	\$37,539	\$661,957	1.66%	\$77,971	\$739,928	15.22
Homes Partially Completed ⁽¹¹⁾	49	49	10,594,000	89,210	89,210	1,573,124	3.94%	27,674	1,600,798	6.62
Finished Lots	296	296	45,180,000	555,794	555,794	9,800,871	24.53%	131,414	9,932,285	4.55
Subtotal – JMC Homes	365	365	\$67,039,000	\$682,543	\$682,543	\$12,035,952	30.13%	\$237,059	\$12,273,011	5.46
Total	1,205	1,205	\$465,676,052	\$2,265,794	\$2,265,794	\$39,955,000	100.00%	\$9,439,861	\$49,394,861	9.43

(1) Ownership and Development status as of June 1, 2023 per Appraiser and JMC Homes and Richmond American. For the purposes of determining each parcel's development status for the District's Fiscal Year 2023-24 Special Tax levy, any parcel for which a Final Small Lot Subdivision Map was recorded prior to May 1, 2023 is considered a Developed Parcel.

(2) Number of residential lots per the Sierra Vista Specific Plan.

(3) Composite Value represents the Appraised Values as of June 1, 2023 or the Fiscal Year 2022-23 Assessed Value. Existing single-family homes showing a complete assessed value for both land and improvements were not appraised. Those parcels not appraised are instead valued above using Assessed Value.

(4) Maximum Tax refers to Maximum Annual Facilities Special Tax. Special Tax and the Projected Special Tax Levy refer to Special Facilities Tax.

(5) All District Parcels are to be levied as developed parcels for the Fiscal Year 2023-24 Special Tax levy.

(6) Represents each parcel's allocable share of the outstanding balance of the District's Prior Bonds together with the par amount of the 2023 Bonds.

(7) This table allocates the CFD Bonded Debt based upon each parcel's share of the District's Fiscal Year 2023-24 Maximum Special Tax.

(8) Overlapping debt liens of the District parcels as of July 1, 2023 as summarized under the "Direct and Overlapping Tax and Assessment Debt" table in the overlapping debt report prepared by California Municipal Statistics, Inc. No direct charges related to PACE liens secured by Special Taxes were levied onto the District parcels in Fiscal Year 2022-23.

(9) Represents homes within the District held by individual homeowners as of June 1, 2023 per Appraiser and JMC Homes and Richmond American.

(10) Includes 3 model homes owned by Richmond American Homes and 10 model homes owned by JMC Homes.

(11) A partially completed home represents a single-family lot upon which a building permit has been issued together with construction towards the completion of either the structure's footings or more.

Sources: Ownership and Development Status - JMC Homes and Integra Realty Resources, Inc.; Land Use and Number of Units - Sierra Vista Specific Plan; Appraised Value - Integra Realty Resources, Inc; Assessed Values - Placer County, as compiled by Integra Realty Resource Inc.; Maximum Tax and Projected Special Tax Levy - Willdan Financial Services; Outstanding Balance of Prior Bonds and Overlapping Debt - California Municipal Statistics, Inc, as compiled by Willdan Financial Services and Direct Charges placed onto the County's Fiscal Year 2022-23 Secured Roll related PACE liens – Placer County Tax Collector.

JMC Homes

JMC Homes has been doing business in the greater Sacramento area as a homebuilder since 1978. It has averaged annual new homes sales volume in excess of \$110 million for the past five years and is currently ranked as the 103rd largest homebuilder by *Builder Online*. It is currently building and selling homes in Roseville, Rocklin, Folsom, Lincoln and Marysville in the Sacramento area. *JMC Homes' website address is <http://www.jmchomes.com>. The website address is given for reference and convenience only, the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriter. Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.*

FD-24, LLC

FD-24, LLC is a California limited liability company, owned and controlled by a common ownership with JMC Homes.

Richmond American Homes

Richmond American Homes is Richmond American Homes of Maryland, Inc., a Maryland corporation. Richmond American Homes is a wholly-owned subsidiary of M.D.C. Holdings, Inc., a Delaware corporation ("**MDC**"). MDC is a publicly traded company whose common stock is listed on the New York Stock Exchange under the symbol "MDC." Richmond American Homes and its predecessor entity have been building homes in California since 1986. The Northern California division of Richmond American Homes based in Roseville, California, is responsible for the development of its project in the District.

MDC has two primary operations, homebuilding and financial services. MDC's homebuilding operations consist of wholly-owned subsidiary companies that build and sell homes under the name "Richmond American Homes." MDC's financial services operations include subsidiary companies that provide mortgage financing, place title insurance and homeowner insurance for Richmond American Homes' homebuyers, and provide general liability insurance for MDC subsidiaries and most of Richmond American's subcontractors.

MDC is subject to the informational reporting requirements of the Securities Exchange Act of 1933, as amended (the "**Exchange Act**"), and in accordance therewith is obligated to file reports, proxy statements, and other information, including financial statements, with the Securities and Exchange Commission (the "**SEC**"). Such filings, including particularly MDC's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the SEC on January 31, 2023, and Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, as filed with the SEC on July 27, 2023, set forth, among other things, certain data relative to such consolidated results of operations and financial position of MDC and its subsidiaries as of such dates. The SEC maintains an internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including MDC. The address of such internet web site is www.sec.gov. All documents subsequently filed by MDC pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of MDC's Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are also available from MDC on MDC's website at www.mdcholdings.com.

The foregoing website addresses and references to filings with the SEC are included for reference only, and the information on such websites and on file with the SEC are not a part of this

Official Statement and are not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Neither Richmond American Homes nor MDC is obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the 2023 Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the City, the District or the Underwriter.

THE IMPROVEMENTS

Eligible Facilities

The Bonds will provide a funding source to JMC Homes for moneys expended for a portion of the cost of the Improvements and for certain JMC Homes fees paid or to be paid by JMC Homes. The eligible Improvements authorized to be funded with proceeds of the Bonds include, but are not limited to, the following:

Transportation Improvements. Public roadway improvements designed to meet the needs of the project, including those improvements identified in the Development Agreement, including but not limited to:

- Earl Rush Drive, formerly Federico Drive.
- Fiddymont Road.
- Market Street.
- Santucci Boulevard.
- Summerfaire Drive.
- Silver Spruce Drive.
- Nicole Gee Drive, formerly Sierra Glen Drive.
- Vista Park Drive.
- Vista Grande Boulevard.
- Westbrook Boulevard.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations, bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements. Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and

appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; standby generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; among others.

Drainage System Improvements. Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage, among others.

Wastewater System Improvements. Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, among others.

Solid Waste Improvements. Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution, as described in the project DA, to the SVSP Solid Waste Recycling Center.

Park, Landscape Corridor and Paseo Improvements. Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to construction of Park Sites as identified by the Specific Plan, and construction of Paseos as identified by the SVSP.

Open Space Improvements. Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on- and off-site hawk/raptor mitigation, agricultural mitigation or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, among others.

Utilities. Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities also shall include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, among others.

Other Public Facilities and Impact Fees. Authorized facilities includes any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including fire station site reimbursement obligations in the Development Agreement. Authorized facilities also include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building

permit or required as part of the DA for the property. Fees include, but are not limited to, the South Placer Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, and Public Benefit Fee.

Estimated Cost of the Improvements

General. The total estimated cost of the Improvements for the land currently within the District (1,205 units) is approximately \$126.6 million, as shown in the table below. As of the end of 2022, a total of approximately \$54 million has been expended for the Improvements, of which a portion may be financed with the proceeds of the 2023 Bonds. Additional infrastructure will be required for areas of future annexation and Additional Bonds are expected to be sold in the future.

Table 5
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Summary of Partial Authorized Facilities and Estimated Cost in Current District Boundary

Item	Estimated Total Cost ⁽¹⁾
Transportation Improvements	\$17,068,427
Potable and Non-Potable Water System Improvements	5,148,178
Drainage System Improvements	7,429,329
Wastewater System Improvements	4,604,478
Parks, Landscape Corridor and Paseo Improvements	5,248,885
Open Space Improvements	5,802,951
Utilities	6,341,219
Other Public Facilities and Impact Fees	74,982,800
Total	\$126,626,267

(1) Includes soft cost and contingency.
Source: JMC Homes.

Funding Sources. In connection with the issuance of the Bonds, the City and JMC Homes have previously entered into a Funding, Construction and Acquisition Agreement (the “**Acquisition Agreement**”) which provides that JMC Homes 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 JMC Homes for expended amounts using a portion of the proceeds of the Bonds pursuant to the terms of the Acquisition Agreement. JMC Homes will be responsible for the portion of the cost of construction of the Improvements not paid with Bonds.

The following table shows estimated sources and uses for JMC Homes & FD-24, LLC related to the development and sale of the 1,062 homes planned for Phases 1–5 in the District (not including the lots owned by Richmond American).

Table 6
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Proposed Financing Plan of JMC Homes & FD-24, LLC – Phase 1–5
Calendar Years 2023 through 2025

	Total	As of June 1, 2023	Remainder of 2023	2024	2025
Sources:					
Bond Proceeds ⁽¹⁾	\$37,817,636	\$34,474,636	\$3,343,000	-	-
Sales of Homes & Land	634,665,000	471,360,000	56,795,000	\$62,490,000	\$44,020,000
Total Sources	\$672,482,636	\$505,834,636	\$60,138,000	\$62,490,000	\$44,020,000
Uses:					
Authorized Facilities ⁽²⁾	\$51,643,000	\$51,643,000	-	-	-
In-tract Infrastructure	69,742,900	69,742,900	-	-	-
Costs of Sales of Homes	373,115,650	287,529,600	20,614,950	38,118,900	26,852,200
Total Uses	\$494,501,550	\$408,915,500	\$20,614,950	\$38,118,900	\$26,852,200
Net Cash Flow	\$177,981,086	\$96,919,136	\$39,523,050	\$24,371,100	\$17,167,800

(1) Includes estimated 2023 proceeds.

(2) Excludes "Other Public Facilities and Impact Fees" included in Cost of Sales of Homes.

Source: JMC Homes.

VALUE OF PROPERTY WITHIN THE DISTRICT

Assessed Valuation

A history of assessed valuation of property in the District since Fiscal Year 2019-20 is set forth in the following table.

Table 7
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Historical Assessed Values of the District
Fiscal Years 2019-20 through 2022-23

Fiscal Year	Assessed Land Value	Assessed Structure Value	Assessed Value Total	% Change in Assessed Value Total (1)(2)(3)
2019-20	\$6,582,845	--	\$6,582,845	N/A
2020-21 ⁽¹⁾	13,963,713	31,757,644	45,721,357	595%
2021-22 ⁽²⁾	45,039,164	119,792,918	164,832,082	261
2022-23 ⁽³⁾	85,901,732	222,035,560	307,937,292	87

(1) The assessed value of the District's Annexation No. 1 parcels is reflected above commencing with Fiscal Year 2020-21. Annexation No. 1 increased the District's Fiscal Year 2020-21 assessed land value by \$4,915,787.

(2) The assessed value of the District's Annexation Nos. 2 and 3 parcels is reflected above commencing with Fiscal Year 2021-22. Annexation Nos. 2 and 3 increased the District's total Fiscal Year 2021-22 assessed land value by \$4,341,804 and \$1,257,291, respectively.

(3) The assessed value of the District's Annexation No. 4 is reflected above commencing with Fiscal Year 2022-23. Annexation No. 4 increased the District's total Fiscal Year 2022-23 assessed land value by \$1,784,610.

Source: Assessed Values - Respective Placer County Secured Property Rolls as compiled by Willdan Financial Services.

The Appraisal

General. Integra Realty Resources, Sacramento, California (the “**Appraiser**”) prepared an appraisal report with a date of value of June 1, 2023 (the “**Appraisal**”). The Appraisal was prepared at the request of the City in order to obtain an additional indication of value of land in the District. 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.

Property Appraised. The appraised properties consist of finished residential lots, homes under construction, and completed single-family homes within the boundaries of the CFD not currently assessed for an improvement value by the Placer County Assessor, all as shown in the table in the following subsection. 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 addition to the appraised parcels cited herein, there are also 482 existing single-family homes within the District with a complete assessed value for both land and improvements that were not appraised. Rather, the aggregate assessed value of those 482 homes was combined with the aggregate value of the appraised properties to provide a total aggregate value of the CFD. The property appraised also excludes property in the District designated for public and quasi-public purposes.

Value Estimates. The Appraisal provides a not-less-than estimated market value of the 723 lots that are part of appraised property owned by JMC Homes and Richmond American Homes, 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) of the appraised properties.

The aggregate value estimate for the appraised properties as of the June 1, 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 \$209,414,000. The appraiser combined that amount with the assessed value of the then existing homes in the District to arrive at an estimated total value of taxable property in the District of \$465,676,052 (the “**Composite Value**”).

This aggregate value of the taxable property in the District is further described as follows:

<u>Owner/Subdivision</u>	<u>No. of Parcels</u>	<u>Value per Parcel</u>	<u>Aggregate Value</u>
<u>Individual Homeowners – Completed Homes without AVs⁽¹⁾</u>			
Monument	42	\$585,000	\$24,570,000
Palisade	112	490,000	54,880,000
Pinnacle	17	645,000	10,965,000
Sentinel	33	605,000	19,965,000
Excelsior	11	650,000	7,150,000
Seasons	6	510,000	3,060,000
Sub-Total	221		120,590,000
<u>JMC Homes / FD-24, LLC</u>			
Finished Lots	296	Varies	45,180,000
Homes under Construction	49	Varies	10,594,000
Finished Homes without AVs			
Sentinel	3	605,000	1,815,000
Palisade	10	490,000	4,900,000
Excelsior	7	650,000	4,550,000
Sub-Total	365		67,039,000
<u>Richmond American Homes</u>			
Finished Lots	119	145,000	17,255,000
Homes under Construction	15	200,000	3,000,000
Finished Homes without AVs – Seasons	3	510,000	1,530,000
Sub-Total	137		21,785,000
Total Aggregate Value of Appraised Properties	723		\$209,414,000
Aggregate value- existing homes based on Assessed Value			
	482		\$256,262,052
Aggregate Value of Appraised Properties & Assessed Properties in the District	1,205		\$465,676,052

(1) Represents not-less-than value, based on the smallest floor plan within each applicable subdivision.
Source: The Appraisal.

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.

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. See “APPENDIX B – THE APPRAISAL.”

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 the Appraiser's review of recent sales transactions for similar properties and its analysis of supply and demand in the local land market, the Appraiser's opinion was that the probable exposure time for the appraised property at the concluded market value 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 the Appraiser foresees no significant changes in market conditions in the near term, the Appraiser's opinion was that a reasonable marketing period for the appraised property in bulk is likely to be the same as the exposure time. Accordingly, the Appraiser estimated the marketing period at 12 months.

No assurance can be given that a sale of the property in bulk by JMC Homes or Richmond American Homes could 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 particular 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

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 JMC Homes (or its affiliates) or Richmond American Homes 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.

Value to Lien Ratios by Development Status and Land Use. The following table sets forth the Composite Value, maximum special tax, allocable District debt, and average value to lien ratios by status of development, based on the status of development in the District as of June 1, 2023 (the Appraiser's date of value), and on assumptions detailed therein.

Table 8
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Value to Lien Ratios – By Development Status and Land Use as June of 1, 2023

Development Status ⁽¹⁾ / Land Use ⁽²⁾	No of Parcels	Planned Units ⁽²⁾	Composite Value ⁽³⁾	FY 2023-24 Maximum Tax ⁽⁴⁾	Projected FY 2023-24 Special Tax Levy ⁽⁴⁾	Allocable Debt CFD Bonds ⁽⁵⁾⁽⁶⁾	% Total CFD Bonded Debt ⁽⁵⁾⁽⁶⁾	Overlapping Debt ⁽⁷⁾	Total Direct & Overlapping Debt	Average Value to Lien Ratios
<u>Individual Homeowners – Completed Homes⁽⁸⁾</u>										
LDR	450	450	\$256,839,203	\$894,305	\$894,305	\$15,770,173	39.47%	\$6,555,077	\$22,325,249	11.50
MDR	253	253	120,012,849	446,932	446,932	7,881,193	19.72%	2,228,591	10,109,784	11.87
Subtotal	703	703	\$376,852,052	\$1,341,237	\$1,341,237	\$23,651,366	59.19%	\$8,783,668	\$32,435,033	11.62
<u>Homes Completed</u>										
LDR	10	10	\$6,365,000	\$19,874	\$19,874	\$350,448	0.88%	\$35,474	\$385,922	16.49
MDR	13	13	6,430,000	22,965	22,965	404,962	1.02%	43,729	448,691	14.33
Subtotal	23	23	\$12,795,000	\$42,839	\$42,839	\$755,410	1.90%	\$79,203	\$834,613	15.33
<u>Homes Partially Completed⁽⁹⁾</u>										
LDR	12	12	\$3,073,000	\$23,848	\$23,848	\$420,538	1.05%	\$6,499	\$427,037	7.20
MDR	52	52	10,521,000	91,860	91,860	1,619,850	4.05%	106,534	1,726,384	6.09
Subtotal	64	64	\$13,594,000	\$115,708	\$115,708	\$2,040,388	5.10%	\$113,033	\$2,153,421	6.31
<u>Finished Lots</u>										
LDR	149	149	\$23,837,000	\$296,114	\$296,114	\$5,221,680	13.07%	\$69,672	5,291,353	4.50
MDR (F-24) Annexation No. 4 ⁽¹⁰⁾	135	135	19,575,000	238,481	238,481	4,205,380	10.53%	54,894	4,260,274	4.59
MDR (All others)	131	131	19,023,000	231,415	231,415	4,080,776	10.21%	339,391	4,420,167	4.30
Subtotal	415	415	\$62,435,000	\$766,010	\$766,010	\$13,507,836	33.81%	\$463,957	\$13,971,794	4.47
Total	1,205	1,205	\$465,676,052	\$2,265,794	\$2,265,794	\$39,955,000	100.00%	\$9,439,861	\$49,394,861	9.43

Footnotes Follow on Next Page

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- (1) Development status as of June 1, 2023 per Appraiser and JMC Homes.
 - (2) Land Use and planned number of residential lots per the Sierra Vista Specific Plan.
 - (3) Composite Value represents the Appraised Values as of June 1, 2023 or the Fiscal Year 2022-23 Assessed Value. Existing single-family homes showing a complete assessed value for both land and improvements were not appraised. Those parcels not appraised are instead valued above using the FY 2022-23 Assessed Value.
 - (4) Maximum Tax refers to Maximum Annual Facilities Special Tax. Special Tax and the Projected Special Tax Levy refer to Special Facilities Tax.
 - (5) Represents each parcel's allocable share of the outstanding balance of the District's Prior Bonds together with the par amount of the 2023 Bonds.
 - (6) This table allocates the CFD Debt based upon each parcel's share of the District's FY 2023-24 Maximum Special Tax.
 - (7) Overlapping debt liens of the District parcels as of July 1, 2023 as summarized under the "Direct and Overlapping Tax and Assessment Debt" table in the overlapping debt report prepared by California Municipal Statistics, Inc. No direct charges related to PACE liens secured by Special Taxes were levied onto the District parcels in Fiscal Year 2022-23.
 - (8) Represents homes within the District held by individual homeowners as of June 1, 2023 per Appraiser and JMC Homes.
 - (9) A partially completed home represents a single family lot upon which a building permit has been issued together with construction towards the completion of either the structure's footings or more.
 - (10) Represents all property within the District's Annexation No. 4.
- Sources: Development Status - Appraiser and Developer; Land Use and Number of Units - Sierra Vista Specific Plan; Appraised Values - Integra Realty Resources, Inc.; FY 2022-23 Assessed Values - Placer County, as compiled by Integra Realty Resources Inc.; Maximum Tax and Projected Special Tax Levy - Willdan Financial Services and Outstanding Balance of Prior Bonds and Overlapping Debt - California Municipal Statistics, Inc, as compiled by Willdan Financial Services and Direct Charges placed onto the County's FY 2022-23 Secured Roll related PACE liens -Placer County Tax Collector.*

Value to Lien Ratio Categories. The following table sets forth the Composite Value (consisting of appraised values and assessed values), maximum special tax, projected special tax levy and allocable District debt by value to lien ratio range categories.

Table 9
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Average Value to Lien Ratio Categories

Value-to-Lien Ratio Range	No. of Parcels	No of Units ⁽¹⁾	Composite Value ⁽²⁾	FY 2023-24 Maximum Tax ⁽³⁾	Projected FY 2023-24 Special Tax Levy ⁽⁴⁾	Allocable Debt CFD Bonds ⁽⁵⁾⁽⁶⁾	% of Total CFD Bonded Debt ⁽⁶⁾	Overlapping Debt ⁽⁷⁾	Total Direct & Overlapping Debt	Average Value to Lien Ratio
15:1 to 19.99:1	121	121	\$65,880,000	\$224,349	\$224,349	\$3,956,172	9.90%	\$146,367	\$4,102,539	16.06
10:1 to 14.99:1	442	442	250,689,974	852,129	852,129	15,026,444	37.61	6,473,265	21,499,709	11.66
5:1 to 9.99:1	278	278	96,208,078	524,659	524,659	9,251,835	23.16	2,384,873	11,636,708	8.27
3:1 to 4.99:1	364	364	52,898,000	664,657	664,657	11,720,549	29.33	435,356	12,155,905	4.35
Total	1,205	1,205	\$465,676,052	\$2,265,794	\$2,265,794	\$39,955,000	100.00%	\$9,439,861	\$49,394,861	9.43

(1) Number of residential lots per the Sierra Vista Specific Plan.

(2) Composite Value represents the Appraised Values as of June 1, 2023 or the Fiscal Year 2022-23 Assessed Value. Existing single-family homes showing a complete assessed value for both land and improvements were not appraised. Those parcels not appraised are instead valued above using Assessed Value.

(3) Maximum Tax refers to Maximum Annual Facilities Special Tax.

(4) Special Tax and Projected Special Tax Levy refer to Special Facilities Tax.

(5) Represents the outstanding balance of the District's Prior Bonds together with the par amount of the 2023 Bonds.

(6) This table allocates the CFD Bonded Debt based upon each parcel's share of the District's Fiscal Year 2023-24 Maximum Special Tax.

(7) Overlapping debt liens of the District parcels as of July 1, 2023 as summarized under the "Direct and Overlapping Tax and Assessment Debt" table in the overlapping debt report prepared by California Municipal Statistics, Inc. No direct charges related to PACE liens secured by Special Taxes were levied onto the District parcels in Fiscal Year 2022-23.

Sources: Appraised Value - Integra Realty Resources, Inc; Assessed Values - Placer County, as compiled by Integra Realty Resources Inc.; Outstanding Balance of Prior Bonds and Overlapping Debt - California Municipal Statistics, Inc, as compiled by Willdan Financial Services and Maximum Tax and Projected Special Tax Levy - Willdan Financial Services.

Special Tax Collections and Delinquencies

Fiscal Year 2019-20 was the first year in which the Special Tax was levied in the District. The following table shows the collections of the Special Tax and delinquency information since Fiscal Year 2019-20.

Table 10
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Historical Collections and Delinquencies

Fiscal Year ⁽¹⁾	Annual Special Taxes Levied	No. of Parcels Levied	As of Each Fiscal Year End ⁽³⁾			As of May 15, 2023		
			Amount Delinquent ⁽²⁾	No. of Parcels Delinquent	Percent Levy Delinquent	Remaining Amount Delinquent ⁽²⁾	Remaining No. of Parcels Delinquent	Percent Levy Delinquent
2019-20	\$686,521	265	\$0	0	0.00%	\$0	0	0.00%
2020-21	1,172,992	399	832	1	0.07	0	0	0.00
2021-22	1,676,822	682	7,322	7	0.44	0	0	0.00
2022-23	1,900,805	976	6,495	5	0.34	6,495	5	0.34

(1) Fiscal year 2019-20 was the District's first Special Tax levy.

(2) Delinquent amounts and collections shown above do not include penalties, interest or fees.

(3) Delinquency information as of June 15, 2020 for the FY 2019-20 levy, May 18, 2021 for the FY 2020-21 levy; June 13, 2022 for the FY 2021-22 levy and May 15, 2023 for the FY 2022-23 levy.

Source: Placer County Tax Collector, compiled by Willdan Financial Services.

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.

There can be no assurance that JMC Homes, 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 JMC Homes.

Private liens, such as deeds of trust securing loans obtained by JMC Homes or Richmond American, 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.

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. Neither the City nor the Underwriter have reviewed the data for completeness or accuracy and make no representations in connection therewith. In addition to bonded debt, property in the District is also subject to special taxes authorized to be levied on behalf of the City's Sierra Vista 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 taxable property. The Sierra Vista Community Facilities District No. 2 Fiscal Year 2023-24 annual maximum tax rates are \$489.96 per single family lot for parcels within FD-10 and FD-24 and \$396.66 per single family lot for all other District parcels; the Community Facilities District No. 3 Fiscal Year 2023-24 maximum rates are \$528.34 per lot (low density)/\$308.96 per lot (medium density); the Community Facilities District No. 3 tax rates are subject to annual escalation up to 4% depending on the City's public safety budget each year.

Table 11
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Summary of Overlapping Debt
As of July 1, 2023

2022-23 Local Secured Assessed Valuation: \$307,937,292

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt</u>	
Sierra Joint Community College District SFID No. 4 Gen. Obl. Bonds	0.361%	\$ 534,560	
Center Joint Unified School District General Obligation Bonds	8.759	8,905,301	
City of Roseville Villages at Sierra Vista CFD No. 1	100.000	<u>35,840,000</u>	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$45,279,861	
 <u>OVERLAPPING GENERAL FUND DEBT:</u>			
Placer County Certificates of Participation	0.313%	\$253,941	
Sierra Joint Community College District Certificates of Participation	0.239	1,920	
City of Roseville Certificates of Participation	1.040	165,980	
Placer County Mosquito and Vector Control District Certs. of Participation	0.313	<u>5,798</u>	
TOTAL OVERLAPPING GENERAL FUND DEBT		\$427,639	
 COMBINED TOTAL DEBT		 \$45,707,500	 (2)

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$35,840,000).....	11.64%
Total Direct and Overlapping Tax and Assessment Debt.....	14.70%
Combined Total Debt	14.84%

(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.

Estimated Tax Burden on Single-Family Home

Based on current and estimated sales prices for the smallest floorplan for MDR and LDR homes provided by JMC Homes being planned for the lots currently in the District, the Special Tax Administrator has projected that the overall tax burden for a representative home planned for the District for Fiscal Year 2023-24 will be approximately 1.65% (MDR lots) or 1.57% (LDR lots), respectively, as shown in the following table.

Table 12
City of Roseville
Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)
Projected Overall Tax Burden for Representative Single-Family Residential Parcels
Fiscal Year 2023-24

Net Taxable Value		Land Use Designations	
		MDR Value	LDR Value
Average Assessed Value ⁽¹⁾		\$535,000	\$755,000
Less: Homeowner's Exemption		(\$7,000)	(\$7,000)
Net Taxable Value		\$528,000	\$748,000
Projected Ad Valorem Property Taxes ⁽²⁾		Taxes	Taxes
Base Property Tax	1.000000%	\$5,280	\$7,480
Sierra Coll SFID #4 B&I 2018 Series A	0.002407%	\$13	\$18
Sierra Coll SFID #4 B&I 2018 Series B	0.016193%	\$85	\$121
Center Joint Unif B&I	0.104100%	\$550	\$779
Center Joint Unif B&I 2008 Series 2020A	0.007000%	\$37	\$52
Center Joint Unif B&I 2008 Series 2020A Refunding	0.030700%	\$162	\$230
Center Joint Unif B&I 2008 Series 2020B Refunding	0.002200%	\$12	\$16
Center Joint Unif B&I 2008 Series 2021B Refunding	0.010000%	\$53	\$75
Total Ad Valorem	1.172600%	\$6,191	\$8,771
Projected Parcel Charges, Special Taxes and Assessments ⁽³⁾		Charges	Charges
Placer Mosquito & Vector ⁽⁴⁾		\$33	\$33
City of Roseville, Villages of Sierra Vista CFD # 1 (Public Facilities) ⁽⁵⁾		\$1,767	\$1,987
City of Roseville, Sierra Vista CFD # 2 (Public Services) ⁽⁶⁾		\$397	\$397
City of Roseville CFD 3, Municipal Services ⁽⁷⁾		\$309	\$528
Total Parcel Charges, Assessments, and Special Taxes		\$2,505	\$2,945
Total Projected Taxes and Direct Charges		\$8,696	\$11,716
Total Effective Tax Rate		1.65%	1.57%

(1) Representative new home prices from the "Ability to Pay" section of the Appraisal.

(2) Represents each individual FY 2022-23 Ad Valorem Tax Rate for Tax Rate Area 005-070, subject to change annually.

(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) Equal to the projected Maximum Municipal Services Special Tax for FY 2023-24.

Sources: FY 2022-23 Ad Valorem Tax Rates by Tax Rates Area, and Placer Mosquito & Vector charges - Placer County; Representative Prices of new LDR and MDR homes - Integra Realty Resources, Inc. and Developer; Projected Maximum Special Tax Rates of CFD Nos. 1, 2 and 3 - 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

A substantial portion of the land in the District is owned by single entities, JMC Homes (and its affiliate FD-24, LLC) and Richmond American Homes. Owners of property 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 JMC Homes (or its affiliate FD-24, LLC), Richmond American Homes 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 JMC Homes and Richmond American Homes, see “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT.” In that event, there could be a delay or failure in payments on the 2023 Bonds. See “– 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 the 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 City'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.

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 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 District 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 “VALUE 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.

JMC Homes, FD-24, LLC and Richmond American Homes provide 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 currently projected development. JMC Homes, FD-24, LLC and Richmond American Homes have no obligation to the City or to owners of the 2023 Bonds to complete their 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, global market instability caused by geopolitical events, fluctuations in the real estate market, increased construction costs, persistent supply chain disruptions, development, financing and marketing capabilities of individual property owners, rising inflation and interest rates, water or electricity shortages, and other similar factors. For example, the City is currently experiencing a known supply chain disruption with respect to electrical transformers needed for new development, which may have the effect of delaying development in Villages FD-6 and FD-24 and results in a risk of prohibiting the closing of home sales in those villages since the City will not issue an occupancy permit without electric service. See “THE DISTRICT – Current and Proposed Development - Transformer Supply Chain Challenges” and “ – Increasing Mortgage Interest Rates” above. Any adverse impact of the foregoing and other economic factors on the development within the District and the real estate market in general cannot be predicted.

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 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. However, no assurance can be given that a future drought affecting homes in the District would not result in decreased values.

JMC Homes and the City indicate that the existing Development Agreement protects JMC Homes's ability to access water for the project through an agreed upon water allocation. However, in the event that the City's water supply is severely limited or cut off by virtue of future actions beyond its control resulting from ongoing or future drought conditions, development within the District may be delayed or even stopped. The Development Agreement provides that should the City need to restrict development it must do so City-wide and cannot single out the Villages at Sierra Vista property in restricting development activity. In turn, the anticipated diversity of land ownership within the District could also be reduced, making the owners of the 2023 Bonds more dependent upon JMC Homes's or other owners of undeveloped land timely payment of the Special Taxes levied on undeveloped property. Furthermore, such an increased period of concentrated ownership of undeveloped land increases the potential negative impact of any bankruptcy or other financial difficulties experienced by JMC Homes, Richmond American Homes or successor owners. Any reduction or interruption in the water supply would also likely cause a reduction in the land value and thus a reduction in the security in the event of a need to foreclose on land within the District following a delinquency in the payment of Special Taxes.

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.

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 JMC Homes 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 (which allow for the impact of development and specify the mitigation required), 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 Facilities 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 Facilities 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 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.

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.

FDIC/Federal Government Interests in Properties

General. The ability of the District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “**FDIC**”), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: “This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding.”

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on parity with the Special Taxes and preserve the federal government’s mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association (“**FNMA**”) is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

Bankruptcy and Foreclosure 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 moneys 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.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on that property. The court upheld the priority of unpaid *ad valorem* taxes imposed before the bankruptcy petition (the “pre-petition taxes”), but unpaid taxes imposed after the filing of the bankruptcy petition (“post-petition taxes”) were declared to be unsecured “administrative expenses” of the bankruptcy estate, and were therefore held to be payable from the bankruptcy estate only after payment of all secured creditors. As a result, the secured creditor of the property was able to foreclose on the property and retain all of the proceeds of the sale except for the amount of the pre-petition taxes.

According to the court’s ruling, as administrative expenses, post-petition taxes would have to be paid, but only if the debtor had sufficient assets not subject to other perfected security interests to do so. In certain circumstances, payment of such administrative expenses may also be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise) it would at that time again become subject to and would secure liens for then current and future *ad valorem* taxes.

Glasply was controlling precedent on bankruptcy courts in the State of California for several years subsequent to the date of the Ninth Circuit’s holding. Pursuant to state law, the lien date for

general *ad valorem* property taxes levied in the State of California is the January 1 preceding the fiscal year for which the taxes are levied. Under the *Glasply* holding, a bankruptcy petition filing would have prevented the lien for general *ad valorem* property taxes levied in fiscal years subsequent to the filing of a bankruptcy petition from attaching and becoming a lien so long as the property was a part of the estate in bankruptcy. However, the *Glasply* holding was for the most part subsequently rendered inoperative with respect to the imposition of a lien for and the collection of *ad valorem* taxes by amendments to the federal Bankruptcy Code (Title 11 U.S.C.) which were part of the Bankruptcy Reform Act of 1994 (the “Bankruptcy Reform Act”) passed by Congress during the later part of 1994. The Bankruptcy Reform Act added a provision to the automatic stay section of the Bankruptcy Code which, pursuant to Section 362(b)(18) thereof, excepts from the Bankruptcy Code’s automatic stay provisions, “the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state, if such tax comes due after the filing of the petition” by a debtor in bankruptcy court. The effect of this provision is to continue the secured interest of *ad valorem* taxes on real property (i.e., post-petition taxes) in effect during the period following the filing of a bankruptcy petition, including during the period bankruptcy proceedings are pending.

Without further clarification by the courts or Congress, the original rationale of the *Glasply* holding could, however, still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings. This treatment might result from the fact that, although the lien of special taxes is of record from the date of the filing of a Notice of Special Tax Lien, the actual special tax is levied annually. As noted above, special taxes have a different lien date than the lien date for general *ad valorem* taxes in the State of California noted above. The lien of a Mello-Roos special tax attaches upon recordation of the notice of the special tax lien, as provided for in Section 53328.3 of the Act, as opposed to the annual January 1 lien date for general *ad valorem* taxes. Thus, in deciding whether the original *Glasply* ruling is applicable to a bankruptcy proceeding involving special taxes rather than general *ad valorem* property taxes, a court might consider the differences in the statutory provisions for creation of the applicable tax lien (general *ad valorem* or special tax) in determining whether there is a basis for post petition special taxes to be entitled to a lien on the property during pending bankruptcy proceedings. If a court were to apply *Glasply* to eliminate the priority of the special tax lien as a secured claim against property with respect to post-petition levies of the Special Taxes made against property owners within the District who file for bankruptcy, collections of the Special Taxes from such property owners could be reduced as the result of being treated as “administrative expenses” of the bankruptcy estate. Also, and most importantly, is the fact that the original holding in *Glasply* and the mitigation of that holding by the Bankruptcy Reform Act of 1994 both appear to be applicable only to general *ad valorem* taxes, and, therefore, the exemption from the automatic stay in Section 362(b)(18) discussed above may not be applicable to special taxes since they were not expressly mentioned or provided for in this section, nor defined to be included within the term “*ad valorem* taxes.”

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 Sierra Vista 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 “VALUE 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. Property owners may also elect to finance improvements to their homes through Property Assessed Clean Energy (PACE) financings, which are secured by assessment district liens. 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” 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 “–Voter Initiatives” 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 XIID 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 XIII A and XIII C of the State Constitution. The amendments to Article XIII A 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 XIII C 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.

Pandemic Diseases

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. Pandemic diseases arising in the future could have significant adverse health and financial impacts throughout the world, leading to loss of jobs and personal financial hardships, and/or actions by federal, State and local governmental authorities to contain or mitigate the effects of an outbreak.

Taxpayer assistance measures may include deferral of due dates of property taxes, which was an assistance program during the COVID-19 pandemic, and with or without a deferral some taxpayers may be unable to make their property and Special Tax payments. 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. In addition, home values may be affected by a reduction in demand stemming from personal finances, or general widespread economic circumstances resulting from pandemic diseases.

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 2023 Bonds. The City is also reliant on other entities and service providers in connection with the administration of the 2023 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 JMC Homes, Richmond American Homes and individual homeowners, are permitted to prepay 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 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 Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds.

CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS

Article XIII A 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 XIII A 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 XIII A 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 XIII A 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 XIII A 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 XIII B of the State Constitution. Article XIII B 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 each January 15th following the end of the City's fiscal year (presently June 30) in each year (the "**City Annual Report**") commencing with its report for the 2022-23 fiscal year (due January 15, 2024) and to provide notices of the occurrence of certain enumerated events.

JMC Homes has also covenanted for the benefit of owners of the 2023 Bonds to provide certain financial information and operating data relating to the property it or its affiliates owns in the District by not later than April 1st and October 1st of each year, beginning with the report due April 1, 2024 (the "**Developer Periodic Reports**") and to provide notices of the occurrence of certain enumerated events. The obligation of JMC Homes to provide such information is in effect only so long as JMC Homes and its affiliates, or their successors, are collectively responsible for 20% or more of the Special Taxes, as described in the Developer Periodic Reports and JMC Homes' undertaking includes a provision that if a portion of JMC Homes' property which is responsible for such 20% is sold, the reporting obligation may be assumed by the new owner and JMC Homes' obligations with respect to such property will be terminated, or if not so assumed, JMC Homes is to report such required information, as applicable to the transferee.

The City Annual Report and the Developer Periodic Reports and notices of listed 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 JMC Homes 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) For its Annual Report for Fiscal Year 2021-22, while the City filed unaudited financial statements and then its audited financial statements when available, the unaudited financial statements were not timely filed with respect to certain bond issues.
- (3) 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.

JMC Homes has represented to the City that, during the past five years, JMC Homes has been in material compliance with its 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 \$4,065,707.60 (which is equal to the par amount of the 2023 Bonds, plus a net original issue premium of \$7,494.60 and less the Underwriter’s discount of \$56,787.00). 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 City 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 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 2023 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2022 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 2022 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 2022 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 2022 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 2022 Bond (said term being the shorter of the 2022 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 2022 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2022 Bond is amortized each year over the term to maturity of the 2022 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 2022 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 his 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

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.

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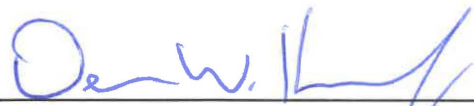
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EXECUTION

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
Villages at Sierra Vista 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 Villages at Sierra Vista 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 an 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 Tax 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 Tax 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 already 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 a City official in the Finance Department, or their designee responsible for determining or overseeing the levy and collection of the Special Taxes.

“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 Unit agreement has been entered into for the property designating the Unit as affordable. A Multifamily Parcel may have only a portion of the Units assigned as Affordable Units. The City Manager, or his or her 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 Lot 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 Annual Special Tax for Parcels pursuant to **Section 4**.

“Annexation Parcels” means a Parcel or Parcels annexed to the CFD after formation. The Maximum Annual Special Tax will be assigned to such Parcels using the provisions of **Section 4**. Annexation Parcels may be assigned a different Maximum Annual Special Tax Rate or Maximum Annual Special Tax per Parcel using a methodology different from the other Parcels in the CFD and may be placed in an area designated as a separate zone or improvement area of the CFD, all of which shall be set forth in revised attachments hereto as needed, without further CFD proceedings.

“Annual Facilities Costs” means, for any Fiscal Year, the total of these:

- a. Debt Service to be paid from Facilities 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 Facilities Costs in a previous Fiscal Year.

- c. Administrative Expenses for such Fiscal Year.
- d. The amount needed to (1) cure any delinquencies in the payment of principal or interest on Bonds, which have occurred in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) 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, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- e. The amount needed to (1) cure any delinquencies in the payment of the Facilities Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Facilities Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- f. Authorized Pay-As-You-Go Costs.
- g. During the Deferral Bonding Period, the amount needed to pay Development Impact Fee Deferrals not financed by Bonds.
- h. Less any available earnings on any reserve fund or Facilities Special Tax funds, available capitalized interest or any other available revenues of the CFD or the City that may be used to fund Annual Facilities Costs.

“Annual Maintenance Costs” means, for any Fiscal Year, the total of these:

- a. Authorized Services costs to be paid from Maintenance Special Taxes.
- b. Administrative Expenses for such Fiscal Year.
- c. The amount needed to (1) cure any delinquencies in the payment of the Maintenance Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Maintenance Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year.
- d. Less any available earnings on any reserve fund, Maintenance Special Tax funds or any other available revenues of the CFD or the City that may be used to fund Annual Maintenance Costs.

“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.

“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.

“Assigned Maximum Annual Special Tax” means the maximum Facilities Special Tax or Maintenance Special Tax assigned to each Large Lot Parcel that is an Original Parcel based on the Expected Land Uses at CFD formation, or at annexation, as shown in **Attachment 1**.

“Authorized Facilities” means those facilities and fees to be financed, as identified in the resolution forming the CFD.

“Authorized Services” means those services authorized to be funded, as defined in the resolution forming the CFD.

“Base Year” means the Fiscal Year beginning July 1, 2018, and ending June 30, 2019.

“Bond(s)” means any bond(s) issued by the City for the CFD under the Act and any other debt, as defined in the Act, the City incurs to further the CFD’s purposes.

“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 Use structure.

“Business Professional” means a Parcel or Parcels zoned to provide for office uses and other uses that are related to and supportive of office uses.

“CFD” means the Villages at Sierra Vista 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.

“Community Commercial” means a Parcel or Parcels zoned to serve the principal retail shopping needs of the entire community by providing areas for shopping centers, and other retail and service uses.

“Council” means the City Council of the City acting for the CFD under the Act.

“County” means the County of Placer, California.

“Debt Service” means the total annual amount of Bond principal, interest, and the scheduled sinking fund payments of the Bonds in a calendar year.

“Deferral Bonding Period” means the period after the Initial Bonding Period has ended and during which the City finances the Development Impact Fee Deferral.

“Developed Parcel” means, in any Fiscal Year:

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

- c. For all Nonresidential Use 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 Agreement” means the Development Agreement By and Between the City of Roseville and Mourier Investments, LLC, relative to the Sierra Vista Specific Plan dated April 28, 2010.

“Development Impact Fee Deferral” means the deferred payment of development impact fees due to the City or the South Placer Regional Transportation Authority (SPRTA) for Developed Parcels, using the approach and amounts identified in the Development Agreement, which may be amended from time to time.

“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 Parcels, Multifamily Parcels, and Nonresidential Parcels.

“Expected Land Use(s)” means the total number of Units or Acres of each land use type by Tax Category expected in each Large Lot Parcel and Original Parcel at CFD formation as identified in **Attachment 3** of this RMA.

“Facilities Special Tax” means the Special Tax authorized to fund Annual Facilities Cost. Facilities Special Taxes are shown in **Attachments 2 and 3**.

“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 Parcels.

“Finance Director” means the Finance Director for the City, or their 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 Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“High Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that primarily accommodates attached housing, but depending on the unit type, could also include detached housing, within the density range of 13.0 or greater dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, detached townhomes, courtyard townhomes/condominiums, garden-style apartments, and podium design apartments/condominiums.

“Initial Bonding Period” means the period in which Bonds are outstanding or refunded which financed Authorized Facilities costs other than the Development Impact Fee Deferral.

“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.

“Low Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that supports single-family detached homes on conventional lots within the density range of up to 6.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard, alley-loaded, or clustered, single-family detached units.

“Maintenance Special Tax” means the Special Tax authorized to fund Annual Maintenance Costs. The Maintenance Special Tax will be levied and collected beginning with the Transition Year. Maintenance Special Taxes are shown in **Attachment 4**.

“Market-Rate Unit” means a Unit that is not an Affordable Unit.

“Maximum Annual Special Tax” means the greatest amount of Facilities Special Tax or Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, and 4**.

“Maximum Annual Facilities Special Tax” means the greatest amount of Facilities Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

“Maximum Annual Maintenance Special Tax” means the greatest amount of Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

“Maximum Annual Special Tax Rate” means the rate of Facilities Special Tax or Maintenance Special Tax charged per Unit or per Taxable Acre, as shown in **Attachments 2, 3, and 4**.

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

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

“Maximum Annual 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.

“Medium Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that accommodates both single-family detached homes and attached homes within the density range of 7.0 to 12.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard or alley-loaded lots, courtyard lots, green court lots, auto courts, alley clusters, zero-lot lines, or z-shaped lots. In addition, duet/half-plex homes, townhomes, or condominiums may be accommodated in Medium Density Residential areas.

“Mixed Use Parcel” means a Parcel or Parcels designated for a combination of Residential Uses and Nonresidential Uses.

“Multifamily For-Rent” or **“Multifamily For-Rent Parcel”** means any Parcel designated or developed for more than one residential dwelling Unit per Parcel and where such units are initially offered for rent to the general public and cannot be purchased by individual homeowners. Such uses may consist of apartments or structures such as duplexes or triplexes, including land uses defined as High Density Residential. Each residential dwelling Unit within Multifamily For-Rent or Multifamily For-Rent Parcels is not expected to have its own distinct Assessor’s Parcel Number.

“Multifamily For-Sale” or **“Multifamily For-Sale Parcel”** means any Parcel designated or developed for more than one residential dwelling Unit within a single building or structure and that may share at least one common wall where such units are not initially offered for rent to the general public and initially may be offered for sale to individual homeowners. Such uses may consist of condominiums or buildings such as half-plexes or time-share units, including land uses defined as High Density Residential. Multifamily For-Sale Parcels are anticipated to have their own distinct Assessor’s Parcel Number as is the case in residential condominium projects. Once designated as Multifamily For-Sale or Multifamily For-Sale Parcel, the Parcel shall remain so designated unless the original structures are demolished.

“Nonresidential Use” means a Taxable Parcel zoned for land uses other than Residential Uses which may include Business Professional, Community Commercial and Mixed Use.

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

“Parcel” means any 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 Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“Pay-As-You-Go Costs” means that portion of costs of acquisition, construction, and improvement of Authorized Facilities not financed by Bonds.

“Prepayment” means the full or partial fulfillment of a Parcel’s Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Developed Parcels. For Small Lot Tentative Map Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Small Lot Tentative Map Parcels. For Large Lot Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Large Lot Parcels. For Undeveloped Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Undeveloped Parcels.

“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, but not limited to, public streets, schools, parks, and public drainageways, landscaping, wetlands, greenbelts, and open space.

“Remainder Parcel” means a portion of a unit of land that is created as a result of the recording of a Large Lot Parcel Map or Final Small Lot Subdivision Map, which results in a designated remainder as defined in Government Code Section 66424.6(a) (Remainder Parcel). Such a Remainder Parcel may contain taxable and tax-exempt uses, such as Residential Uses, and Public Parcels, such as 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 that would be included in the definitions of Low-Density Residential, Medium Density Residential or High Density Residential.

“RMA” means this Rate and Method of Apportionment, and Manner of Collection of Special Tax, as it may be amended from time to time in connection with Annexation Parcels or otherwise.

“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 approved by the City 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 Parcel reconfiguration, lot-line adjustments, or the Subdivision Map Act process. A Subdivision also may include the merging of two or more Parcels to create new Parcels.

“Successor Parcel” means a Parcel created by the Subdivision of an Original Parcel or a Successor Parcel.

“Tax Category” means the categories of taxable land uses shown in **Attachments 2 and 4**.

“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 by which the Maximum Annual Facilities Special Tax, Maximum Annual Maintenance Special Tax and related Maximum Annual Special Tax Rates shall be increased annually until the Transition Event. After the Transition Event, the Maximum Annual Maintenance Special Tax may be increased up to 2 percent annually at the City’s discretion. The Administrator should refer to Section 4a for application of the Tax Escalation Factor.

Taxable Acreage means that area of a Parcel 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 **Attachment 1**, contains both taxable uses and tax-exempt uses.

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.h**.

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.

Transition Event means the earlier of (a) after the Initial Bonding period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral has been repaid in full to the City and City determines funding is no longer needed for Annual Facilities Costs, or (b) Fiscal Year 2083-84.

Transition Year means the first Fiscal Year following the Fiscal Year in which the Transition Event occurred.

Trustee means a national banking association organized and existing under the laws of the United States acting as a trustee or fiscal agent for Bonds.

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

Unit means, for a Single-Family Parcel, the individual residential unit on such Parcel, or for a Multifamily For-Rent Parcel or Multifamily For-Sale Parcel, an individual residential unit in a multifamily building.

3. Duration of the Special Tax

The Facilities Special Tax will be levied and collected until the earlier of (i) the Transition Year or (ii) Fiscal Year 2082-83. The Maintenance Special Tax will be levied and collected beginning in the Transition Year. The Maintenance Special Tax will be collected in perpetuity.

4. Administrative Tasks for the Facilities Special Tax

Tasks required of the Administrator are discussed below:

- a. **Annual Special Tax Escalation**. Until the Transition Event, the Administrator shall increase the Maximum Annual Facilities Special Tax, the Maximum Annual Maintenance Special Tax and Maximum Annual Special Tax Rates by the Tax Escalation Factor in all Fiscal Years following the Base Year. After the Transition Event, the City, in its sole discretion, may

determine whether to apply the Tax Escalation Factor to the Maximum Annual Maintenance Special Tax in any Fiscal Year.

- b. Assignment of the Maximum Annual Facilities Special Tax to Original Parcels. **Attachment 3** identifies the Assigned Maximum Annual Facilities Special Tax for each Original Parcel at CFD formation, which is determined for each Large Lot Parcel based on the Expected Land Uses in each Large Lot Parcel at CFD Formation. The Assigned Maximum Annual Facilities Special Tax shall continue to apply to the geographic area to which it was assigned. If, before further Subdivision, the Administrator determines there are multiple Assessor's Parcels in a Large Lot Parcel, the Administrator shall assign the Maximum Annual Facilities Special Tax to each Assessor's Parcel on a pro rata basis to all Assessor's Parcels in that Large Lot Parcel based on the percentage share of Taxable Acreage identified for each Assessor's Parcel. Similarly, if the Administrator determines there are multiple Large Lot Parcels in an Assessor's Parcel, the Maximum Annual Facilities Special Tax shall equal the sum of the Assigned Maximum Annual Facilities Special Tax for all Large Lot Parcels in that Assessor's Parcel.
- c. Assignment of the Maximum Annual Facilities Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Facilities Special Tax shall be assigned to these Annexation Parcels using the definitions in **Section 2** and the Maximum Annual Facilities Special Tax per Unit or Acre shown in **Attachment 2** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Facilities Special Taxes. **Attachment 1** or **2** shall be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Facilities Special Taxes are created, **Attachments 1, 2, and 3** should be amended to reflect the Maximum Annual Facilities Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Facilities Special Tax to Successor Parcels described in **Section 4.d**. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Assignment of the Maximum Annual Facilities Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the following steps to assign the Maximum Annual Facilities Special Tax to new Successor Parcels. As a result of each assignment of the Maximum Annual Facilities Special Tax upon Subdivision of an Original Parcel or Successor Parcel, the sum of the Maximum Annual Facilities Special Taxes assigned to the newly created Taxable Parcels shall never be less, but may be greater, than the Assigned Maximum Annual Facilities Special Tax for that Original Parcel or Successor Parcel.
 - 1. If an Original Parcel or Successor Parcel is Fully Subdivided into Single-Family Parcels with No Remainder Parcel(s). There shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Facilities Special Tax to

Single-Family Parcels. The Administrator shall use the following procedures to assign the Maximum Annual Facilities Special Tax to Single-Family Parcels. All references to Maximum Annual Facilities Special Taxes in the attachments are subject to application by the Tax Escalation Factor by the Administrator:

- A. Multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
 - B. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.1.d.A above to each Single-Family Parcel created by the Subdivision.
 - C. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
 - D. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
2. If Original or Successor Parcel Is Subdivided into Single-Family Parcels and One or More Remainder Parcels. When an Original or Successor Parcel is Subdivided into Single-Family Parcels and one or more Large Lot Parcels (or Remainder Parcels), the Assigned Maximum Annual Facilities Special Tax is apportioned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:
- A. Apportion the Assigned Maximum Annual Facilities Special Tax to the area(s) that is/are being Subdivided into Single-Family Parcels and to the area(s) that will be Remainder Parcel(s) on a pro rata basis, based on the percentage share of Taxable

Acreage represented by each such area as compared to the total area of the Original or Successor Parcel.

- B. For each area Subdivided into Single-Family Parcels, multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
- C. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.d.2.B above to each Single-Family Parcel created by the Subdivision.
- D. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- E. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- F. For the Remainder Parcel or Parcels, identify the Maximum Annual Facilities Special Tax for the entire Original or Successor Parcel that has been Subdivided. Sum the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by the Subdivision, including Single-Family Parcels with Affordable Units. Subtract the sum of the Maximum Annual Facilities Special Tax for all Single-Family Parcels from the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel

being subdivided and compare it to the Maximum Annual Facilities Special Tax assigned to the Remainder Parcel or Parcels in Step 4.d.2.A. Assign to each Remainder Parcel, the lesser of the calculations in this step or in Step 4.d.2.A, but in no event less than the difference between the previously Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel being Subdivided and the total of the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by such Subdivision.

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**.

3. If an Original or Successor Parcel is Subdivided creating multiple land uses and Tax Categories or for any rezones of land uses on Original or Successor Parcels:
 - A. Identify the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel that is being Subdivided or rezoned.
 - B. For each Taxable Parcel subject to rezone or created by Subdivision multiply the Maximum Annual Facilities Special Tax per Unit or per Acre by the number of Units or by the number of Acres by the appropriate Tax Category. For each Taxable Parcel created by Subdivision that includes Affordable Units, multiply the number of Affordable Units by the Tax per Unit for such Affordable Units.
 - C. Sum the Maximum Annual Facilities Special Tax for each Taxable Parcel and compare it to the Assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel that is subject to rezone or is being Subdivided. If the sum of Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
 - D. If the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel subject to rezone or that is being subdivided is greater than the sum of Maximum Annual Facilities Special Tax for each Successor Parcel being created, increase Proportionately the Maximum Annual Facilities Special Tax per Unit or per Acre for all Tax Categories on each Taxable Parcel such that the sum of Maximum Annual Facilities Special Tax for all Taxable Parcels equals the Assigned Maximum Annual Facilities Special Tax for the Original Parcel.
- e. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her 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. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Facilities Special Tax per Unit based on their Tax Category as shown in **Attachment 2**, as adjusted by the Tax Escalation Factor.
- f. Transfer of the Assigned Maximum Annual Facilities Special Tax from One Large Lot Parcel to Another. The Maximum Annual Facilities Special Taxes shown in **Attachment 3** were determined based on the Expected Land Uses for each Large Lot Parcel shown in

Attachment 1. If the number of planned residential Units or Nonresidential Acreage is transferred from one Large Lot Parcel to another before recording 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 Facilities 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 Annual CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachment 1, 2, or 3** 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, 2, or 3**. Before the transfer, the City may require a deposit from the requesting property owner for such costs.

- g. 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 Facilities Special Tax. The Maximum Annual Facilities Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 4 and 5** of the RMA.
- h. 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 park 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 Facilities 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 Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director.

5. Administrative Tasks for the Maintenance Special Tax

This section discusses the administrative tasks for the Maintenance Special Tax, which shall be applicable after the Transition Event.

Tasks required of the Administrator are discussed below:

- a. Assignment of the Maximum Annual Maintenance Special Tax to Developed Parcels. After the Transition Event, the Administrator shall assign the Maximum Annual Maintenance Special Tax to all Developed Parcels using the Maximum Annual Special Tax Rates for the Maintenance Special Tax by Tax Category shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- b. Assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels. After the Transition Event, if Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the steps in **Section 4.d** to assign the Maximum Annual Maintenance Special Tax to new Successor Parcels. **When**

applying Section 4.d after the Transition Event, the Administrator shall substitute Maintenance Special Tax for Facilities Special Tax and shall substitute Maximum Annual Maintenance Special Tax for Maximum Annual Facilities Special Tax.

- c. Assignment of the Maximum Annual Maintenance Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Maintenance Special Tax shall be assigned to these Annexation Parcels using the definitions in Section 2 and the Maximum Annual Maintenance Special Tax per Unit or Acre shown in **Attachment 4** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Maintenance Special Taxes. **Attachment 1** may be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Maintenance Special Taxes are created, **Attachment 4** should be amended to reflect the Maximum Annual Maintenance Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels described in this section. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her 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. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Maintenance Special Tax per Unit based on their Tax Category as shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- e. 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 Maintenance Special Tax. The Maximum Annual Maintenance Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 5 and 6** of the RMA.
- f. 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 park 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 Maintenance 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 Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director

6. Assignment of the Maximum Annual Special Tax

- a. Classification of Parcels. For purposes of the next Fiscal Year tax levy, 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 Facilities Special Tax to Taxable Parcels. The Maximum Annual Facilities 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**.
- c. Assignment of the Maximum Annual Maintenance Special Tax to Taxable Parcels. The Maximum Annual Maintenance 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 **Sections 4 and 5**.

7. Calculating Annual Special Taxes

This section discusses the levy of the Facilities Special Tax and the Maintenance Special Tax. Collectively, these Special Taxes are included in the discussion of the assignment of the Maximum Annual Special Taxes. For the period following CFD formation until the Transition Event, the Maximum Annual Special Tax shall refer to the Facilities Special Tax. Beginning with the Transition Year, the Maximum Annual Special Tax shall refer to the Maintenance Special Tax.

The Administrator will compute the Annual Facilities Costs or Annual Maintenance Costs and determine the annual Special Tax levy for each Taxable Parcel based on the assignment of the Special Tax in **Sections 4, 5, and 6**. The Administrator then will determine the tax levy for each Taxable Parcel using the following process:

Facilities Special Tax Levy

- a. Compute the Annual Facilities Costs using the definition of Annual Facilities Costs in **Section 2**.
- b. For all Taxable Parcels, calculate the Facilities Special Tax levy for each using the following steps:
 - Step 7.b.1. The Facilities Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Facilities Cost or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Developed Parcels, whichever is less.
 - Step 7.b.2. If additional revenue is needed after *Step 7.b.1.*, the Facilities Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed in *Step 7.b.1.*, equals the Annual Facilities Costs, or up to

100 percent of the Maximum Annual Facilities Special Tax Revenue for all Small Lot Tentative Map Parcels. As necessary, the Facilities Special Tax shall be levied on Small Lot Tentative Map Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.3. If additional revenue is needed after *Step 7.b.2.*, the Facilities Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed through *Step 7.b.2.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Large Lot Parcels. As necessary, the Facilities Special Tax shall be levied on Large Lot Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.4. If additional revenue is needed after *Step 7.b.3.*, the Facilities Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.3.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Undeveloped Parcels. As necessary, the Facilities Special Tax shall be levied on Undeveloped Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Maintenance Special Tax Levy

c. Beginning in the Transition Year, compute the Annual Maintenance Cost using the definition of Annual Maintenance Costs in **Section 2**.

d. For all Taxable Parcels, calculate the Maintenance Special Tax levy for each using the following steps:

Step 7.d.1. The Maintenance Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Maintenance Cost or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Developed Parcels, whichever is less.

Step 7.d.2. If additional revenue is needed after *Step 7.d.1.*, the Maintenance Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed in *Step 7.d.1.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Small Lot Tentative Map Parcels.

Step 7.d.3. If additional revenue is needed after *Step 7.d.2.*, the Maintenance Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed through *Step 7.d.2.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Large Lot Parcels

Step 7.d.4. If additional revenue is needed after *Step 7.d.3.*, the Maintenance Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.3.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Undeveloped Parcels.

- e. Levy on each Taxable Parcel the amount calculated above.
- f. 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 be sent no later than the date required by the County Auditor for such inclusion.

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

8. Prepayment of the Facilities Special Tax Obligation

A property owner may at any time prepay 50 percent, but not more or less than 50 percent of the Maximum Annual Facilities Special Tax. For Nonresidential Use Parcels, Full Prepayment is permissible at any time. Full Prepayment is not allowable for Residential Use Parcels.

In addition to the conditions above, the City may allow a Full or Partial Prepayment if the City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years where there will be Outstanding Bonds. Prepayments must be made by May 1 to have the Prepayment reflected in the following Fiscal Year's Special Tax levy. Prepayment is permitted only under the following conditions:

- The landowner prepaying the Facilities Special Tax on a Parcel has paid any delinquent Facilities Special Tax and penalties on that Parcel before Prepayment.
- Following Prepayment, amounts in the reserve fund are equal to or greater than the reserve fund requirement.
- The City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years in which issued Bonds will be outstanding.
- The portion of the Prepayment for the Development Impact Fee Deferral shall only be used to pay for the Development Impact Fee Deferral whether it was or is to be funded through annual special tax payments or through bonded indebtedness.

When permitted, the Administrator shall calculate Prepayments using the following steps:

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

- Step 8.a.1: Determine the Facilities Special Tax for the Taxable Parcel for which the Facilities Special Tax is to be prepaid using the provisions of **Sections 4, 5, and 6**. If the Parcel is not designated as a Developed Parcel, determine the applicable Facilities Special Tax for the Parcel assuming it is a Developed Parcel.
- Step 8.a.2: Increase the Facilities Special Tax by 2 percent per annum for the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax as a Developed Parcel, or (ii) the end of the then-remaining Initial Bonding Period.
- Step 8.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 8.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.
- Step 8.a.4: Add to the amount calculated in *Step 8.a.3* interest on the Bonds being redeemed to the next redemption date.
- Step 8.a.5: Add to the amount calculated in *Step 8.a.4* a redemption premium on the Bonds being redeemed (if any).
- Step 8.a.6: Add to the amount calculated in *Step 8.a.5* the Development Impact Fee Deferral amount applicable to the Parcel, as adjusted for inflation. If Bonds have been issued to finance the Development Impact Fee Deferral, follow *Step 8.a.2* and *8.a.3*, using for *Step 8.a.2* the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax during the Deferral Bonding Period, or (ii) the end of the then-remaining Deferral Bonding Period.
- Step 8.a.7: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 8.a.6*.
- Step 8.a.8: The amount in *Step 8.a.7* is the amount of the Full Prepayment of the Maximum Annual Special Tax for the Taxable Parcel.

b. Partial Prepayments will be calculated as described below:

The amount of any Partial Prepayment is limited to 50 percent of the Full Prepayment amount determined in *Step 8.a.8*. A Partial Prepayment may only be made in an amount equal 50 percent 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 8.a.7* shall be included in the Partial Prepayment. The Facilities Special Tax that can be levied on a Parcel after a Partial Prepayment is made is equal to one-half of the Facilities Special Tax that could have been levied before the Partial Prepayment.

9. 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 Finance Director appealing the levy of the Special Tax. The Finance Director then will promptly review the appeal and, if necessary, will meet with the applicant. If the Finance Director 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.

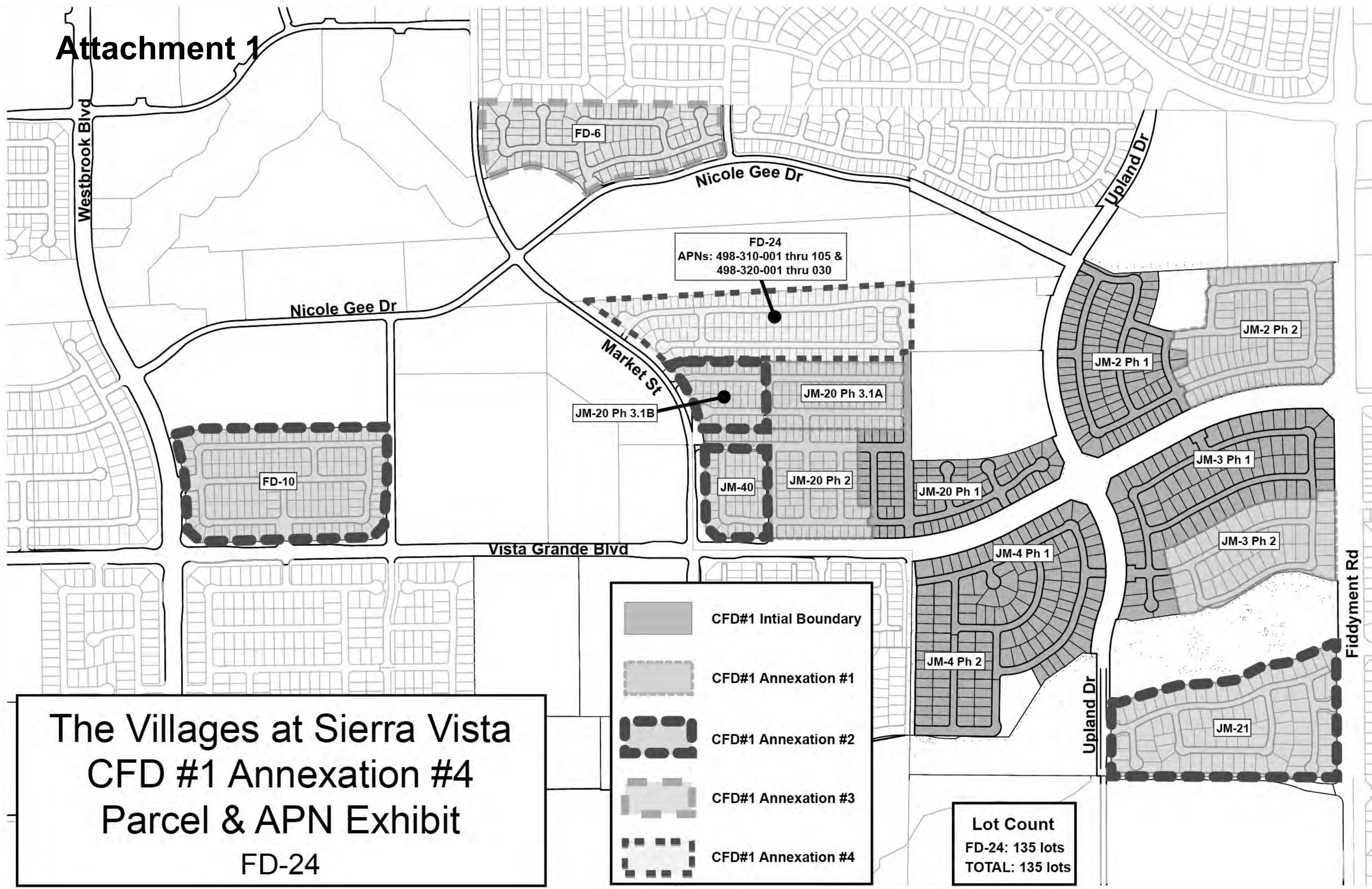
Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the Finance Director may make minor, non-substantive administrative and technical changes to the provisions of this RMA that do not materially affect the rate, method of apportionment, or manner of collection of the Special Tax 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 that 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 is only applicable to such owner's land and does not reduce the total Maximum Annual CFD Special Tax Revenue.

10. 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, 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 2
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$1,800.00	\$0.00
Medium Density Residential (MDR)	\$1,600.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$800.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	<u>per Taxable Acre</u>
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$9,500.00	\$0.00

"att2"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Attachment 3

Villages at Sierra Vista CFD No. 1 (Public Facilities)

Assigned Maximum Annual Special Tax for Original Parcels (Base Year of FY 2018-19) [1] [2]

Original Parcel	Village Number	Expected Land Uses				Assigned Maximum Annual Special Tax per Unit [1] [2]	Assigned Maximum Annual Special Tax per Village [1] [2]
		Tax Category	Acres	Planned Units	Planned Units per Acre		
Initial Parcels at Formation							
498-010-036	JM-20, Phase 1	MDR	13.2	88	6.7	\$1,600.00	\$140,800.00
498-010-037	JM-2, Phase 1	LDR	15.3	92	6.0	\$1,800.00	\$165,600.00
498-010-040	JM-3 - Phase 1	LDR	19.5	83	4.3	\$1,800.00	\$149,400.00
498-010-042	JM-4, Phase 1	LDR	18.6	92	4.9	\$1,800.00	\$165,600.00
498-010-043	JM-4, Phase 2	LDR	7.0	40	5.7	\$1,800.00	\$72,000.00
Subtotals			73.6	395			\$693,400.00
CFD Annexation No. 1 [3]							
498-110-001 to 095	JM-2, Phase 2	LDR		95		\$1,800.00	\$171,000.00
498-120-001 to 044	JM-3, Phase 2	LDR		44		\$1,800.00	\$79,200.00
498-130-001 to 075	JM-20, Phase 2	MDR		75		\$1,600.00	\$120,000.00
498-140-001 to 069	JM-20, Phase 3, 1A	MDR		69		\$1,600.00	\$110,400.00
Subtotals				283			\$480,600.00
CFD Annexation No. 2							
498-180-004	JM-20, Phase 3, 1B	MDR	4.7	39	8.3	\$1,600.00	\$62,400.00
498-130-076	JM-40	MDR	5.6	35	6.3	\$1,600.00	\$56,000.00
498-010-047	JM-21	LDR	18.3	80	4.4	\$1,800.00	\$144,000.00
498-020-026	FD-10	MDR	20.5	143	7.0	\$1,600.00	\$228,800.00
Subtotals			49.1	297			\$491,200.00
CFD Annexation No. 3							
498-020-042-000	FD-6	LDR	14.5	95	6.5	\$1,800.00	\$171,000.00
CFD Annexation No. 4							
498-310-001 to 105	FD-24 (por)	MDR		105		\$1,600.00	\$168,000.00
498-320-001 to 030	FD-24 (por)	MDR		30		\$1,600.00	\$48,000.00
Subtotals				135			\$216,000.00
CFD Totals				1,205			\$2,052,200.00

"att3"

[1] This amount may be increased by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If amended to included Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

[3] Final maps have been recorded for each village, and total acreage for taxable parcels is not provided for this exhibit.

Attachment 4
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before	After
	Transition Event [1]	Transition Event [1]
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$0.00	\$900.00
Medium Density Residential (MDR)	\$0.00	\$800.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale	\$0.00	\$0.00
High Density Residential (HDR) For-Rent	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$400.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$0.00	\$4,750.00

"att4"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

PROPOSED BOUNDARY OF THE VILLAGES AT SIERRA VISTA

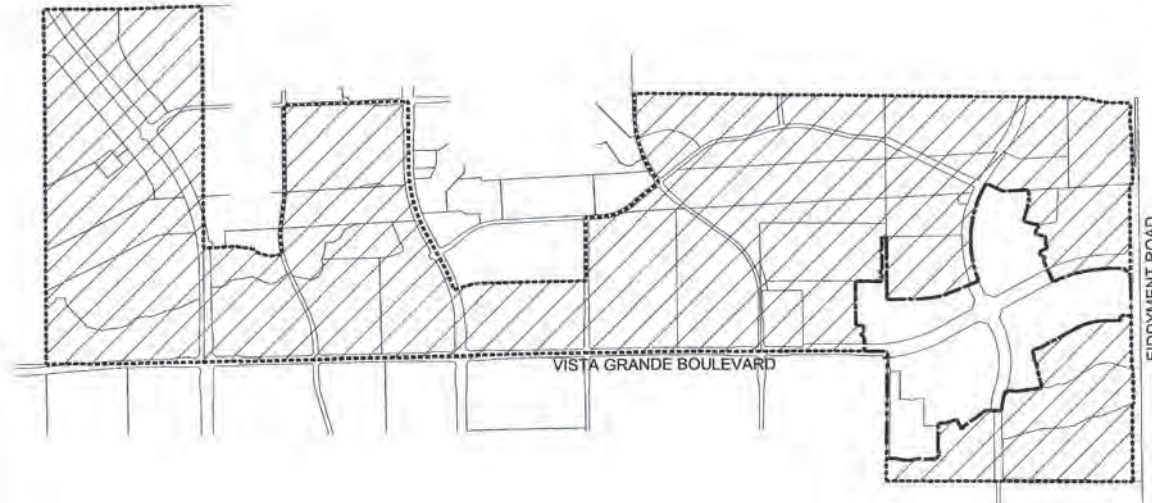
COMMUNITY FACILITIES DISTRICT NO. 1

(PUBLIC FACILITIES)

CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

SCALE: 1" = 800'

SHEET 1 OF 1

**LEGEND:**

PROPOSED CFD BOUNDARY



AREAS OF FUTURE ANNEXATION

CITY CLERK'S STATEMENT:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER,
STATE OF CALIFORNIA THIS 21 DAY OF March, 2018.

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

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE
VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), 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 21
DAY OF March, 2018, BY ITS RESOLUTION NUMBER 18-86

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

RECORDER'S STATEMENT:

FILED THIS 26th DAY OF March, 2018, AT THE HOUR OF 11:46 O'CLOCK, A.M.

IN BOOK 3 OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE 77

IN THE OFFICE OF THE RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA

DOC NO. 2018-0019977

RYAN RONCO
PLACER COUNTY RECORDER

FEE: \$ 8.00

BY:
DEPUTY

MAP PREPARED BY:

MARCH, 2018



BAKER-WILLIAMS ENGINEERING GROUP

Engineering / Surveying / Land Planning / Entitlement Processing / GPS Services
8020 Rutland Drive, Suite 19 - Carmichael, CA 95608
(916) 331-4336 - fax (916) 331-4430 - office@bakerwilliams.com

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 The Villages at Sierra Vista CFD No. 1, Series 2023

Residential Subdivision

Vista Grande Blvd.

Roseville, Placer County, California 95747

Prepared For:

City of Roseville

Effective Date of the Appraisal:

June 1, 2023

Report Format:

Appraisal Report – Standard Format

IRR - Sacramento

File Number: 193-2023-0288





City of Roseville The Villages at Sierra Vista CFD No. 1, Series 2023
Vista Grande Blvd.
Roseville, California



August 8, 2023

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

SUBJECT: Market Value Appraisal
 City of Roseville The Villages at Sierra Vista CFD No. 1, Series 2023
 Vista Grande Blvd.
 Roseville, Placer County, California 95747
 IRR - Sacramento File No. 193-2023-0288

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, by ownership, of the fee simple interest of certain properties within the boundaries of the City of Roseville The Villages at Sierra Vista Community Facilities District No. 1 ("CFD No. 1"). The client for the assignment is the City of Roseville, and the intended use is for bond underwriting purposes.

The Sierra Vista Specific Plan area encompasses approximately 2,064 gross acres within the western portion of the City of Roseville, west of Fiddymont Road, north of Baseline Road. The specific plan will include approximately 8,679 dwelling units (single and multi-family) at build out. Specifically, the subject encompasses 198.54 acres and represents Phases 1 through 4 of the Villages at Sierra Vista, which is planned for 1,205 single family detached lots in 15 neighborhoods (or Villages) with typical lot sizes ranging from 3,600 square feet to 8,300 square feet.

The appraised properties consist of 415 finished residential lots, 64 homes under construction, and 244 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 addition to the appraised parcels cited herein, there are also 482 existing single-family homes within the boundaries of the City of Roseville The Villages at Sierra Vista Community Facilities District No. 1 with a complete assessed value for both land and improvements that are not appraised herein. Rather, the aggregate assessed value is combined with the aggregate value of the appraised properties to provide a total aggregate value of the CFD.

We have been requested to provide a market value of the appraised properties by ownership, as well as a cumulative, or aggregate, value of the properties, as of the date of value which account for the impact of the Lien of the Special Tax securing the City of Roseville The Villages at Sierra Vista CFD No. 1 Bonds. It is a hypothetical condition of the Appraisal that certain proceeds from the Bonds are available to reimburse certain infrastructure improvements.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (2004). This document is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the 2022-2023 edition of USPAP.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinions of value, as of June 1, 2023, are as follows:

Value Conclusions			
Value Premise	Date of Value	No. of Parcels	Aggregate Value
Aggregate Value of Appraised Properties	June 1, 2023	723	\$209,414,000
Aggregate Value of Existing Homes based on Assessed Value	June 1, 2023	482	\$256,262,052
Total Aggregate Value of Appraised and Assessed Properties in the District	June 1, 2023	1,205	\$465,676,052

The value conclusions noted above are subject to the Extraordinary Assumptions, Hypothetical Conditions, General Assumptions and Limiting Conditions referenced in this report.

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. None

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 reimburse for improvements already completed. The estimates of market value account for the impact of the Lien of the Special Taxes securing the Bonds.
-

This 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 without a completed home without a complete assessed improvement value assigned.

The market value of the appraised properties by Assessor’s parcel can be found in the Addenda of this Appraisal Report. Any properties within CFD No. 1 not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites) are not a part of this appraisal.

Please note the aggregate value noted above ***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, by ownership, herein specifically assume the appraised properties within the boundaries of the CFD are not marketed concurrently, which would suggest a market under duress.

Dennis Kauffman
City of Roseville
August 8, 2023
Page 4

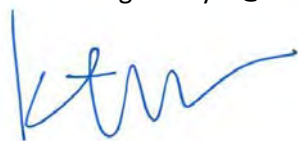
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

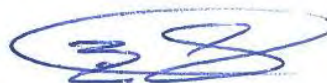
INTEGRA REALTY RESOURCES - SACRAMENTO



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Executive Summary

Property Name	City of Roseville The Villages at Sierra Vista CFD No. 1, Series 2023
Address	Vista Grande Blvd. Roseville, Placer County, California 95747
Property Type	Land - Residential Subdivision
Owner of Record	John Mourier Construction, Inc., Richmond American Homes and various homeowners
Land Area	198.54 acres; 8,648,402 SF
Zoning Designation	RS/DS, Small Lot Residential/Development Standard
Highest and Best Use	Single-family residential
Highest and Best Use - As Improved	Completion of any remaining site work and single-family home construction
Exposure Time; Marketing Period	12 months; 12 months
Effective Date of the Appraisal	June 1, 2023
Date of the Report	August 8, 2023
Property Interest Appraised	Fee Simple

Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Aggregate Value of Appraised Properties	Fee Simple	June 1, 2023	\$209,414,000
Aggregate Retail Value of Existing Homes based on Assessed Value	Fee Simple	June 1, 2023	\$256,262,052
Total Aggregate Value of Appraised and Assessed properties in the District	Fee Simple	June 1, 2023	\$465,676,052

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 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. None

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.

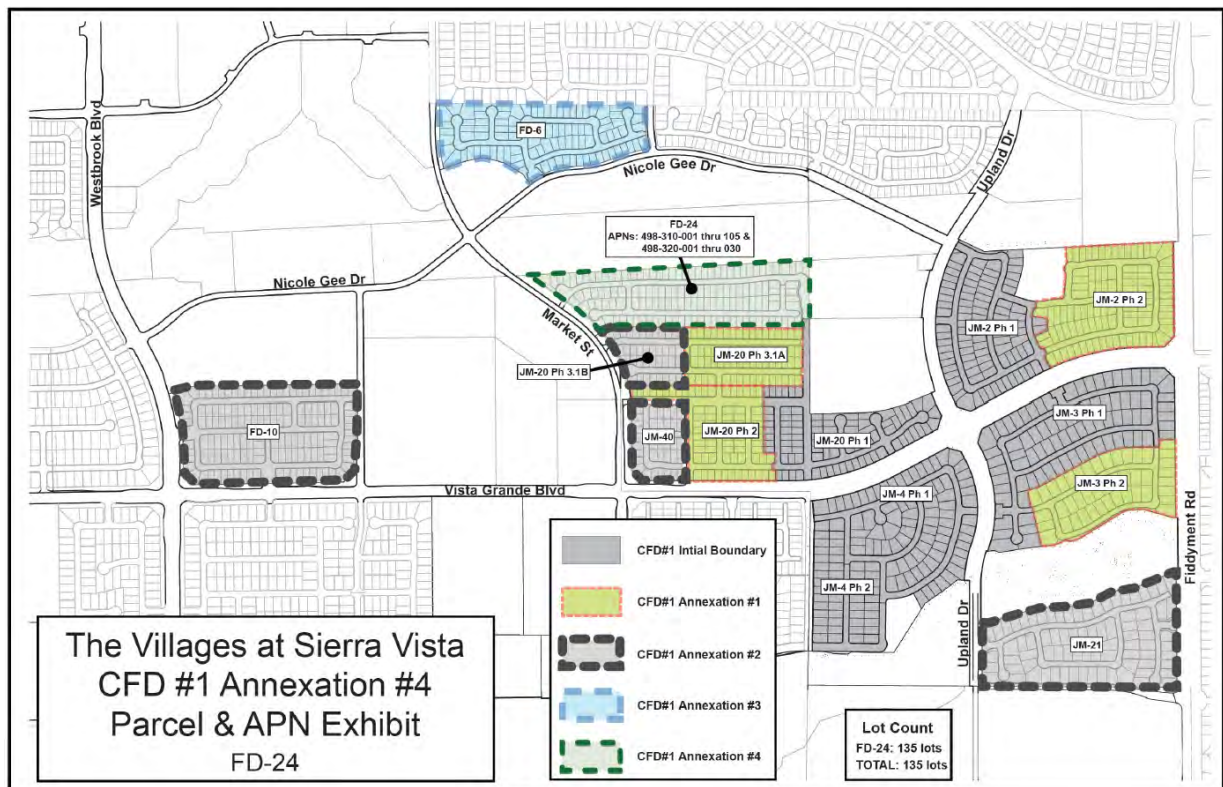
1. It is a hypothetical condition of the Appraisal that certain proceeds from the Bonds are available to reimburse for improvements already completed. The estimates of market value account for the impact of the Lien of the Special Taxes securing the Bonds.

Identification of the Appraisal Problem

Subject Description

The Sierra Vista Specific Plan area encompasses approximately 2,064 gross acres within the western portion of the City of Roseville, west of Fiddymont Road, north of Baseline Road. The specific plan will include approximately 8,679 dwelling units (single and multi-family) at build out. Specifically, the subject encompasses 198.54 acres and represents Phases 1 through 4 of the Villages at Sierra Vista, which is planned for 1,205 single family detached lots in 15 neighborhoods (or Villages) with typical lot sizes ranging from 3,600 square feet to 8,300 square feet.

A map of the included boundaries is presented as follows:



Strengths:

- Desirable regional location (south Placer County, Roseville)
- The housing market remains stable
- Appeal to a broad range of prospective buyers
- Good condition of surrounding homes and immediate path of growth
- Good transportation linkages with proximity to State Highway 65 and Interstate 80
- Diversity of product offerings

- Weaknesses:**
- The increase in the number of competing, active subdivisions in West Roseville could impact overall absorption and pricing in the market in the near term
- Opportunities:**
- Housing shortage in the region may lead buyers to consider purchasing in the development
 - Current shortage of developable lots within the region
- Threats:**
- Macroeconomic factors, and the possibility the economy becomes stagnant, and the residential sector loses steam
 - Rising interest rates could price out potential buyers
 - Unforeseen delays

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. Certain market transactions, including the recent sale of homes by JMC Homes, and the sale of Village FD-10 from JMC Homes to Richmond American Homes, will be analyzed in the valuation section herein.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the market value of the fee simple interest by ownership and Assessor's parcel, and the cumulative, or aggregate value of the appraised properties comprising City of Roseville The Villages at Sierra Vista Community Facilities Districts (CFD) No. 1, subject to the hypothetical condition that certain proceeds from the Bonds are available to reimburse for certain infrastructure improvements completed, as of the effective date of the appraisal, June 1, 2023. The date of the report is August 8, 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

Client and Intended User(s)

The client is the City of Roseville. The intended users are the City of Roseville and its associated finance team. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

Intended Use

The intended use of the appraisal is for bond underwriting purposes and will be included in the Preliminary Official Statement and the Official Statement used to market the bonds. The appraisal is not intended for any other use.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal 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 (2004).

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*, 6th ed. (Chicago: Appraisal Institute, 2015)

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

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 not performed appraisal services for the subject property 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. The steps taken to verify comparable data are disclosed in the addenda of this 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.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site and improvements, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

Inspection

Eric Segal, MAI, and Kari Tatton conducted an on-site inspection on June 15, 2023. Kevin Ziegenmeyer, MAI, also conducted an on-site inspection of the property.

Valuation Methodology

This Appraisal Report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This analysis is intended to be an “appraisal assignment,” as defined by USPAP; the intention is the appraisal service be performed in such a manner that the result of the analysis, opinions, or conclusion be that of a disinterested third party.

Several legal and physical aspects of the appraised properties were researched and documented. A physical inspection of the property was completed and serves as the basis for the site description contained in this report. The sales history was verified by consulting public records. Zoning and entitlement information was collected from the City of Roseville Planning Department. The subject’s earthquake zones, flood zones and utilities were obtained from the respective agencies, and property tax information was obtained from the County of Placer Assessor’s Office on-line resources.

Data relating to the subject's neighborhood and surrounding market area were analyzed and documented. This information was obtained through personal inspections of portions of the neighborhood and market area; newspaper articles; real estate conferences; and interviews with various market participants, including property owners, property managers, land brokers, developers and local government agencies.

In this appraisal we determined the highest and best use of the subject property as though vacant based on the four standard tests (legal permissibility, physical possibility, financial feasibility and maximum productivity). As will be shown in the *Highest and Best Use Analysis* section, the highest and best use of the subject property is for near term single-family residential development (production homes).

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 marketed within each subdivision.

Next, we employed the sales comparison approach and Land residual analysis to estimate the market value of a benchmark lot category of the residential 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, based upon lot size differences that exist from the benchmark lot size category.

The market value estimates for the various taxable land use components described above were then assigned to the various Assessor's parcels comprising the Appraised Properties in order to derive the values, by ownership.

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 of the proceeds from the Bonds are available to reimburse for certain infrastructure improvements completed.

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

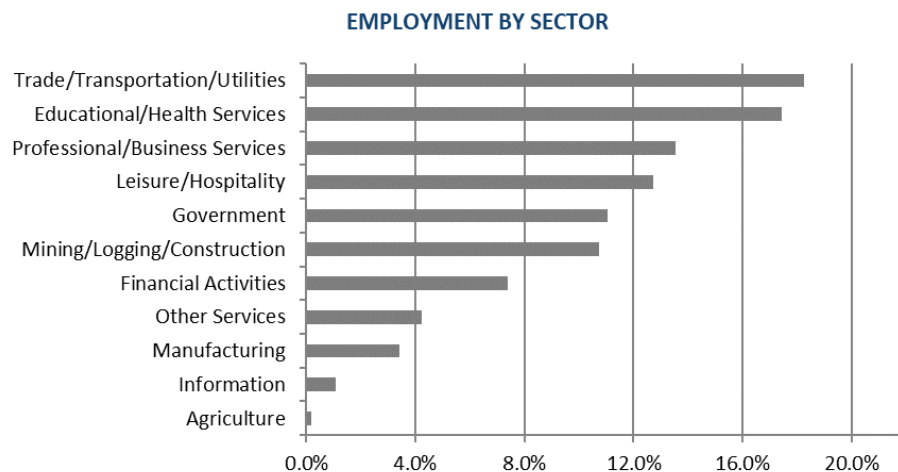
The California Employment Development Department has reported the following employment data for Placer County over the past five years.

Employment Trends						
	2017	2018	2019	2020	2021	2022
Labor Force	181,200	185,600	189,000	187,400	189,600	193,800
Employment	174,200	179,700	183,100	173,400	180,000	187,900
Annual Employment Change	2,700	5,500	3,400	(9,700)	6,600	7,900
Unemployment Rate	3.9%	3.2%	3.1%	7.5%	5.1%	3.0%
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 and 2022.

The California Employment Development Department reported an unemployment rate of 3.7% in Placer County in March 2023, above the rate of 3.2% a year prior. This compares to the average rates of 4.8% for California and 3.6% for the nation.

The following chart indicates the percentage of total employment for each sector within the county based on the 2021 annual average, the most recent available data for Placer County separate from the Sacramento MSA.



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 2023 is \$109,628, which is higher than the state of California's median income of \$89,113.

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.

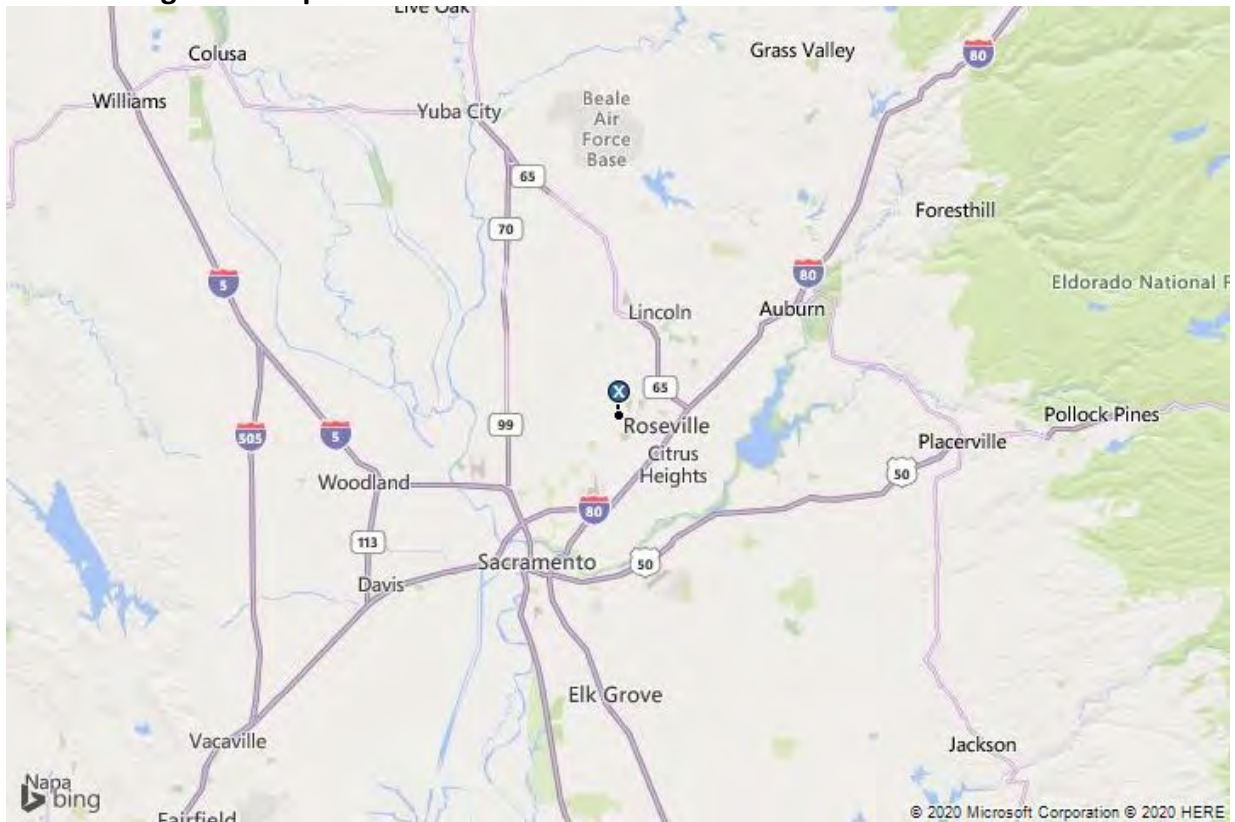
Conclusion

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 pandemic. Market and economic conditions have since improved, however, in the near term, macroeconomic factors, particularly high inflation and rising interest rates, have reintroduced uncertainty in the market. The long-term outlook for the region is positive given the county's strong attributes and the historical stability of the local economy.

Surrounding Area Map



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 Fiddymment 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 thoroughfares in the neighborhood that provide access to the subject are Pleasant Grove Boulevard and Vista Grande 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 Fiddymment 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, Fiddymment Road connects to areas of unincorporated Placer County and the outskirts of the city of Lincoln (where it terminates at Moore Road). Vista Grande Boulevard is an east-west surface street that connects with Fiddymment Road to the east, and upon build out, will continue on to allow access to the remainder of the Sierra Vista Specific Plan area (a small portion west of Market Street remains incomplete).

Other primary connectors in the neighborhood are Fiddymment Road, Woodcreek Boulevard and Foothills Boulevard. Future connectors include Market Street (continued on from the north), Upland Drive, 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	501	49,783	164,685	75,357	404,739
Population 2023	593	52,750	170,808	80,747	419,929
Population 2028	721	57,197	180,270	88,445	441,444
Compound % Change 2020-2023	5.8%	1.9%	1.2%	2.3%	1.2%
Compound % Change 2023-2028	4.0%	1.6%	1.1%	1.8%	1.0%
Households 2020	200	16,909	55,348	26,674	152,101
Households 2023	250	17,761	57,197	28,284	157,404
Households 2028	311	19,146	60,196	30,714	165,055
Compound % Change 2020-2023	7.7%	1.7%	1.1%	2.0%	1.1%
Compound % Change 2023-2028	4.5%	1.5%	1.0%	1.7%	1.0%
Median Household Income 2023	\$95,400	\$113,513	\$99,182	\$130,161	\$109,628
Average Household Size	2.4	3.0	3.0	2.9	2.6
College Graduate %	26%	39%	33%	45%	41%
Median Age	37	39	38	40	43
Owner Occupied %	76%	78%	72%	79%	73%
Renter Occupied %	24%	22%	28%	21%	27%
Median Owner Occupied Housing Value	\$721,433	\$629,119	\$569,547	\$687,576	\$701,696
Median Year Structure Built	2005	2000	1995	2003	1993
Average Travel Time to Work in Minutes	32	34	33	33	30
Source: Claritas					

As shown above, the current population within a 3-mile radius of the subject is 52,750, and the average household size is 3.0. 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 slower rate.

Median household income is \$113,513, which is lower than the household income for the 95747 zip code. Residents within a 3-mile radius have a lower level of educational attainment than those of the 95747 zip code, while median owner occupied home values are considerably lower.

Land Uses

A map of land uses in the vicinity of the subject is provided as follows:



Community Uses

There are several community uses in the neighborhood, such as schools, churches, medical facilities, parks, and recreational and cultural facilities. 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 neighborhood, 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.

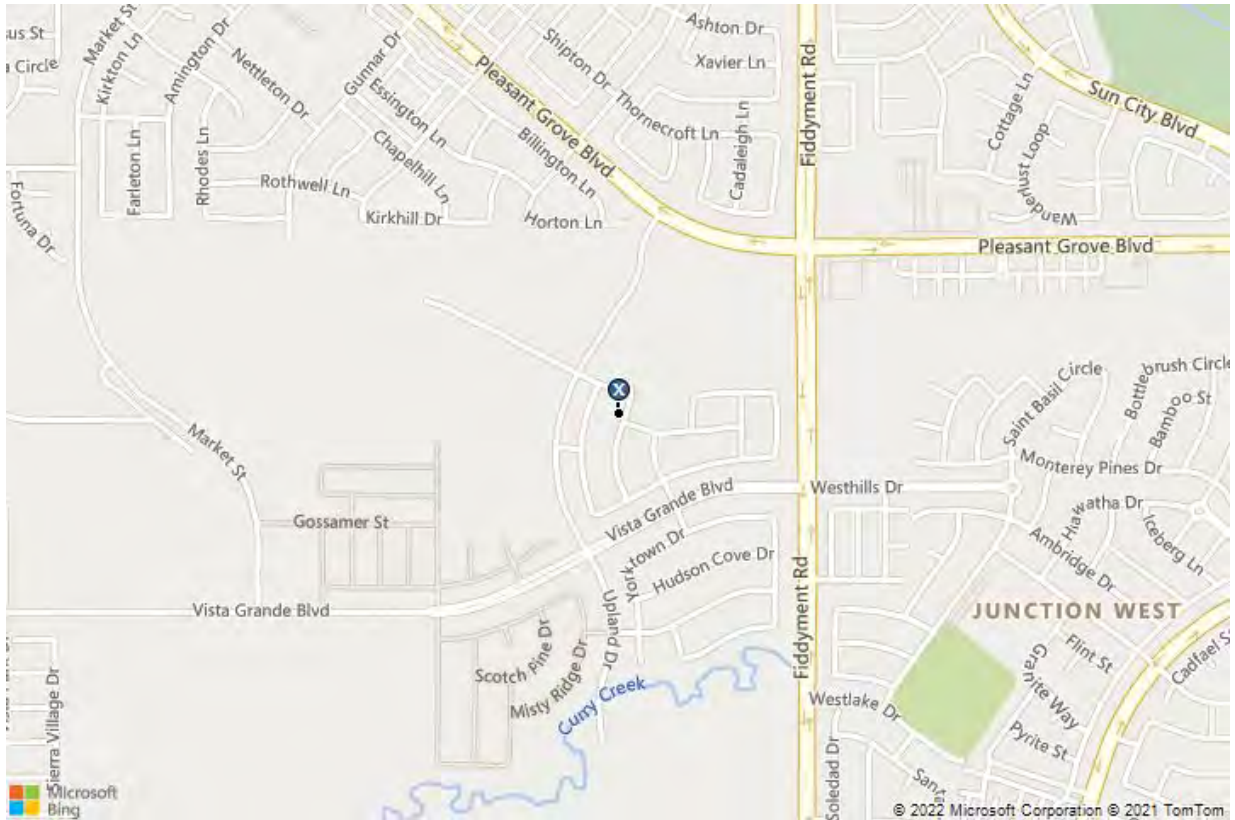
Woodcreek High School is located on the west line of Woodcreek Oaks Boulevard, south of Pleasant Grove Boulevard. The Placer County Fairgrounds is located at the intersection of Junction Boulevard and Washington Boulevard.

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.

The residential housing market has been changing due to rising interest rates. After a period of expansion leading up to, and sustained during, the COVID-19 pandemic with low mortgage interest rates, the increased cost of borrowing, which began in 2022, put downward pressure on housing affordability and, consequently, housing prices. A survey of several active homebuilders was conducted to gain insight relative to current market conditions. While new home sales trended downward over the course of 2022, for many submarkets the compression was most pronounced in late 2022. The duration of the downward trend appears to have been short-lived in some submarkets and lingering in others. However, the overall consensus among active market participants is the downward trend has stabilized or increased, based on submarket, with limited evidence of ongoing downward pressure. In many new home submarkets sales began rising in the Spring of 2023. This is partially due to low resale inventory, as existing homeowners with low interest rate mortgages have reconsidered a move, with a corresponding higher interest rate mortgage. The result is a more constrained resale market inventory, leading many first-time buyers to find increased opportunities in the new home market despite slightly higher prices than resale homes. With the market volatility in the second half of 2022, buyers were concerned with settling for a higher interest rate, but were also waiting to see if home prices would decline. Some buyers were accepting of the higher interest rates but wanted assurance they weren't overpaying for a home that would soon drop in price. Reportedly, many new homebuyers have now adjusted their budgets to current interest rates, which have stabilized, and seem more confident in their expectations of interest rate activity in the near term. Homebuilders are still offering concessions in the market to buy down the interest rates for prospective buyers, which decreases the net sale price to the homebuilders, but allows more buyers to afford the new home product; this trend is expected to continue in the near term, as the higher interest rate environment has led to tighter lending standards. It's also worth noting the unemployment rate has risen slightly following the recent trend in company layoffs impacting many of the technology sectors throughout the Bay Area and Southern California, which may impact the homebuyer market in many submarkets.

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 as well as empty nesters looking to downsize.

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
2023 (Apr.)	315	784

Source: SOCDs Building Permits Database

As shown by the preceding chart, building permit activity in Placer County was at a high point 2007, followed by a dramatic decline during the recessionary period through 2011, when it resumed an upward climb since.

A generally similar pattern is observed for permit activity in the city of Roseville. Activity generally fell from 2007 into 2011, then increased into 2012, was generally stable/flat for a few years, and resumed an upward climb from 2013 into 2015, with a slight decline in 2016. Permit activity in 2017, 2020, 2021 and 2022 surpassed the previous high experienced in 2007.

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 within 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
2Q 2019	\$562,415	--	2,559	\$219.78	--	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
1Q 2023	\$736,396	1.6%	2,452	\$300.32	0.0%	778	78	3.32

As shown by the table, new home pricing in Placer County has generally been in an upward trend over the past three years, albeit with some fluctuations. The highest sale price (net of incentives) in the data set - \$736,396 - was observed in the most recent quarter. The average price per square foot over the last three years was at a low point in First Quarter 2018 and has been on a gradual upward trend since then.

With regard to absorption of product, the range of the number of home sales per project per month over the last three years is 1.76 (Fourth Quarter 2018) to 5.23 (First Quarter 2021), with no particular noticeable pattern in the data set. Over the past year, absorption rates have ranged from 1.25 to 3.32 sales per month, and the average absorption over the past year has been 2.12 sales per month, or approximately 6.35 sales per quarter.

Active New Home Projects Pricing and Absorption

According to the Gregory Group, there are currently 40 active projects in Roseville, all of which are detached product. The projects are summarized in the following table as of First Quarter 2023.

Active Projects											
Project	Master Plan	Community	Developer	Average Price	Avg. Home Size (SF)	Average Price/SF	Typical Lot Size	Units Planned	Units Offered	Units Sold	Units Unsold
Andorra	Sierra West	Roseville	Lennar Homes	\$614,490	2,276	\$270	6,300	193	122	119	3
Aspire at Solaire	Solaire	Roseville	K. Hovnanian Homes	\$611,887	2,152	\$284	3,825	180	174	168	6
Balboa	Fiddymment Farm	Roseville	D.R. Horton	\$465,240	1,366	\$341	2,400	299	168	163	5
Bartlett	Mason Trails	Roseville	KB Home	\$572,162	2,313	\$247	6,000	53	50	48	2
Belle Maison	Campus Oaks	Roseville	Lennar Homes	\$553,990	1,916	\$289	2,400	132	126	124	2
Breckenridge†	Sierra West	Roseville	Lennar Homes	\$639,990	2,571	\$249	3,850	182	66	62	4
Cabernet at Brady Vineyards	No	Roseville	Woodside Homes	\$689,657	2,573	\$268	6,600	118	16	9	7
Chantilly	Campus Oaks	Roseville	Lennar Homes	\$589,490	1,981	\$298	3,600	86	76	74	2
Cortland	Mason Trails	Roseville	KB Home	\$514,740	1,928	\$267	5,500	110	77	71	6
Corvara II	Campus Oaks	Roseville	Lennar Homes	\$751,740	2,469	\$304	4,000	112	95	92	3
Emilia	Placer Vineyards	Roseville	Lennar Homes	\$721,740	2,683	\$269	6,825	257	81	65	16
Excelsior†	Sierra Vista	Roseville	JMC Homes	\$846,657	2,962	\$286	7,500	80	20	9	11
Fairbrook	Fiddymment Farm	Roseville	JMC Homes	\$699,990	2,190	\$320	5,000	115	72	65	7
Farms at Riolo Mariposa	No	Roseville	Homes by Towne	\$576,133	2,189	\$263	7,000	107	107	105	2
Firefly	Winding Creek	Roseville	K. Hovnanian Homes	\$611,020	2,128	\$287	3,600	122	82	73	9
Homestead	Mason Trails	Roseville	Fieldstone Communities	\$934,667	3,184	\$294	14,500	11	11	4	7
Illumination	Solaire	Roseville	Tri Pointe Homes	\$551,323	2,021	\$273	3,000	110	100	93	7
Lazio^	Placer Vineyards	Roseville	Lennar Homes	\$593,190	2,133	\$278	5,775	311	88	76	12
Lumiere†	Sierra West	Roseville	Lennar Homes	\$736,240	2,745	\$268	6,300	205	123	115	8
Magnolia	Fiddymment Farm	Roseville	Taylor Morrison Homes	\$780,567	3,027	\$258	6,000	99	55	50	5
Meadowbrook	Fiddymment Farm	Roseville	JMC Homes	\$959,990	3,153	\$304	6,500	80	72	58	14
Melrose	Mason Trails	Roseville	D.R. Horton Homes	\$588,740	2,087	\$282	5,500	93	42	37	5
Meribel†	Sierra West	Roseville	Lennar Homes	\$751,990	2,947	\$255	6,300	167	121	115	6
Molise^	Placer Vineyards	Roseville	Lennar Homes	\$503,990	1,550	\$325	4,725	178	72	57	15
Moscato at Brady Vineyards	No	Roseville	Woodside Homes	\$586,990	2,120	\$277	5,000	83	12	6	6
Novara	Fiddymment Farm	Roseville	Lennar Homes	\$634,990	2,046	\$310	5,250	105	105	105	0
Palisade Village†	Sierra Vista	Roseville	JMC Homes	\$541,990	1,541	\$352	3,600	306	262	253	9
Pinnacle Village†	Sierra Vista	Roseville	JMC Homes	\$701,990	2,674	\$263	7,150	127	127	127	0
Radiance	Solaire	Roseville	Tri Pointe Homes	\$608,288	2,397	\$254	4,000	103	84	77	7
Roam	Winding Creek	Roseville	Meritage Homes	\$674,950	2,408	\$280	5,500	95	78	67	11
Sagebrook	Fiddymment Farm	Roseville	JMC Homes	\$767,490	2,339	\$328	5,500	122	74	56	18
Seasons	Mason Trails	Roseville	Richmond American Homes	\$605,950	1,810	\$335	9,600	77	19	13	6
Seasons at Sierra Vista†	Sierra Vista	Roseville	Richmond American Homes	\$536,617	2,070	\$259	4,275	143	15	9	6
Sentinel Village†	Sierra Vista	Roseville	JMC Homes	\$675,323	1,961	\$344	5,775	234	153	141	12
St. Moritz	Sierra West	Roseville	Lennar Homes	\$674,740	2,567	\$263	5,250	144	119	114	5
The Wilds II	Winding Creek	Roseville	D.R. Horton	\$553,740	1,751	\$316	3,600	182	154	150	4
Vail	Solaire	Roseville	Taylor Morrison Homes	\$813,567	3,483	\$234	6,000	74	65	60	5
Verrado	Solaire	Roseville	Beazer Homes	\$593,323	2,198	\$270	4,050	76	73	71	2
Windham	Sierra West	Roseville	Lennar Homes	\$562,740	1,981	\$284	3,500	105	71	68	3
Windsong	Winding Creek	Roseville	Richmond American Homes	\$579,450	2,172	\$267	4,500	71	40	35	5
Minimum				\$465,240	1,366	\$234	2,400				
Maximum				\$959,990	3,483	\$352	14,500				
Average				\$649,294	2,302	\$285	5,389				
*Age Restricted Project											
^Part of Subject Property											

Absorption													
Project	Master Plan	Builder	Avg. Home Price (1Q 23 Only)	Avg. Home Size (1Q 23 Only)	Lot Size (SF)	1Q 2023	4Q 2022	3Q 2022	2Q 2022	12-Month Total	Avg. Per Quarter	Avg. Per Month	
Andorra	Sierra West	Lennar Homes	\$614,490	2,276	6,300	23	3	17	7	50	12.5	4.2	
Aspire at Solaire	Solaire	K. Hovnanian Homes	\$611,887	2,152	3,825	14	4	0	10	28	7.0	2.3	
Balboa	Fiddymment Farm	D.R. Horton	\$465,240	1,366	2,400	28	11	12	25	76	19.0	6.3	
Bartlett	Mason Trails	KB Home	\$572,162	2,313	6,000	14	-1	9	18	40	10.0	3.3	
Belle Maison	Campus Oaks	Lennar Homes	\$553,990	1,916	2,400	27	11	7	4	49	12.3	4.1	
Breckenridge	Sierra West	Lennar Homes	\$639,990	2,571	3,850	17	10	18	6	51	12.8	4.3	
Chantilly	Campus Oaks	Lennar Homes	\$589,490	1,981	3,600	24	8	8	5	45	11.3	3.8	
Cortland	Mason Trails	KB Home	\$514,740	1,928	5,500	15	15	12	17	59	14.8	4.9	
Corvara II	Campus Oaks	Lennar Homes	\$751,740	2,469	4,000	13	12	4	7	36	9.0	3.0	
Excelsior	Sierra Vista	JMC Homes	\$846,657	2,962	7,500	6	1	0	2	9	2.3	0.8	
Fairbrook	Fiddymment Farm	JMC Homes	\$699,990	2,190	5,000	14	4	-5	8	21	5.3	1.8	
Firefly	Winding Creek	K. Hovnanian Homes	\$611,020	2,128	3,600	2	1	1	10	14	3.5	1.2	
Homestead	Mason Trails	Fieldstone Communities	\$934,667	3,184	14,500	3	-1	-1	2	3	0.8	0.3	
Illumination	Solaire	Tri Pointe Homes	\$551,323	2,021	3,000	19	6	4	10	39	9.8	3.3	
Lumiere	Sierra West	Lennar Homes	\$736,240	2,745	6,300	17	5	11	13	46	11.5	3.8	
Magnolia	Fiddymment Farm	Taylor Morrison Homes	\$780,567	3,027	6,000	16	9	18	7	50	12.5	4.2	
Meadowbrook	Fiddymment Farm	JMC Homes	\$959,990	3,153	6,500	5	-5	7	6	13	3.3	1.1	
Melrose	Mason Trails	D.R. Horton Homes	\$588,740	2,087	5,500	16	9	12	-	37	12.3	4.1	
Meribel	Sierra West	Lennar Homes	\$751,990	2,947	6,300	16	14	6	16	52	13.0	4.3	
Novara	Fiddymment Farm	Lennar Homes	\$634,990	2,046	5,250	1	3	10	7	21	5.3	1.8	
Palisade Village	Sierra Vista	JMC Homes	\$541,990	1,541	3,600	40	7	5	16	68	17.0	5.7	
Pinnacle Village	Sierra Vista	JMC Homes	\$701,990	2,674	7,150	2	2	0	0	4	1.0	0.3	
Radiance	Solaire	Tri Pointe Homes	\$608,288	2,397	4,000	10	5	-2	17	30	7.5	2.5	
Roam	Winding Creek	Meritage Homes	\$674,950	2,408	5,500	19	7	13	7	46	11.5	3.8	
Sagebrook	Fiddymment Farm	JMC Homes	\$767,490	2,339	5,500	4	5	-4	8	13	3.3	1.1	
Seasons	Mason Trails	Richmond American Homes	\$605,950	1,810	9,600	4	4	5	-	13	4.3	1.4	
Seasons at Sierra Vista	Sierra Vista	Richmond American Homes	\$536,617	2,070	4,275	8	-2	-1	1	6	1.5	0.5	
Sentinel Village	Sierra West	JMC Homes	\$675,323	1,961	5,775	11	6	-3	0	14	3.5	1.2	
St. Moritz	Sierra West	Lennar Homes	\$674,740	2,567	5,250	17	15	3	10	45	11.3	3.8	
The Wilds II	Winding Creek	D.R. Horton	\$553,740	1,751	3,600	21	12	5	25	63	15.8	5.3	
Vail	Solaire	Taylor Morrison Homes	\$813,567	3,483	6,000	15	15	5	9	44	11.0	3.7	
Verrado	Solaire	Beazer Homes	\$593,323	2,198	4,050	26	-2	2	3	29	7.3	2.4	
Windham	Sierra West	Lennar Homes	\$562,740	1,981	3,500	21	14	12	4	51	12.8	4.3	
Windsong	Winding Creek	Richmond American Homes	\$579,450	2,172	4,500	9	1	3	4	17	4.3	1.4	
Total						497	208	193	284				
No. of Active Projects						34	34	34	32				
Quarterly Pro-Rata						14.6	6.1	5.7	8.9				
Monthly Pro-Rata						4.9	2.0	1.9	3.0				
										2.9	Average Monthly Pro-Rata		

As shown by the data, absorption rates for new homes in West Roseville have ranged from 1.9 to 4.9 sales per month over past year, with an average of 2.9 sales per month.

Resale Pricing

The following table shows historical resale data for more recently built homes (2015 and newer) in West Roseville. 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
9708 Sword Dancer Dr	4/24/2023	3,077	\$990,000	\$960,000	\$322	103.1%	2018	3	11,439
8641 Trinidad Way	4/20/2023	3,544	\$864,900	\$864,900	\$244	100.0%	2018	2	6,578
7120 Adeliade	4/20/2023	2,018	\$680,000	\$650,000	\$337	104.6%	2021	4	5,959
1065 Zodiac Ln	4/18/2023	2,766	\$772,500	\$795,000	\$279	97.2%	2019	12	6,826
3089 Radiant Way	4/13/2023	2,277	\$665,000	\$670,000	\$292	99.3%	2018	9	5,567
2149 Pleasant Grove Blvd	4/11/2023	1,467	\$535,000	\$525,000	\$365	101.9%	2019	21	2,657
1109 Vista Verde Dr	4/10/2023	2,985	\$725,000	\$699,800	\$243	103.6%	2018	6	6,177
7249 Universal Ln	4/4/2023	1,884	\$625,000	\$625,000	\$332	100.0%	2021	65	5,502
4056 Afterlight Ln	4/4/2023	2,309	\$655,000	\$649,000	\$284	100.9%	2021	48	5,776
6072 Twin Suns St	4/3/2023	2,018	\$603,000	\$609,900	\$299	98.9%	2018	5	5,497
4048 Montcalm Pl	3/29/2023	2,185	\$585,000	\$585,000	\$268	100.0%	2017	13	2,779
8695 Morgan Creek Ln	3/28/2023	2,840	\$850,000	\$850,000	\$299	100.0%	2021	33	9,104
8473 Trinidad Way	3/27/2023	2,838	\$799,900	\$799,900	\$282	100.0%	2020	7	7,100
3193 Radiant Way	3/24/2023	2,317	\$679,000	\$679,000	\$293	100.0%	2018	9	5,937
9096 Whitefish Way	3/23/2023	3,312	\$939,000	\$929,990	\$284	101.0%	2021	5	6,612
2216 Provincetown Way	3/21/2023	1,365	\$540,000	\$538,000	\$396	100.4%	2021	88	5,637
2064 Honey Church Pl	3/20/2023	2,218	\$575,000	\$575,000	\$259	100.0%	2015	152	2,622
7733 Mount Evans Way	3/20/2023	2,347	\$705,000	\$739,000	\$300	95.4%	2017	88	6,717
7145 Encore Way	3/20/2023	1,698	\$549,900	\$549,990	\$324	100.0%	2020	49	4,500
3009 Octave Ave	3/20/2023	4,357	\$930,000	\$934,000	\$213	99.6%	2016	15	7,062
4485 Seabiscuit Dr	3/15/2023	4,122	\$1,010,000	\$979,000	\$245	103.2%	2017	6	11,252
2157 Castle Pines Way	3/13/2023	2,444	\$640,000	\$650,000	\$262	98.5%	2015	5	5,275
2064 Lanesborough St	3/8/2023	2,365	\$689,000	\$689,000	\$291	100.0%	2020	4	4,356
1072 Knox Way	3/7/2023	1,093	\$420,000	\$470,000	\$384	89.4%	2020	184	2,413
7032 Driftway Loop	3/6/2023	2,096	\$645,000	\$649,999	\$308	99.2%	2021	29	5,105
10075 Evening Star Dr	3/6/2023	2,505	\$785,000	\$785,000	\$313	100.0%	2021	6	12,197
701 Patton Dr	3/3/2023	1,476	\$390,000	\$400,000	\$264	97.5%	2015	82	4,826
4088 Trailblazer Loop	3/1/2023	1,678	\$535,000	\$535,000	\$319	100.0%	2021	9	3,642
2056 Hudson Cove Dr	2/27/2023	2,201	\$730,000	\$719,000	\$332	101.5%	2020	105	7,218
2565 Mead Way	2/27/2023	2,639	\$655,000	\$655,000	\$248	100.0%	2016	63	5,371
4056 Wyman Way	2/27/2023	3,512	\$850,000	\$855,999	\$242	99.3%	2018	15	7,283
2064 Provincetown Way	2/23/2023	1,355	\$591,250	\$600,000	\$436	98.5%	2017	18	5,650
4153 Afterlight Ln	2/22/2023	2,188	\$560,000	\$575,000	\$256	97.4%	2018	158	5,502
9013 Carneros St	2/21/2023	1,300	\$515,000	\$519,000	\$396	99.2%	2017	11	4,125
6096 Shimmer Falls Dr	2/17/2023	2,508	\$644,000	\$650,000	\$257	99.1%	2021	12	4,655
6024 Parkminster Way	2/16/2023	2,693	\$770,000	\$779,990	\$286	98.7%	2016	60	6,059
6145 Duet Way	2/15/2023	4,182	\$935,000	\$950,000	\$224	98.4%	2018	67	7,910
2057 Cattle Drive Way	2/9/2023	2,872	\$735,000	\$775,000	\$256	94.8%	2015	61	6,647
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
5105 Syracuse Way	2/1/2023	2,952	\$725,000	\$758,000	\$246	95.6%	2020	203	6,865
Total Sales	41	2,432	\$688,962	\$692,719	\$295	99.3%	2018	48	5,978
		(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)

As shown by the data, MLS reports that there have been 41 re-sales in West Roseville in the past 3 months. Most homes have closed at or near the asking price, and the time on the market has averaged 48 days.

Ability to Pay

There is six different product lines within the District ranging in size from 1,203 to 3,004. In this section, we will examine the ability to pay among prospective buyers for both representative price points. 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 rates of 6.75%, 360 monthly payments, and a 40% ratio for the housing costs as a percent of monthly income (inclusive of principal, interest, all taxes and

insurance). As alluded to above, property tax payments are accounted for in the analysis. Ad valorem taxes are 1.1726% of assessed value.

The most significant direct levy payments are related to the existing CFD bond: The Villages at Sierra Vista CFD No. 1. Annual special tax levy rates for a typical lot in CFD No. 1 (as of the 2022/23 tax year) are \$1,948 per home/year (or \$162 per home/month) for LDR lots and \$1,732 per home/year (or \$144 per home/month) for MDR lots. Additional special taxes associated with CFD No. 2 (typical monthly payments of \$44 and \$39) and CFD No. 3 (typical monthly payment of \$42 and \$25) are also considered. Please note, we have not taken into account the yearly escalator.

The following tables show the estimate of the annual household income that would be required to afford homes priced between \$535,000 and \$755,000 which represent the average current asking prices of the MDR and LDR lots, respectively, within the CFD.

Income Required		
Home Price	\$755,000	\$535,000
Loan % of Price (Loan to Value)	80%	80%
Loan Amount	\$604,000	\$428,000
Interest Rate	6.75%	6.75%
Mortgage Payment	\$3,918	\$2,776
Ad Valorem Taxes	\$738	\$523
Bond Payments		
CFD No. 1	\$162	\$144
CFD No. 2	\$44	\$39
CFD No. 3	\$42	\$25
Property Insurance	\$157	\$111
Total Monthly Obligation	\$5,061	\$3,619
Mortgage Payment % of Income	40%	40%
Monthly Income	\$12,653	\$9,046
Annual Income	\$151,835	\$108,558

The analytics above relates to the low and high end of the price ranges; based on indicators from competing projects in the vicinity, a representative price point of \$535,000 for the MDR lots, and \$755,000 for the LDR lots is deemed appropriate.

We have obtained income data from Environics Analytics, 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 points within each income bracket.

Household Ability (\$535,000 home)					
Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< \$15,000	20,666	8.0%	0.0%	0	0.0%
\$15,000 - \$24,999	17,935	7.0%	0.0%	0	0.0%
\$25,000 - \$34,999	19,606	7.6%	0.0%	0	0.0%
\$35,000 - \$49,999	28,557	11.1%	0.0%	0	0.0%
\$50,000 - \$74,999	44,247	17.2%	0.0%	0	0.0%
\$75,000 - \$99,999	34,362	13.3%	0.0%	0	0.0%
\$100,000 - \$149,999	46,155	17.9%	82.9%	38,255	14.8%
\$150,000 - \$199,999	22,055	8.6%	100.0%	22,055	8.6%
\$200,000 +	<u>24,075</u>	<u>9.3%</u>	100.0%	<u>24,075</u>	<u>9.3%</u>
	257,658	100.0%		84,385	32.8%

Household Ability (\$755,000 home)					
Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< \$15,000	20,666	8.0%	0.0%	0	0.0%
\$15,000 - \$24,999	17,935	7.0%	0.0%	0	0.0%
\$25,000 - \$34,999	19,606	7.6%	0.0%	0	0.0%
\$35,000 - \$49,999	28,557	11.1%	0.0%	0	0.0%
\$50,000 - \$74,999	44,247	17.2%	0.0%	0	0.0%
\$75,000 - \$99,999	34,362	13.3%	0.0%	0	0.0%
\$100,000 - \$149,999	46,155	17.9%	0.0%	0	0.0%
\$150,000 - \$199,999	22,055	8.6%	96.3%	21,245	8.2%
\$200,000 +	<u>24,075</u>	<u>9.3%</u>	100.0%	<u>24,075</u>	<u>9.3%</u>
	257,658	100.0%		45,320	17.6%

Generally, interest rates have an inverse relationship on the affordability of a home. In short, all else being equal, higher interest rates lower the price point for buyers based on income. Over the past several years, interest rates have remained historically low, often at or below 3.0%. Current mortgage interest rates more closely resemble historic rates and for the most part the home buyer pool appears to recognize that the 3% mortgage rate environment was the anomaly and rates around the 7% level are most likely into the foreseeable future.

Conversations with sales agents in multiple new home projects noted there was a slowing in demand for new residential homes in the second half of 2022 and early 2023. The combination of historically high new home prices and rising interest rates priced some buyers out of entry-level (lower-priced) homes. While some projects were affected more than others, coastal locations and limited supply submarkets fared better than emerging submarkets with a concentration of competing projects, predominately due to inventory levels. Continued high inflation forced prospective homeowners to account for other costs (like groceries, gas, etc.) over buying a new home at a higher interest rate. Homebuilders reported turmoil from pending buyers dropping out of contract because of rising interest rates. Most homebuilders noted pace of sales slowed from the historic highs. Further,

homebuilders began offering concessions in the form of buying down interest rates and discounted options, instead of decreasing their base prices. In some markets, there was enough downward pressure on the market for homebuilders to offer concessions as well as drop their base prices.

Prior to mid-2022, homebuilders were able to sell homes faster than they were able to construct them, but with the rising interest rates this has since moderated pace of sales to a level more in line with builders' ability to deliver. The recent increases in interest rates impacted the pace of sales as well as pricing in most markets. However, there are signs the residential market is beginning to stabilize. Markets in Spring 2023 have generally been stronger than expected. Homebuyers that previously were waiting on the sidelines either in anticipation of decreasing home prices, or due to interest rate volatility, are beginning to adjust their budgets to the new higher interest rates as home pricing stabilizes. In addition, low inventory and a tight resale market make new construction more attractive. According to market participants in the spring, absorption rates have remained steady or increased slightly with some homebuilders having small increases in base prices from the First Quarter 2023.

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 in 2007, then fell precipitously during the recessionary period, but has been increasing in more recent years and surpassed the previous high in 2017, 2020, 2021 and 2022.
- New home pricing in Roseville has been in a general increasing pattern over the last four years, albeit with a few quarterly dips. The highest new home pricing observed over the last four years was almost nine months ago.
- According to the Gregory Group, there are currently 40 active new home projects in Roseville.
- Absorption rates within new home projects in West Roseville have ranged from 1.9 to 4.9 sales per month over the past year, with an average of 2.9 sales per month.
- Re-sale homes in West Roseville are transferring at or near the asking price, and the exposure period has averaged 48 days.
- Overall, demand for new homes in the subject's market area remains steady despite continued high inflation and rising interest rates.

Property Analysis

Land Description and Analysis

Land Description	
Primary Street Frontage	Vista Grande
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	60243
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
Description	Small Lot Residential/Development Standard Overlay
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Low density/medium density residential units
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, CCI

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

Entitlements

A summary of the current legal (entitlements) and physical status of the developed land is shown in the following table.

Entitlements	
Description	No. of Homes/Lots
Completed Single-Family Homes without Assessed Improvement Values	244
Partially Completed Single-Family Homes (Under Construction)	64
Finished Single-Family Lots	<u>415</u>
Total	723

Mitigation

According to the master developer, all environmental mitigation requirements have been met for the project.

Offsite Improvements

As of the date of value, all of the off-site improvements (streets, curbs, gutters, sidewalks, streetlights) were in place along Vista Grande Boulevard, Upland Drive and Market Street.

In-Tract Development Costs

All in-tract development appears to be complete. The projected bond proceeds from this proposed bond issuance are intended to reimburse certain infrastructure costs already completed.

Permits and Fees

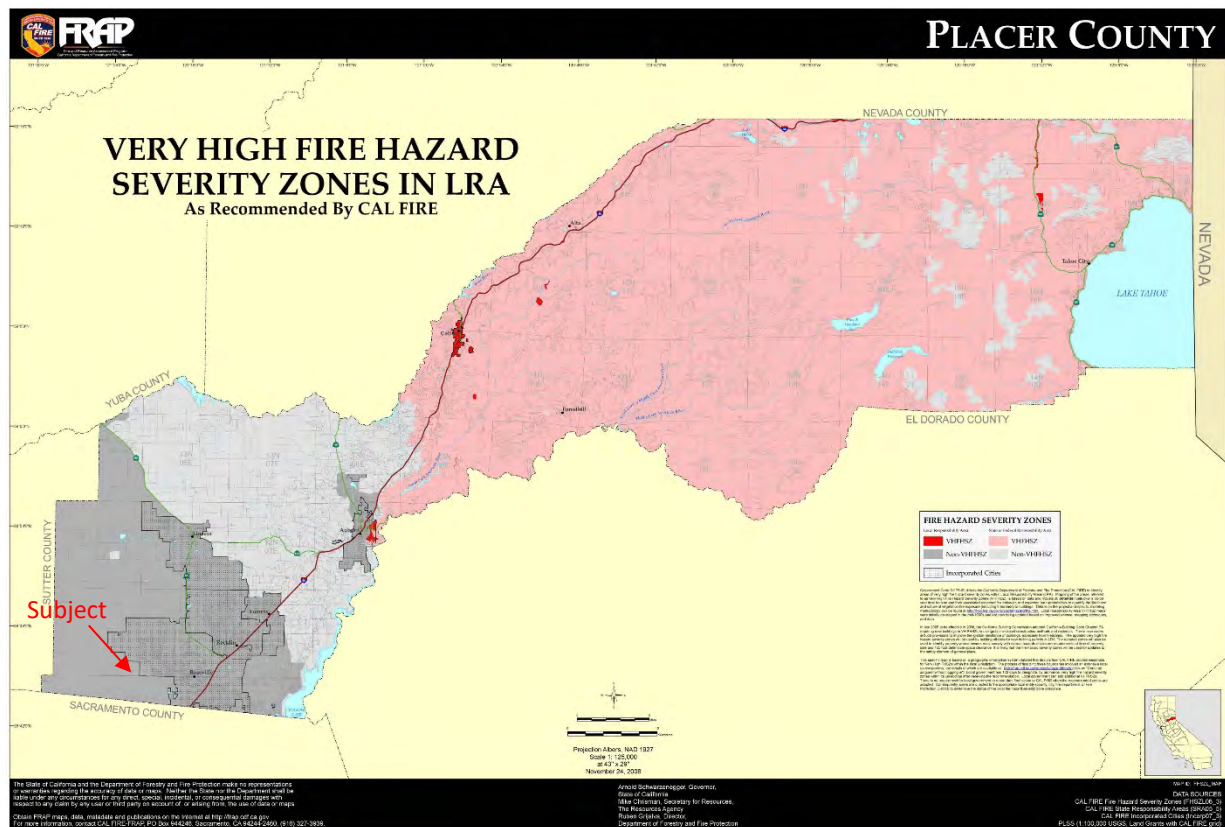
According to information provided, net permits and fees due at building permit average \$54,808 per MDR lot and \$67,689 per LDR lot, which will be used in our analysis. These estimates account for deferred fees.

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.

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).



Easements, Encroachments and Restrictions

We have reviewed a preliminary title report for parcel FD-24 prepared by Placer Title Company dated April 25, 2023. The report identifies 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.

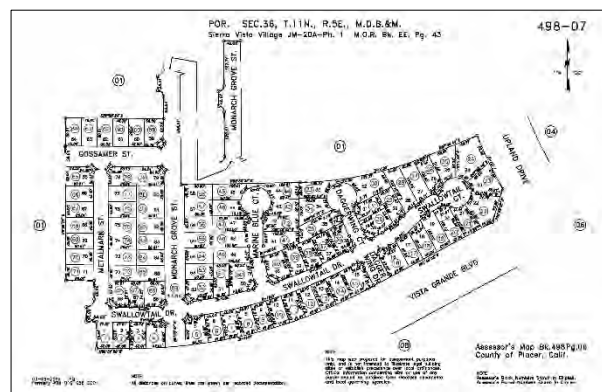
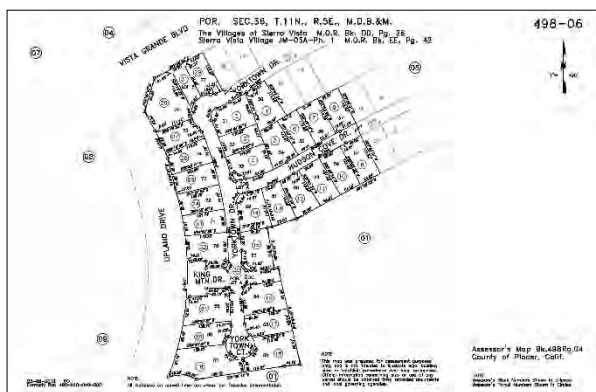
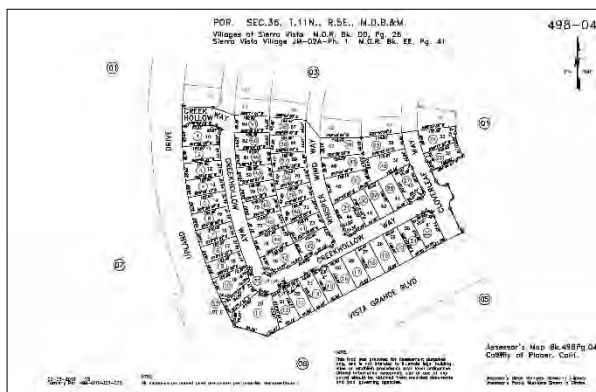
Seismic Hazards

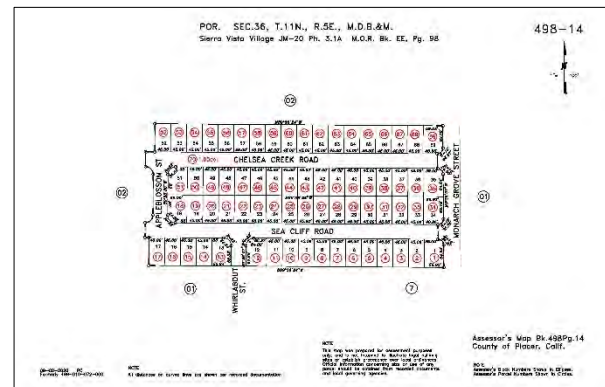
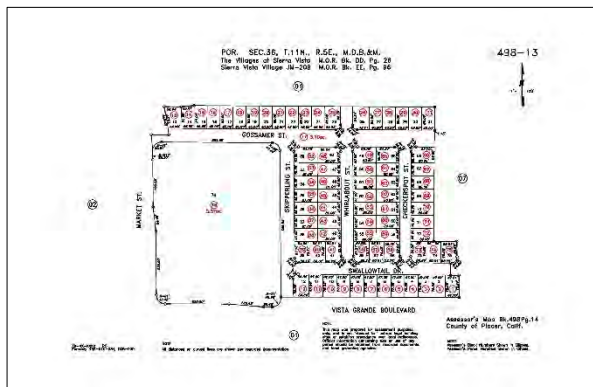
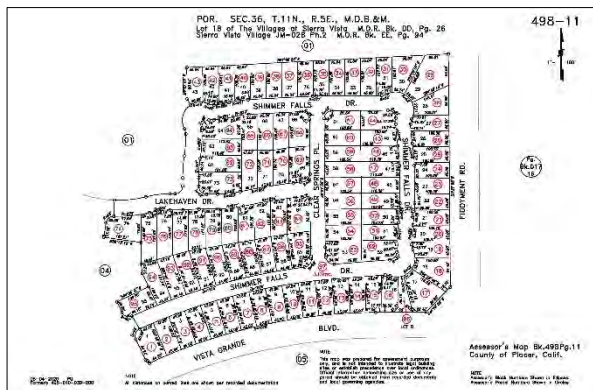
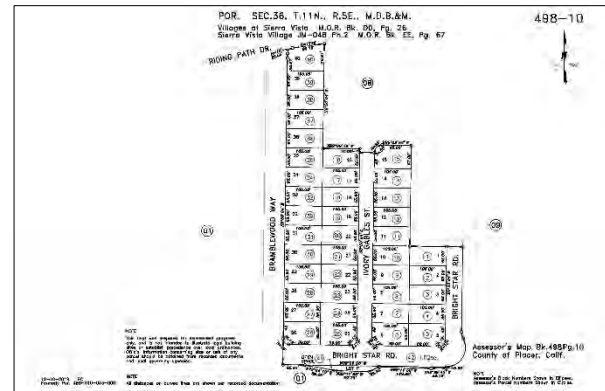
According to the Seismic Safety Commission, the subject property is located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more 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.

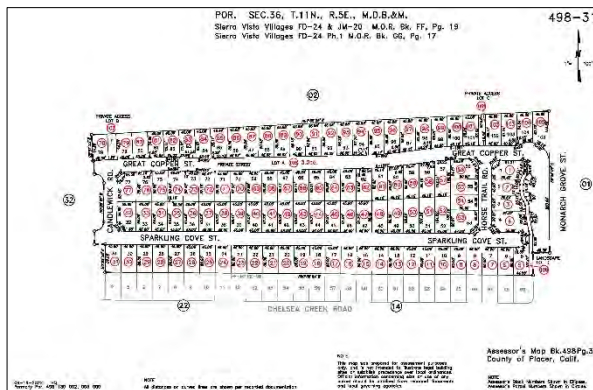
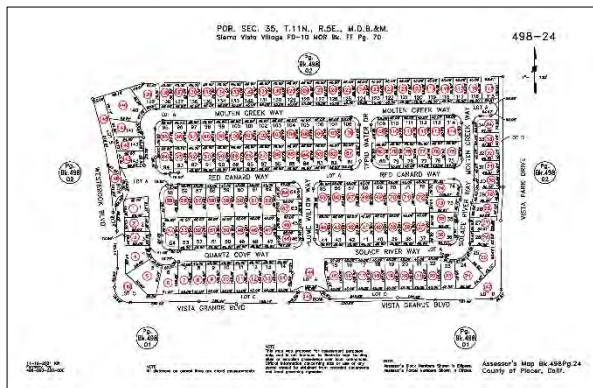
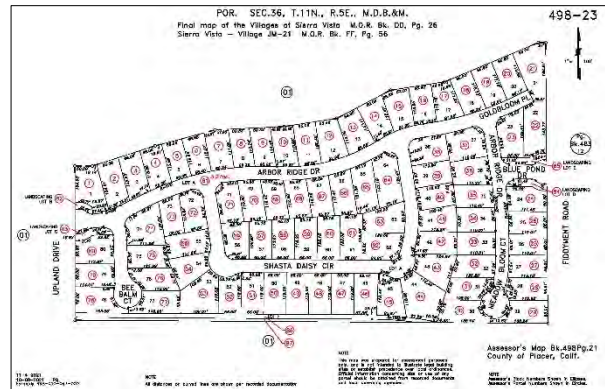
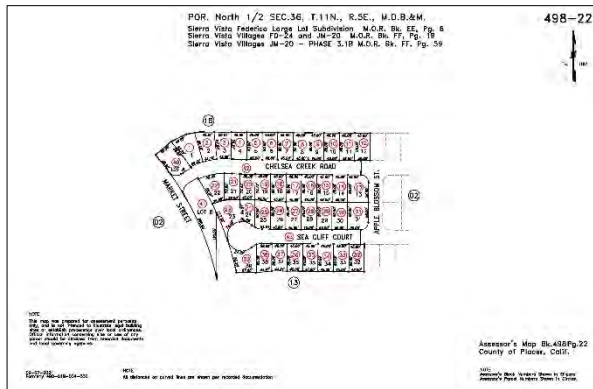
Conclusion of Land Analysis

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

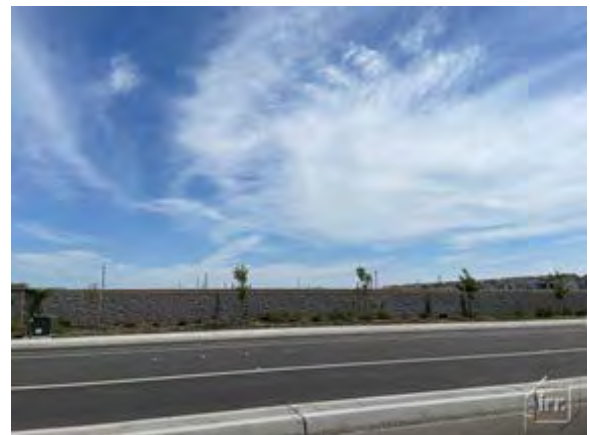




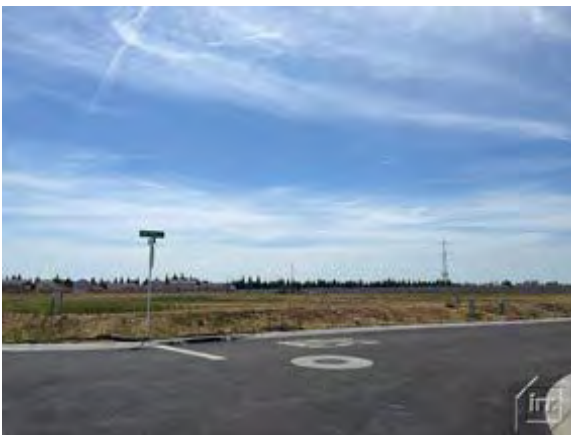


Aerial

Source: GoogleMaps; boundary lines are approximate















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 1.1726% based on assessed value.

Special Assessments

All of the appraised properties are encumbered by the City of Roseville The Villages at Sierra Vista Community Facilities District (CFD) No. 1 as well as CFD Nos. 2 and 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 The Villages at Sierra Vista CFD No. 1

Proposed Land Use	Special Tax Per Lot
LDR	\$1,948
MDR	\$1,732

City of Roseville Sierra Vista CFD No. 2

Proposed Land Use	Special Tax Per Lot	
	Special Tax Per Lot	FD-10 only
LDR	\$527	\$471
MDR	\$527	\$471

City of Roseville Municipal CFD No. 3

Proposed Land Use	Special Tax Per Lot
LDR	\$508
MDR	\$297

It is noted The Villages at Sierra Vista CFD #1 has an annual maximum escalation of 2%, while 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 legal factors influencing the highest and best use of the appraised properties are primarily government regulations, such as zoning and building codes. The appraised properties are zoned and approved for single-family residential development. 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 Villages at Sierra Vista CFD 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 The Villages at Sierra Vista and the nearby Sierra West and Solaire projects provide 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 had an inverse relationship on the affordability of a home. Prior to the second half of 2022, interest rates remained

historically low, often at or below 3.0%. Conversations with sales agents in multiple new home projects noted there was a slowing in demand for new residential homes in the second half of 2022, with some buyers priced out of entry-level (lower-priced) homes. Current mortgage interest rates more closely resemble historic rates and for the most part the home buyer pool appears to recognize that the 3% mortgage rate environment was the anomaly and rates around the 7% level are most likely into the foreseeable future.

Prior to mid-2022, homebuilders were able to sell homes faster than they were able to construct the homes, but with moderating demand due to rising interest rates and inflation factors, construction delivery is no longer a project challenge. The downward shifts in home prices in the second half of 2022 had a significant impact on underlying land/lot values, and land brokers indicated an abrupt drop in builder demand for developable lots and challenges in selling lots presently available during that time period. Recent market conditions for new homes, constraints on new home inventory, appears to have reversed this trend and early indications are builders are once again looking to increase buildable lot inventories. Reports from active market participants indicate that while only a few bulk lot purchases have closed to builders lately, there is increased interest and several pending sales are in the due diligence period for acquisition. Lot pricing remains lower than recent peaks achieved, but the return of builder interest in bulk lot acquisitions appears to be signaling a return to steady-to-increasing demand for new homes across many submarkets, if not all.

Current market conditions once again appear to support development of partially improved and unimproved residential lots. With new, lower lot prices, land development to residential lots is again financially feasible (if the vacant land is acquired at prices commensurate with current new home pricing). This return to feasibility is driven by new home buyers (as of Spring 2023) beginning to adjust their budgets to the new interest rates and making purchases. Due to depleting lot existing inventories for many builders, additional land and lot acquisitions may 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, is for near term single-family residential development. The probable buyer of the subject (as vacant) is a merchant builder.

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 Buyers

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

- Finished lots: merchant builder(s)
- 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.

Market Valuation – Floor Plans

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 each project. 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).

In our analysis, we will estimate the market value of the smallest floor plan offered within each subdivision in the CFD, as of the date of value, June 1, 2023, to apply to those lots with completed single-family homes *without* a complete assessed improvement value.

A summary of the projects within the boundaries of CFD No. 1 is provided on the following pages.

Palisade Village by JMC Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	2,184	2	4	3	3	Sold Out
2	1,964	2	3	2.5	2	Sold Out
3	1,405	1	3	2	2	\$539,990
4	1,343	1	3	2	2	\$519,990
6	1,570	2	3	2.5	2	Sold Out
7	1,790	2	4	3	2	Sold Out
8	2,341	2	3	3	2	Sold Out
9	1,203	1	3	2	2	\$499,990
10	2,492	2	4	3	2	Sold Out
11	1,504	1	4	3	2	\$552,990

Monument Village by JMC Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	2,508	2	4	4	2	\$649,990
2	2,249	2	3	3	2	N/Av
3	2,001	1	3	3	2	\$639,990
4	1,645	1	3	2	2	\$599,990

Sentinel Village by JMC Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	1,754	1	3	2	2	N/Av
2	1,951	1	3	2	2	\$669,990
3	2,178	1	4	3	3	\$689,990

Pinnacle Village by JMC Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	2,201	1	3	3	2	Sold Out
2	2,515	1	4	3.5	3	Sold Out
3	2,743	1	4	3	3	Sold Out
4	2,911	1	4	3	3	Sold Out
5	3,004	1	4	4	3	Sold Out

Excelsior by JMC Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	2,911	1	4	3	3	\$815,990
2	3,487	2	5	4.5	3	\$919,990
3	3,822	2	5	5	3	\$979,990
4	2,201	1	3	3	2	\$699,990
5	2,515	1	4	3.5	3	\$769,990
6	2,743	1	4	3	3	N/Av
7	3,004	1	4	4	3	\$879,990

Seasons by Richmond American Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
1	1,590	1	2	2	2	\$509,950
2	1,780	2	3	2.5	2	\$515,950
3	1,870	1	4	2	2	\$539,950
4	2,170	2	3	2.5	2	\$539,950
5	2,380	2	3	2.5	2	\$554,950
6	2,630	2	4	2.5	2	\$574,950

The projects with completed homes to be appraised within the CFD are summarized in the following table.

Floor Plan Summary

Project	Living Area (SF)	Room Count		Stories	Garage	Typical Lot Size	Developer's Asking Base
		Bedroom	Bathroom				
Palisade Village	1,203	3	2.0	One	2 Car	3,600	\$499,990
Monument Village	1,645	3	2.0	One	2 Car	4,500	\$599,990
Sentinel Village	1,754	3	2.0	One	2 Car	5,775	N/Av
Pinnacle Village	2,201	3	3.0	One	2 Car	8,300	N/Av
Excelsior	2,201	3	3.0	One	2 Car	7,000	\$699,990
Seasons	1,590	2	2.0	One	2 Car	3,600	\$509,950

The comparable sales are summarized in the following table.

Sales Summary

No.	Location	Date	Sale Price	Living Area (SF)	Room Count		Lot Size (SF)	Year Built	Garage	Stories
					Bedroom	Bathroom				
1	649 Sea Cliff Ct	May-23	\$484,990	1,203	3	2.0	3,701	2023	2 Car	One
2	4041 Expedition Ln	Mar-23	\$616,780	2,176	4	2.5	6,098	2023	2 Car	One
3	5217 Chelsea Creek Rd	Mar-23	\$604,990	2,184	4	3.0	4,606	2023	2 Car	Two
4	5017 Cardero Way	Mar-23	\$609,990	1,709	3	2.0	5,454	2022	2 Car	One
5	1216 Swallowtail Dr	Mar-23	\$569,990	2,184	4	3.0	3,939	2022	2 Car	Two
6	4065 Expedition Ln	Feb-23	\$604,938	1,774	3	2.5	5,985	2022	2 Car	One
7	2129 Borealis Circle	Jan-23	\$584,000	2,223	4	3.0	4,500	2022	2 Car	Two
8	408 Fortuna Ct	Mar-23	\$601,260	1,820	3	2.0	4,590	2022	2 Car	One
9	5248 Molino Cir	Apr-23	\$430,000	1,296	3	2.0	3,381	2023	2 Car	Two
10	5216 Chelsea Creek Rd	Jan-23	\$484,990	1,203	3	2.0	3,626	2023	2 Car	One
11	5257 Star Dance Cir	Jan-23	\$490,000	1,547	3	2.5	3,800	2022	2 Car	Two
12	5265 Star Dance Cir	Feb-23	\$497,000	1,678	4	2.5	3,600	2023	2 Car	Two
13	656 Sea Cliff Ct	May-23	\$539,990	1,570	3	2.5	3,090	2023	2 Car	Two

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.	While new home sales trended downward over the course of 2022, for many submarkets the compression was most pronounced in late 2022. The duration of the downward trend appears to have been short-lived in some submarkets and lingering in others. However, the overall consensus among active market participants is the downward trend has stabilized or increased, based on submarket, with limited evidence of ongoing downward pressure. In many new home submarkets sales began rising in the Spring of 2023. As such, the comparables that transferred in early 2023 warrant a slight upward adjustment.
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.	All of the comparables are located in the West Roseville area and do not require adjustments.

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 and all of the comparables exhibit similar levels of community appeal and do not require adjustments.
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 \$7/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.

Adjustment Factor	Accounts For	Comments
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. Upward adjustments are applied when necessary for inferior lots that back up to a highly trafficked thoroughfare.
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 inferior 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 of the comparables represent new construction do not require adjustments.
Functional Utility	Ability to adequately provide for its intended purpose.	The appraised properties and most comparables represent traditional detached single-family residential construction on similar lot size categories as the subject. However, an upward adjustment is applied to Comparable 9, which is located on an alley-loaded lot, which all else being equal, is considered inferior to traditional lot configurations.

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 \$60 to upwards of \$100 per square foot. Considering the information cited above, a factor of \$75 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 3% is applied for story differences.
Parking/Garage	Number of garage spaces	The subject's floor plans all of the comparables offer two-car garages. As such, no adjustments are required.
Landscaping	Included landscaping	The subject and all of the comparables include only front yard landscaping; as such, no adjustments are warranted.

Adjustment Grids

The following pages include grids reflecting the aforementioned adjustments.

Palisade Village							
Project Information	Subject Property	Comparable 1	Comparable 10	Comparable 9			
Project Name	Palisade Village	Palisade Village	Palisade Village	Balboa II			
Plan	Residence 9	Residence 9	Residence 9	Plan 1			
Address/Lot Number		649 Sea Cliff Ct	5216 Chelsea Creek Rd	5248 Molino Cir			
City/Area	Roseville	Roseville	Roseville	Roseville			
Price	N/Ap	\$484,990	\$484,990				
Price Per SF	N/Ap	\$403.15	\$403.15	\$331.79			
PV of Special Taxes	\$10,200	\$10,200	\$10,200				
Adjustment		\$0	\$0				
Data Source		MLS	MLS	MLS			
Incentives	N/Ap	No	\$0 No	\$0 No			
Upgrades	Base	Upgrades	\$0 Upgrades	\$0 Upgrades			
Effective Base Sales Price		\$484,990	\$484,990	\$428,592			
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 6/1/2023	5/25/2023		1/30/2023	\$14,550	4/6/2023	
Project Location	Roseville	Roseville		Roseville		Roseville	
Community Appeal	Average	Similar		Similar		Similar	
Lot Size	\$7.00 3,600	3,701	(\$707)	3,626	(\$182)	3,381	\$1,533
Lot Premium	N/Ap	Similar		None		None	
Design and Appeal	Average	Similar		Similar		Similar	
Quality of Construction	Good	Similar		Similar		Sl. Inferior	\$21,430
Age (Total/Effective)	New	Similar		Similar		Similar	
Condition	Good/New	Similar		Similar		Similar	
Functional Utility	Average	Similar		Similar		Alley-Loaded	\$21,430
Room Count							
Bedrooms	3	3		3		3	
Baths	\$10,000 2	2	\$0	2	\$0	2	\$0
Living Area (SF)	\$75.00 1,203	1,203	\$0	1,203	\$0	1,296	(\$6,975)
Number of Stories	One	One		One		Two	\$12,858
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			\$707		\$14,732		\$64,225
Net Adjustments			(\$707)		\$14,368		\$50,275
Adjusted Retail Value			\$484,283		\$499,358		\$478,867
Concluded Retail Value	\$490,000						
Indicated Value Per SF	\$407.32						

Monument Village									
Project Information		Subject Property		Comparable 4		Comparable 6		Comparable 12	
Project Name		Monument Village		Fairbrook		Roam @ Winding Creek		The Wilds	
Plan		Residence 4		Residence 1		Residence 1		Plan 2	
Address/Lot Number				5017 Cardero Way		4065 Expedition Ln		5265 Star Dance Cir	
City/Area		Roseville		Roseville		Roseville		Roseville	
Price		N/Ap		\$609,990		\$604,938		\$497,000	
Price Per SF		N/Ap		\$356.93		\$341.00		\$296.19	
PV of Special Taxes		\$11,479		\$11,426		\$14,337		\$11,314	
Adjustment				(\$53)		\$2,858		(\$165)	
Data Source				MLS		MLS		MLS	
Incentives		N/Ap		No		\$0		No	
Upgrades		Base		Upgrades		\$0		Upgrades	
Effective Base Sales Price				\$609,937		\$607,796		\$496,835	
Adjustments:		Factor		Description		+ / (-)		Description	
Property Rights		Fee Simple		Similar				Similar	
Financing Terms		Cash Equivelant		Similar				Similar	
Conditions of Sale		Market		Market				Market	
Market Conditions									
Date of Sale		MV 6/1/2023		3/29/2023		5/25/2023		2/10/2023	
Project Location		Roseville		Roseville		Roseville		Roseville	
Community Appeal		Average		Similar		Similar		Similar	
Lot Size		\$7.00 4,500		5,454		(\$6,678) 5,985		(\$10,395) 3,600	
Lot Premium		N/Ap		No		None		None	
Design and Appeal		Average		Similar		Similar		Similar	
Quality of Construction		Good		Similar		Similar		Sl. Inferior	
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		2		\$0 2.5		(\$5,000) 2	
Living Area (SF)		\$75.00 1,645		1,709		(\$4,800) 1,774		(\$9,675) 1,678	
Number of Stories		One		One		One		Two	
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				\$11,478		\$25,070		\$63,427	
Net Adjustments				(\$11,478)		(\$25,070)		\$58,477	
Adjusted Retail Value				\$598,459		\$582,726		\$555,312	
Concluded Retail Value		\$585,000							
Indicated Value Per SF		\$355.62							

Sentinel Village							
Project Information	Subject Property	Comparable 4		Comparable 6		Comparable 8	
Project Name	Sentinel Village	Fairbrook		Roam @ Winding Creek		Aspire @ Solaire II	
Plan	Residence 1	Residence 1		Residence 1		Neptune	
Address/Lot Number		5017 Cardero Way		4065 Expedition Ln		408 Fortuna Ct	
City/Area	Roseville	Roseville		Roseville		Roseville	
Price	N/Ap		\$609,990		\$604,938		\$601,260
Price Per SF	N/Ap	\$356.93		\$341.00		\$330.36	
PV of Special Taxes	\$11,479		\$11,426		\$14,337		\$11,255
Adjustment			(\$53)		\$2,858		(\$224)
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			\$609,937		\$607,796		\$601,036
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 Conditions							
Date of Sale	MV 6/1/2023	3/29/2023		5/25/2023		3/10/2023	
Project Location	Roseville	Roseville		Roseville		Roseville	
Community Appeal	Average	Similar		Similar		Similar	
Lot Size	\$7.00 5,775	5,454	\$2,247	5,985	(\$1,470)	4,590	\$8,295
Lot Premium	N/Ap	No		None		None	
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	Similar		Similar		Similar	
Room Count							
Bedrooms	3	3		3		3	
Baths	\$10,000 2	2	\$0	2.5	(\$5,000)	2	\$0
Living Area (SF)	\$75.00 1,754	1,709	\$3,375	1,774	(\$1,500)	1,820	(\$4,950)
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	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			\$5,622		\$7,970		\$13,245
Net Adjustments			\$5,622		(\$7,970)		\$3,345
Adjusted Retail Value			\$615,559		\$599,826		\$604,381
Concluded Retail Value	\$605,000						
Indicated Value Per SF	\$344.93						

Pinnacle Village									
Project Information	Subject Property	Comparable 2	Comparable 3	Comparable 5	Comparable 7				
Project Name	Pinnacle Village	Roam	Palisade Village	Palisade Village	Verrado @ Solaire				
Plan	Residence 1	Residence 3	Residence 3	Residence 1	Plan 2				
Address/Lot Number		4041 Expedition Ln	5217 Chelsea Creek Rd	1216 Swallowtail Dr	2129 Borealis Circle				
City/Area	Roseville	Roseville	Roseville	Roseville	Roseville				
Price	N/Ap	\$616,780	\$604,990	\$569,990	\$584,000				
Price Per SF	N/Ap	\$283.45	\$277.01	\$260.98	\$262.71				
PV of Special Taxes	\$11,479	\$14,337	\$10,200	\$10,200	\$11,255				
Adjustment		\$2,858	(\$1,279)	(\$1,279)	(\$224)				
Data Source		MLS	MLS	MLS	MLS				
Incentives	N/Ap	No	No	No	No				
Upgrades	Base	Upgrades	Upgrades	Upgrades	Upgrades				
Effective Base Sales Price		\$619,638	\$603,711	\$568,711	\$583,776				
Adjustments:	Factor	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)
Property Rights	Fee Simple	Similar		Similar		Similar		Similar	
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar	
Conditions of Sale	Market	Market		Market		Market		Market	
Market Conditions									
Date of Sale	MV 6/1/2023	3/31/2023		3/30/2023		3/22/2023		1/6/2023	\$17,513
Project Location	Roseville	Roseville		Roseville		Roseville		Roseville	
Community Appeal	Average	Similar		Similar		Similar		Similar	
Lot Size	\$7.00	8,300	\$15,411	4,606	\$25,858	3,939	\$30,527	4,500	\$26,600
Lot Premium	N/Ap	None	\$0	None	\$0	None	\$0	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	3	4		3		3		4	
Baths	\$10,000	3	\$5,000	2	\$10,000	2.5	\$5,000	3	\$0
Living Area (SF)	\$75.00	2,201	\$1,875	2,184	\$1,275	2,184	\$1,275	2,223	(\$1,650)
Number of Stories	One	One		Two	\$18,111	Two	\$17,061	Two	\$17,513
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			\$22,286		\$55,244		\$53,863		\$63,277
Net Adjustments			\$22,286		\$55,244		\$53,863		\$59,977
Adjusted Retail Value			\$641,924		\$658,956		\$622,575		\$643,753
Concluded Retail Value	\$645,000								
Indicated Value Per SF	\$293.05								

Excelsior									
Project Information	Subject Property		Comparable 2		Comparable 3		Comparable 5		Comparable 7
Project Name	Excelsior	Roam	Palisade Village		Palisade Village		Verrado @ Solaire		
Plan	Residence 1	Residence 3	Residence 3		Residence 1		Plan 2		
Address/Lot Number		4041 Expedition Ln	5217 Chelsea Creek Rd		1216 Swallowtail Dr		2129 Borealis Circle		
City/Area	Roseville	Roseville	Roseville		Roseville		Roseville		
Price	N/Ap		\$616,780		\$604,990		\$569,990		\$584,000
Price Per SF	N/Ap	\$283.45		\$277.01		\$260.98		\$262.71	
PV of Special Taxes	\$11,255		\$14,337		\$10,200		\$10,200		\$11,255
Adjustment			\$3,082		(\$1,055)		(\$1,055)		\$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			\$619,862		\$603,935		\$568,935		\$584,000
Adjustments:	Factor	Description	+/(-)	Description	+/(-)	Description	+/(-)	Description	+/(-)
Property Rights	Fee Simple	Similar		Similar		Similar		Similar	
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar	
Conditions of Sale	Market	Market		Market		Market		Market	
Market Conditions									
Date of Sale	MV 6/1/2023	3/31/2023		3/30/2023		3/22/2023		1/6/2023	\$17,520
Project Location	Roseville	Roseville		Roseville		Roseville		Roseville	
Community Appeal	Average	Similar		Similar		Similar		Similar	
Lot Size	\$7.00	7,000	\$6,311	4,606	\$16,758	3,939	\$21,427	4,500	\$17,500
Lot Premium	N/Ap	None	\$0	None	\$0	None	\$0	Inferior	\$29,200
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	3	4		3		3		4	
Baths	\$10,000	3	\$5,000	2	\$10,000	2.5	\$5,000	3	\$0
Living Area (SF)	\$75.00	2,201	\$1,875	2,184	\$1,275	2,184	\$1,275	2,223	(\$1,650)
Number of Stories	One	One		Two	\$18,118	Two	\$17,068	Two	\$17,520
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			\$13,186		\$46,151		\$44,770		\$83,390
Net Adjustments			\$13,186		\$46,151		\$44,770		\$80,090
Adjusted Retail Value			\$633,048		\$650,086		\$613,705		\$664,090
Concluded Retail Value	\$650,000								
Indicated Value Per SF	\$295.32								

Seasons							
Project Information	Subject Property	Comparable 11		Comparable 12		Comparable 13	
Project Name	Seasons	The Wilds		The Wilds		Palisade Village	
Plan	Residence 1	Plan 1		Plan 2		Residence 6	
Address/Lot Number		5257 Star Dance Cir		5265 Star Dance Cir		656 Sea Cliff Ct	
City/Area	Roseville	Roseville		Roseville		Roseville	
Price	N/Ap		\$490,000		\$497,000		\$539,990
Price Per SF	N/Ap	\$316.74		\$296.19		\$343.94	
PV of Special Taxes	\$10,200		\$11,314		\$11,314		\$10,200
Adjustment			\$1,114		\$1,114		\$0
Data Source		MLS		MLS		MLS	
Incentives	N/Ap	Yes	\$15,000	No	\$0	No	\$0
Upgrades	Base	Upgrades	(\$30,179)	Upgrades	\$0	Upgrades	\$0
Effective Base Sales Price			\$475,935		\$498,114		\$539,990
Adjustments:	Factor	Description		+ / (-)	Description		+ / (-)
Property Rights		Fee Simple	Similar		Similar	Similar	
Financing Terms		Cash Equivalent	Similar		Similar	Similar	
Conditions of Sale		Market	Market		Market	Market	
Market Conditions							
Date of Sale		MV 6/1/2023	1/26/2023	\$14,278	2/10/2023	\$14,943	5/25/2023
Project Location		Roseville	Roseville		Roseville	Roseville	
Community Appeal		Average	Similar		Similar	Similar	
Lot Size	\$7.00	3,600	3,800	(\$1,400)	3,600	\$0	3,090
Lot Premium		N/Ap	None		None	None	
Design and Appeal		Average	Similar		Similar	Similar	
Quality of Construction		Good	Similar		Similar	Sl. Superior	(\$27,000)
Age (Total/Effective)		New	Similar		Similar	Similar	
Condition		Good/New	Similar		Similar	Similar	
Functional Utility		Average	Similar		Similar	Similar	
Room Count							
Bedrooms		2	3		4	3	
Baths	\$10,000	2	2.5	(\$5,000)	2.5	(\$5,000)	2.5
Living Area (SF)	\$75.00	1,590	1,547	\$3,225	1,678	(\$6,600)	1,570
Number of Stories		One	Two	\$14,278	Two	\$14,943	Two
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				\$38,181		\$41,487	\$53,269
Net Adjustments				\$25,381		\$18,287	(\$10,730)
Adjusted Retail Value				\$501,316		\$516,401	\$529,260
Concluded Retail Value		\$510,000					
Indicated Value Per SF		\$320.75					

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		Typical Lot Size (SF)	Conclusion of Value
Palisade Village	1,203	3	2	3,600	\$490,000
Monument Village	1,645	3	2	4,500	\$585,000
Sentinel Village	1,754	3	2	5,775	\$605,000
Pinnacle Village	2,201	3	3	8,300	\$645,000
Excelsior	2,201	3	3	7,000	\$650,000
Seasons	1,590	2	2	3,600	\$510,000

Market Valuation – Single-Family Lots

Benchmark Lot Valuation

In the benchmark lot analysis, we will assign two benchmark larger parcels, one for the low-density residential (LDR) lots and one for the medium density residential (MDR) lots.

The typical lot sizes of the LDR lots range from 4,500 to 8,300 square feet within the various larger parcels. Of these typical lot sizes, the average size is about 6,000 square feet. With regard to lot count, the larger parcels have lot counts that range from 40 to 95 lots, with an average of 75 lots. Given this discussion, our benchmark LDR lot selection is **Parcel JM-4A**, which contains 92 lots with a typical lot size of 5,775 square feet.

The typical lot sizes of the MDR lots range from 3,600 to 4,000 square feet within the various larger parcels. Of these typical lot sizes, the average size is about 3,600 square feet. With regard to lot count, the larger parcels have lot counts that range from 35 to 143 lots, with an average of 75 lots. Given this discussion, our benchmark MDR lot selection is **Parcel JM-20**, which contains 88 lots with a typical lot size of 3,600 square feet.

LDR Lot Analysis

In this section of the report, we will utilize the sales comparison approach and the land residual analysis to estimate the market value of the LDR 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 (LDR)

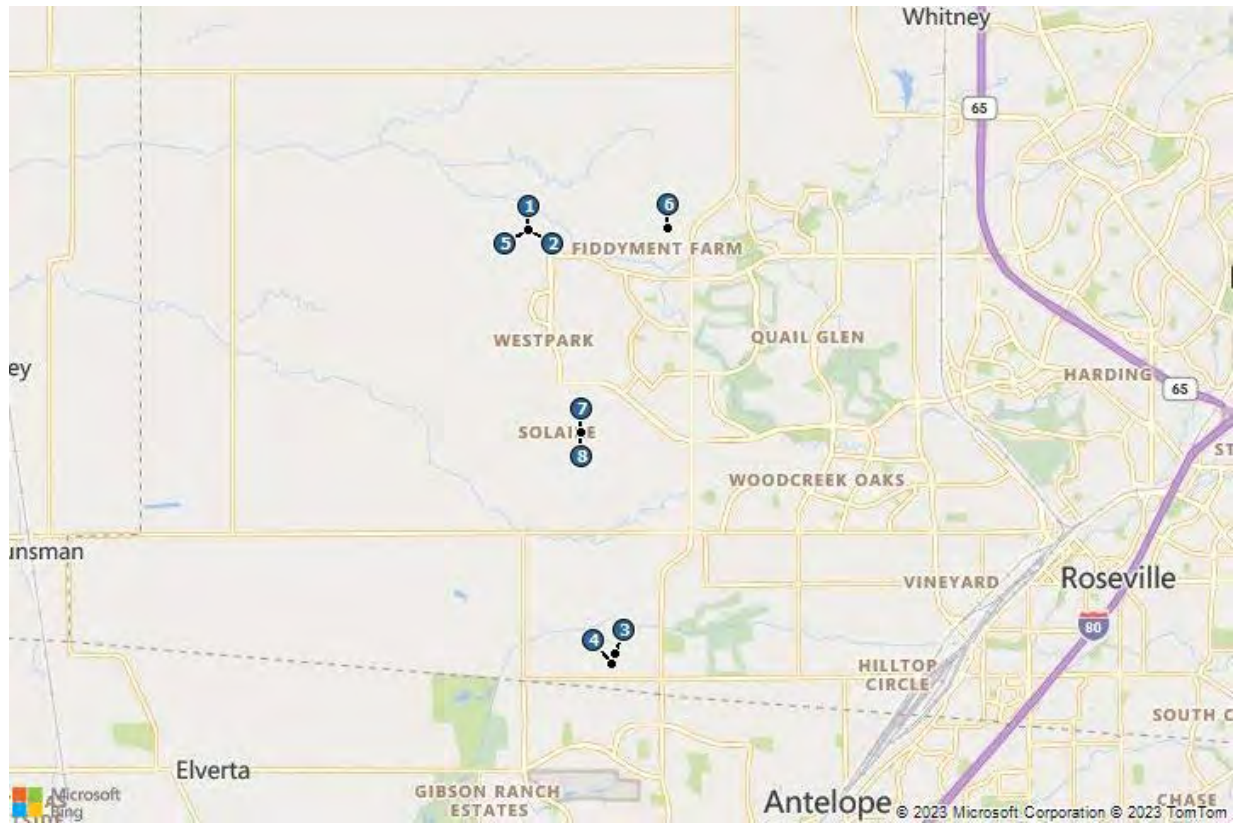
This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013), *“The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property 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 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 - LDR Lots							
No.	Name/Address	Sale Date; Status	Sale Price; PV of Spec. Tax/Lot*	Typical Lot Size	Number of Lots	\$/Lot	Site Dev. Costs/Lot; Permits & Fees/Lot
1	Winding Creek - Village C-5 W/O Westbrook Blvd., N/O Blue Oaks Blvd. Roseville Tax ID: Grantor: Anthem United Creekview Development, LP. Grantee: Lennar Homes Document ID: <i>Comments: This comparable represents the sale of 74 finished lots with a typical lot size of 5,000 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,111 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.</i>	Apr-23 Closed	\$10,730,000 \$6,222	5,000	74	\$145,000	\$0 \$92,423
2	Winding Creek - Village C-9 E/O Westbrook Blvd., N/O Blue Oaks Blvd. Roseville Tax ID: Grantor: Anthem United Creekview Development, LP. Grantee: Woodside 05N, LP. Document ID: <i>Comments: This comparable represents the sale of 97 finished lots with a typical lot size of 5,500 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,111 per lot. The southern lots are anticipated to achieve open space premiums as they are adjacent to Pleasant Grove Creek. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.</i>	Apr-23 Closed	\$16,005,000 \$6,222	5,500	97	\$165,000	\$0 \$92,423
3	Mason Trails 2 N/O PFE Road, W/O Mason Trails Way Roseville Tax ID: Grantor: Jen California 8, LLC. Grantee: DR Horton Document ID: <i>Comments: This transaction represents the sale of 93 finished lots with a typical size of 7,500 square feet. Average permits & fees are \$67,992. DR Horton is constructing floor plans ranging in size from 1,845 to 2,376 square feet. The contract was negotiated in Dec. 2020.</i>	Mar-22 Closed	\$13,485,000 \$0	7,500	93	\$145,000	\$0 \$67,992
4	Glen Willow N/L of PFE Rd., W/O Walerga Rd. Roseville Tax ID: 023-440-001 thru -086; -023-450-12 thru -029 Grantor: JEN California 8, LLC. Grantee: KB Homes Sacramento, Inc. <i>Comments: This comparable represents the sale of 166 finished lots with a typical lot size of 6,300 square feet. Permits and fees are \$67,992 per lot and annual special assessments average \$1,878/lot. KB Homes is constructing two different product lines with floor plans ranging in size from 1,450 square feet to 2,622 square feet. The property is located south of the Roseville City limits and is located within</i>	Oct-21 Closed	\$20,252,000 \$3,756	5,125	166	\$122,000	\$0 \$67,992
5	Winding Creek Parcel C-12 W/O Westbrook Blvd., N/O Blue Oaks Blvd. Roseville Tax ID: 017-490-017 Grantor: Anthem United Creekview Development, LP. Grantee: Meritage Homes of California, Inc. Document ID: 2021.103031 <i>Comments: This comparable represents the sale of 95 finished lots with a typical lot size of 5,500 square feet. Permits & fees average \$82,223 per lot and annual special assessments are \$2,518 per lot. The northern lots are anticipated to achieve open space premiums as they are adjacent to Winding Creek.</i>	Aug-21 Closed	\$14,725,000 \$5,036	5,500	95	\$155,000	\$0 \$82,223
6	Fiddymet Ranch, Village F-10A (ptn.) N/O Holt Pky., W/O N. Hayden Pky. Roseville Tax ID: Grantor: JEN California 15, LLC. Grantee: JMC Homes <i>Comments: This comparable represents the sale of 50 finished lots (55'x110') in phase 3 of Fiddymet Farms. Permits & Fees are \$78,594/lot and annual special assessments are \$1,864/lot. This transaction represents a two phase takedown; the remaining 61 lots within the village are projected to transfer in January 2022 for \$5,000 more/lot.</i>	Mar-21 Closed	\$7,000,000 \$3,728	6,050	50	\$140,000	\$0 \$78,594
7	Westpark-Federico Parcel FD-1 NWQ of N/O Earl Rush & Silver Spruce Drives Roseville Tax ID: 498-020-001 Grantor: Solaire Community Builders, LLC. Grantee: Taylor Morrison <i>Comments: This sale represents the sale of 74 LDR blue-topped lots with a typical lot size of 7,150 square feet (65'x110') in Phase 2 of Westpark-Federico. Permits & Fees are approximately \$80,948/lot and development costs are approximately \$62,437/lot. Annual special taxes are \$1,836/lot. These lots are located within the RUSD/RUIHSD.</i>	Feb-21 Closed	\$6,660,000 \$3,672	7,150	74	\$90,000	\$80,948 \$62,437
8	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 <i>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 CIUSD.</i>	Feb-21 Closed	\$2,000,000 \$3,672	4,500 0.01	33 4.3	\$60,606	\$62,437 \$62,148
Subject City of Roseville The Villages at Sierra Vista CFD No. 1, Series 2023 Roseville, CA				5,775	92		

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.

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
Expenditures After Purchase	Remaining site development costs (if any) as well as a permits and fees due upon building permit are included on a dollar-for-dollar basis, all of which are presumed to be an obligation of the merchant builder.	All adjustments are accounted for accordingly.
Bond Encumbrance	The present value of the special taxes or the assessment lien are considered.	If applicable, we consider the annual special tax over a typical market holding period (2 years).
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.

Adjustment Factor	Accounts For	Comments
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Home values increased significantly leading up to the first quarter of 2022, when mortgage interest rates began a steady increase from historical lows (below 3%) to over 6%. While some price appreciation was offset by rising construction costs (materials) and labor shortages during the pandemic, construction costs have since moderated. As the inventory of available new homes continues to deplete, and demand remains strong, despite the higher interest rates, home prices appear to be stabilizing. Thus, we apply a market conditions adjustment to Comparables 4 through 8. Additionally, while Comparable 3 ultimately transferred in March 2022, the contract price was negotiated much earlier (December 2020) and also warrants an upward adjustment for market conditions.
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 24 months, South Placer County is a highly desirable submarket for single-family residential lots. Comparables 3 and 4 are located within an unincorporated area of Placer County, outside of the Roseville city limits and are adjusted upward for inferior proximity to supporting community facilities. No further adjustments are warranted as the remaining comparables are located in similar areas of West Roseville.

Adjustment Factor	Accounts For	Comments
School District	The market has demonstrated preference for certain school districts, which are reflected within home sale prices.	The subject lots are located within the Center Joint Unified School District (CJUSD), which all else being equal is generally considered inferior to the lots which are located within the Roseville City School District (RCSD) and Roseville Joint Union High School District (RJUSD). As such, those located within the RCSD and RJUSD receive downward adjustments.
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. While Comparable 8 represents a slightly smaller transaction, no adjustment was deemed necessary.
Lot Size (Typical)	Adjustments for differences in lot size between the comparables and subject are estimated by applying lot size adjustment factors to difference in lot size.	Comparables 3, 4 and 7 have larger lot sizes relative to the subject's average lot size of 5,775 square feet and are adjusted downward. Conversely, Comparable 8 is adjusted upward to account for its smaller lot size.
Lot Premiums/Discounts	Primary physical factors that affect desirability of lots.	Comparable 2 is adjusted downward given the number of lots that back up to the adjacent open and park spaces. None of the remaining comparables benefit from view or significant open space premiums and do not require adjustments.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid - LDR Lots									
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8
Name	City of Roseville The Villages at Sierra Vista CFD No. 1, Series 2023	Winding Creek - Village C-5	Winding Creek - Village C-9	Mason Trails 2	Glen Willow	Winding Creek Parcel C-12	Fiddymont Ranch, Village F-10A (ptn.)	Westpark- Federico Parcel FD- 1	Westpark- Federico Parcel FD- 4
City	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville
Sale Date		Apr-23	Apr-23	Mar-22	Oct-21	Aug-21	Mar-21	Feb-21	Feb-21
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		\$10,730,000	\$16,005,000	\$13,485,000	\$20,252,000	\$14,725,000	\$7,000,000	\$6,660,000	\$2,000,000
Number of Lots	92	74	97	93	166	95	50	74	33
Price per Lot	--	\$145,000	\$165,000	\$145,000	\$122,000	\$155,000	\$140,000	\$90,000	\$60,606
Expenditures After Purchase		\$92,423	\$92,423	\$67,992	\$67,992	\$82,223	\$78,594	\$143,385	\$124,585
Bond Consideration	--	\$6,222	\$6,222	\$0	\$3,756	\$5,036	\$3,728	\$3,672	\$3,672
Price per Lot		\$243,645	\$263,645	\$212,992	\$193,748	\$242,259	\$222,322	\$237,057	\$188,863
Property Rights		Fee Simple	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	Cash to seller
Adjustment		=	=	=	=	=	=	=	=
Conditions of Sale		Market	Market	Market	Market	Market	Market	Market	Market
Adjustment		=	=	=	=	=	=	=	=
Market Conditions	6/1/2023	Apr-23	Apr-23	Mar-22 (Dec-20)	Oct-21 (Dec-19)	Aug-21	Mar-21	Feb-21	Feb-21
Adjustment		=	=	Inferior	Inferior	Sl. Inferior	Sl. Inferior	Sl. Inferior	Sl. Inferior
Location/Community Appeal	West Roseville	West Roseville	West Roseville	Placer County	Placer County	West Roseville	West Roseville	West Roseville	West Roseville
Adjustment		=	=	Sl. Inferior	Sl. Inferior	=	=	=	=
School District	CJUSD	RUSD/RJHSD	RUSD/RJHSD	CJUSD	CJUSD	RCSD/RJHSD	RCSD/RJHSD	RCSD/RJHSD	CJUSD
Adjustment		Sl. Superior	Sl. Superior	=	=	Sl. Superior	Sl. Superior	Sl. Superior	=
Number of Lots	92	74	97	93	166	95	50	74	33
Adjustment		=	=	=	=	=	=	=	=
Lot Size (Typical)	5,775	5,000	5,500	7,500	6,300	5,500	6,050	7,150	4,500
Adjustment		=	=	Superior	Sl. Superior	=	=	Superior	Sl. Inferior
Lot Premiums/Discounts	Average	Average	Abv. Average	Average	Average	Average	Average	Average	Average
Adjustment		=	Superior	=	=	=	=	=	=
Overall Adjustment		Sl. Superior	Superior	Sl. Inferior	Sl. Inferior	Sl. Superior	Sl. Inferior	Sl. Superior	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 LDR 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 \$188,863 to \$263,645 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			
Property	Sale Date	\$/ Loaded Lot (Unadjusted)	Net Adjustment
Comparable 2	Apr-23	\$263,645	Superior
Comparable 1	Apr-23	\$243,645	Sl. Superior
Comparable 5	Aug-21	\$242,259	Sl. Superior
Comparable 7	Feb-21	\$237,057	Sl. Superior
Subject Property	--	\$235,000	--
Comparable 6	Mar-21	\$222,322	Sl. Inferior
Comparable 3	Mar-22	\$212,992	Sl. Inferior
Comparable 4	Oct-21	\$193,748	Sl. Inferior
Comparable 8	Feb-21	\$188,863	Inferior

As shown, the loaded lot value indicator for the subject property is estimated to be lower than Comparables 1, 2, 5 and 7, and higher than the balance of the data set. A loaded lot indicator of \$235,000 per lot is concluded for the benchmark village (JM-4A) of the subject property. As previously mentioned, the fees due at building permit are reported to average \$67,689 per LDR lot. As such, our conclusion of finished lot value for the benchmark village is as follows:

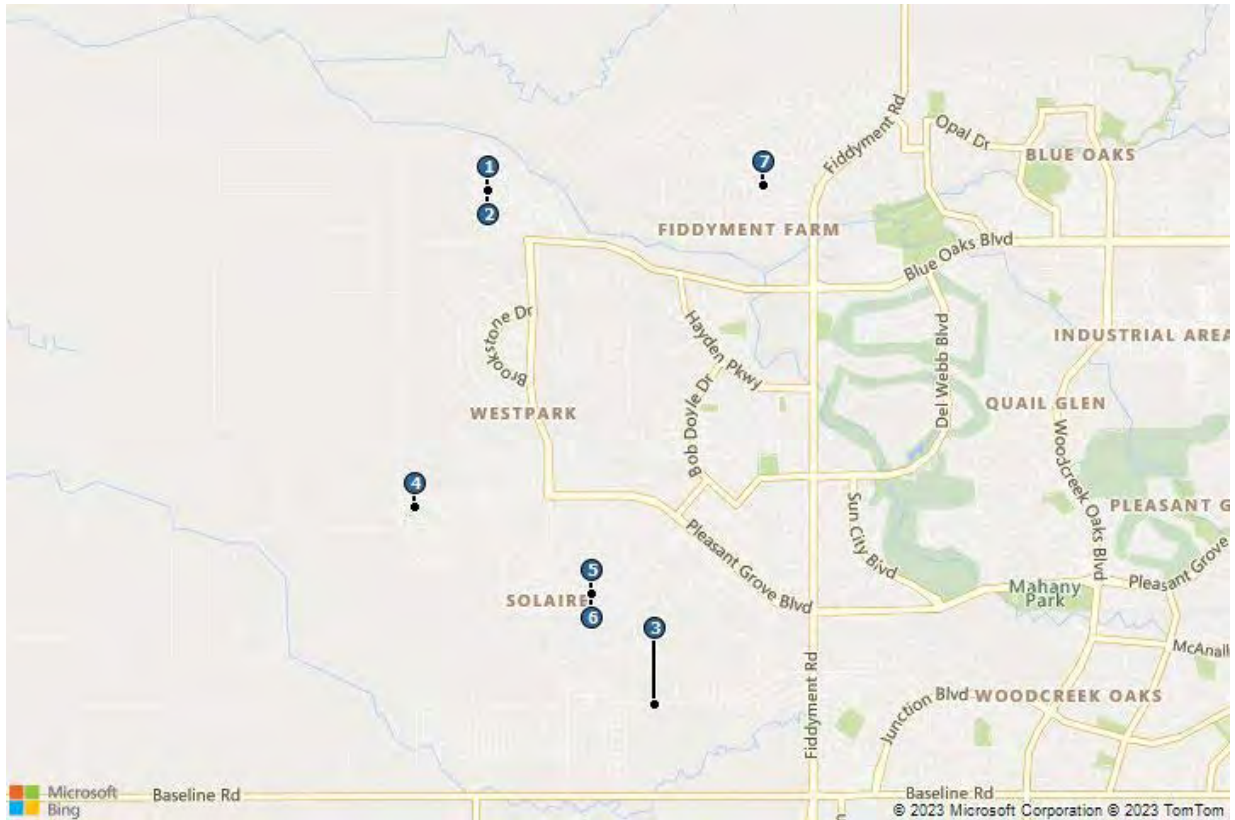
Lot Value Conclusion	
Concluded Loaded Lot Value	\$235,000
Less: Permits & Fees	(\$67,689)
Indicated Lot Value (Rd.)	\$167,000

Sales Comparison Approach (MDR)

In the following table, we have arrayed comparable small lot sales that have occurred in West Roseville. 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). Please refer to the discussion of applicable adjustments presented in the previous LDR lot analysis.

Summary of Comparable Land Sales - MDR Lots							
No.	Name/Address	Sale Date; Status	Sale Price; PV of Spec. Tax/Lot	Typical Lot Size	Number of Lots	\$/Lot	Site Dev. Costs/Lot; Permits & Fees/Lot
1	Winding Creek - Village C-21 W/O Westbrook Blvd., N/O Blue Oaks Blvd. Roseville Placer County CA <i>Comments: This comparable represents the sale of 77 finished MDR lots with a typical lot size of 3,600 square feet (45'x80'). Permits & fees are \$86,286 per lot and annual special assessments are \$2,448 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.</i>	Apr-23 Closed	\$9,047,500 \$4,896	3,600	77	\$117,500	\$0 \$86,286
2	Winding Creek - Village C-22 E/O Westbrook Blvd., N/O Blue Oaks Blvd. Roseville Placer County CA <i>Comments: This comparable represents the sale of 82 finished MDR lots with a typical lot size of 3,600 square feet (45'x80'). Permits & fees are \$86,286 per lot and annual special assessments are \$2,448 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.</i>	Mar-23 Closed	\$9,020,000 \$4,896	3,600	82	\$110,000	\$0 \$86,286
3	Sierra Vista - Parcel FD-10 NEC of Vista Grande & Westbrook Boulevards Roseville Placer County CA <i>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 \$64,000 lot and annual special taxes are \$1,665/lot. The typical lot size is 3,600 square feet.</i>	Mar-22 Closed	\$26,455,000 \$3,330	3,600	143	\$185,000	\$0 \$64,000
4	Westbrook Phase 3, Parcel WB-41 SEC of Pleasant Grove & Santucci Blvds Roseville Placer County CA <i>Comments: This comparable represents the sale of 63 paper MDR lots with a typical size of 3,995 SF. Permits & fees average \$52,781 per lot, site development costs were \$56,400 per lot, and annual special assessments are \$1,564. The developer plans to construct 3 floor plans ranging in size from 1,907 to 2,480 square feet, priced at \$531,990 to \$609,990. These lots are located with the CIUSD.</i>	Mar-22 Closed	\$9,450,000 \$3,128	3,995	63	\$150,000	\$56,400 \$52,781
5	Westbrook-Federico Parcel FD-20B W/O Westbrook Blvd., N/O Earl Rush Dr. Roseville Placer County CA <i>Comments: This sale represents the sale of 88 MDR blue-topped lots with a typical lot size of 3,375 square feet in Phase 2 of Westpark-Federico. Permits & Fees are approximately \$74,656/lot and development costs are approximately \$47,434/lot. Annual special taxes are \$1,665/lot. These lots are located within the RIJHSD/RCSD.</i>	Apr-21 Closed	\$6,600,000 \$3,330	3,600	88	\$75,000	\$47,434 \$74,656
6	Westpark-Federico Parcel FD-4 W/O Market St., S/O Earl Rush Dr. Roseville Placer County CA <i>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 CIUSD.</i>	Feb-21 Closed	\$2,000,000 \$3,672	3,375	33	\$60,606	\$62,437 \$62,148
7	Fiddymont Ranch, Village F-11B NEQ of Holt Pky. & N. Hayden Pky. Roseville Placer County CA <i>Comments: This comparable represents the sale of 152 finished lots (43'x57') in phase 3 of Fiddymont 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.</i>	Jan-21 Closed	\$15,200,000 \$2,870	2,451	152	\$100,000	\$0 \$69,529
Subject City of Roseville The Villages at Sierra Vista CFD No. 1, Series 2023 Roseville, CA				3,600	88		

Comparable Land Sales Map



Land Sales Adjustment Grid - MDR Lots								
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Name	City of Roseville The Villages at Sierra Vista CFD No. 1, Series 2023 Vista Grande Blvd.	Winding Creek - Village C-21	Winding Creek - Village C-22	Sierra Vista - Parcel FD-10	Westbrook Phase 3, Parcel WB-41	Westpark- Federico Parcel FD 20B	Westpark- Federico Parcel FD 4	Fiddymont Ranch, Village F-11B
Address		W/O Westbrook Blvd., N/O Blue Oaks Blvd.	E/O Westbrook Blvd., N/O Blue Oaks Blvd.	NEC of Vista Grande & Westbrook Boulevards	SEC of Pleasant Grove & Santucci Blvds	W/O Westbrook Blvd., N/O Earl Rush Dr.	W/O Market St., S/O Earl Rush Dr.	NEQ of Holt Pky, & N. Hayden Pky.
City	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville	Roseville
Sale Date		Apr-23	Mar-23	Mar-22	Mar-22	Apr-21	Feb-21	Jan-21
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		\$9,047,500	\$9,020,000	\$26,455,000	\$9,450,000	\$6,600,000	\$2,000,000	\$15,200,000
Other Adjustment		\$88,734	\$88,734	\$0	\$110,745	\$0	\$0	\$0
Number of Lots	88	77	82	143	63	88	33	152
Price per Lot	—	\$117,500	\$110,000	\$185,000	\$150,000	\$75,000	\$60,606	\$100,000
Expenditures After Purchase	—	\$86,286	\$86,286	\$64,000	\$109,181	\$122,090	\$124,585	\$69,529
Bond Consideration	—	\$4,896	\$4,896	\$3,330	\$3,128	\$3,330	\$3,672	\$2,870
Price per Lot		\$208,682	\$201,182	\$252,330	\$262,309	\$200,420	\$188,863	\$172,399
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	6/1/2023	Apr-23	Mar-23	Mar-22	Mar-22	Apr-21	Feb-21	Jan-21
Adjustment		=	=	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
Location/Community Appeal	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville	West Roseville
Adjustment		=	=	=	=	=	=	=
School District	CJUSD	RCSD/RJHSD	RCSD/RJHSD	CJUSD	CJUSD	RCSD/RJHSD	RCSD/RJHSD	RCSD/RJHSD
Adjustment		<i>Sl. Superior</i>	<i>Sl. Superior</i>	=	=	<i>Sl. Superior</i>	<i>Sl. Superior</i>	<i>Sl. Superior</i>
Number of Lots	88	77	82	143	63	88	33	152
Adjustment		=	=	=	=	=	=	=
Lot Size (Typical)	3,600	2,800	3,600	3,600	3,995	3,375	4,500	2,451
Adjustment		<i>Sl. Inferior</i>	=	=	=	=	<i>Sl. Superior</i>	<i>Sl. Inferior</i>
Lot Premiums/Discounts	Average	Average	Average	Average	Average	Average	Similar	Similar
Adjustment		=	=	=	=	=	=	=
Overall Adjustment		Similar	Similar	Superior	Superior	Similar	Similar	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 \$172,399 to \$262,309 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			
Property	Sale Date	\$/ Loaded Lot (Unadjusted)	Net Adjustment
Comparable 4	Mar-22	\$262,309	Superior
Comparable 3	Mar-22	\$252,330	Superior
Comparable 1	Apr-23	\$208,682	Similar
Comparable 2	Mar-23	\$201,182	Similar
Comparable 5	Apr-21	\$200,420	Similar
Subject Property	--	\$200,000	--
Comparable 6	Feb-21	\$188,863	Similar
Comparable 7	Jan-21	\$172,399	Inferior

It's worth noting Comparables 3 and 4 transferred during a tumultuous period for pricing in bulk lot sales. However, rising interest rates and slowing demand put downward pressure on home and lot prices. Market participants have noted that First Quarter 2022 represented the top of the market and land values have since declined due to the rising interest rates and other economic conditions. This may, however, have been short-lived, as recent market interviews suggest merchant builders are once again actively in the market for developable lots to satisfy increased homebuyer demand.

As shown, the loaded lot value indicator for the subject property is estimated to be lower than Comparables 3 and 4, generally similar to Comparables 1, 2, 5 and 6, and higher than Comparable 7. As such, a loaded lot indicator of \$200,000 per lot is concluded for the subject's MDR benchmark lot. As previously mentioned, the fees due at building permit average \$54,808 per lot. As such, our conclusion of improved lot value for the benchmark village is as follows:

Lot Value Conclusion	
Concluded Loaded Lot Value	\$200,000
Less: Permits & Fees	(\$54,808)
Indicated Lot Value (Rd.)	\$145,000

Land Residual Analysis

The land residual analysis is employed as an additional indicator of market value for the subject's lots, by phase. 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 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. The benchmark lots have typical lot sizes of 5,775 and 3,600 square feet. Based on the Residential Market section of this report, we estimate a typical average-sized home on the subject's lots would contain approximately 2,500 square feet (LDR lots) and 2,000 square feet (MDR lots) and would have corresponding base prices of \$755,000 (LDR lots) and \$535,000 (MDR lots). 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, three model homes are utilized to market the homes within each neighborhood, with upgrade costs of \$75,000 per model. A model recapture of 35% 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 following tables) does not reflect market appreciation during the sellout, which is discussed on the following page.

Revenue Summary - LDR Lots

Floor Plan	No. of Units	Unit Size	Sale \$/SF	Value Per Unit	Extension
Typical Floor Plan	92	2,500	\$302	\$755,000	\$69,460,000
Model Recapture					<u>\$78,750</u>
Total	92	2,500		\$755,856 (avg.)	\$69,538,750

Revenue Summary - MDR Lots

Floor Plan	No. of Units	Unit Size	Sale \$/SF	Value Per Unit	Extension
Typical Floor Plan	75	2,000	\$268	\$535,000	\$40,125,000
Model Recapture					<u>\$78,750</u>
Total	75	2,000		\$536,050 (avg.)	\$40,203,750

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 5%, 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 physical features, we estimate the subject property could achieve absorption rates of 9-10 sales per quarter.

Expense Projections

As part of an ongoing effort to assemble market information, the following table reflects survey responses and developer budget information for numerous detached, single-family residential projects throughout Northern California.

Subdivision Budgets														
Developer Classification	Budget Date	No. of Units	Quality	Avg. Home Size (\$F)	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
National	2023	85	Average	2,118	4,800	2.25%	2.25%	\$96.79	\$9.92	10.24%	N/Av	\$88,700	N/Av	N/Av
National	2023	573	Average	2,327	5,232	N/Av	N/Av	\$99.86	N/Av	2.50%	\$126,003	\$98,422	N/Av	20.00%
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%
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%
Regional	2022	30	Average	2,090	5,200	3.0%	2.0%	\$150.00	\$9.00	6.0%	\$103,967	\$55,800	N/Av	16.4%
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
Regional	2021	145	Average	2,109	5,775	4.2%	4.25	\$79.86	\$13.01	16.4%	\$94,951	\$37,659	\$54,000	6.8%
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%
National	2021	124	Average	1,753	6,723	N/Av	N/Av	\$102.12	N/Av	N/Av	\$41,505	\$51,458	N/Av	N/Av
Local	2021	21	Average	2,010	6,050	N/Av	N/Av	\$102.50	N/Av	N/Av	\$78,415	\$44,500	N/Av	N/Av
Local	2021	12	Good	1,909	3,450	N/Av	1.4%	\$189.48	\$31.64	16.7%	\$96,162	\$36,270	N/Av	20.0%
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	2020	51	Average	2,106	6,955	3.3%	4.0%	\$91.50	\$10.07	11%	\$122,885	\$66,000	\$38,500	20.0%
National	2020	14	Average	2,165	3,500	N/Av	3.2%	\$95.00	\$11.02	12%	N/Av	\$68,214	N/Av	N/Av
National	2020	48	Average	2,102	5,250	2.4%	6.1%	\$124.00	\$20.13	16%	\$102,134	\$53,000	\$126,000	16.1%
Regional	2020	112	Average	2,060	6,300	4.6%	4.1%	\$80.23	N/Av	10%	\$86,830	\$63,400	\$108,380	13.20%
National	2020	144	Average	1,800	2,000	N/Av	N/Av	\$134.00	N/Av	N/Av	\$25,569	\$37,700	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
National	2019	121	Average	2,000	5,775	1.5%	2.6%	\$74.00	\$10.06	14%	\$73,047	\$67,278	N/Av	18.8%
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%
Regional	2019	41	Average	2,845	8,385	5.4%	5.5%	\$86.61	\$5.76	7%	N/Av	\$60,988	\$200,000	N/Av
Regional	2019	76	Average	2,684	6,500	N/Av	5.0%	\$85.33	\$5.80	7%	N/Av	\$73,815	\$200,000	N/Av
								Minimum	\$74.00					
								Maximum	\$189.48					
								Average	\$106.60					

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 Sale

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 1.1726%. 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 CFD No. 1 (The Villages at Sierra Vista) as well as CFD Nos. 2 and 3, which are taken into consideration in this analysis. The assigned special tax rates for the 2022/23 tax year are provided below.

City of Roseville The Villages at Sierra Vista CFD No. 1

Proposed Land Use	Special Tax Per Lot
LDR	\$1,948
MDR	\$1,732

City of Roseville Sierra Vista CFD No. 2

Proposed Land Use	Special Tax Per Lot	Special Tax Per Lot FD-10 only
LDR	\$527	\$471
MDR	\$527	\$471

City of Roseville Municipal CFD No. 3

Proposed Land Use	Special Tax Per Lot
LDR	\$508
MDR	\$297

It is noted The Villages at Sierra Vista CFD #1 has an annual maximum escalation of 2%, while 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 are reported to average \$67,689 per LDR lot and \$54,808 per MDR 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 \$105 per square foot is utilized.

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 10% and 15% is considered reasonable for the subject's MDR and LDR lots, respectively.

Summary

The following chart summarizes the revenue and expenses discussed on the preceding pages.

Revenue Summary - LDR Lots					
Floor Plan	No. of Units	Unit Size	Sale \$/SF	Value Per Unit	Extension
Typical Floor Plan	92	2,500	\$302	\$755,000	\$69,460,000
Model Recapture					<u>\$78,750</u>
Total	92	2,500		\$755,856 (avg.)	\$69,538,750
Expenses Summary					
General and Administrative		3.0% of total revenue			
Marketing and Sales		6.0% of total revenue			
Ad Valorem Taxes					
1.1726% - Tax Rate (based on residual land value)				\$191,720	
÷ Total Number of Units			92	\$2,084 /lot	
Special Taxes per month		\$249 /lot			
Estimated Permits and Fees at Building Permit/Occupancy					
Net (Average) Permits and Fees/Unit			\$67,689		
x Number of Units			<u>92</u>	\$6,227,419	
Construction Costs	<u>SF</u>	<u>Units</u>	<u>Cost/SF</u>	<u>Extension</u>	<u>Indirects</u>
Typical Floor Plan	2,500	92	\$105.00	\$24,150,000	\$3,622,500
Average Direct Construction Costs				\$262,500	
Indirect Costs		15% of Direct Costs		\$39,375	
Model Complex				\$225,000	

Revenue Summary - MDR Lots					
Floor Plan	No. of Units	Unit Size	Sale \$/SF	Value Per Unit	Extension
Typical Floor Plan	75	2,000	\$268	\$535,000	\$40,125,000
Model Recapture					\$78,750
Total	75	2,000		\$536,050 (avg.)	\$40,203,750

Expenses Summary					
General and Administrative		3.0% of total revenue			
Marketing and Sales		6.0% of total revenue			
Ad Valorem Taxes					
1.1726% - Tax Rate (based on residual land value)				\$191,720	
÷ Total Number of Units			75		
				\$2,556 /lot	
Special Taxes	per month			\$213 /lot	
Estimated Permits and Fees at Building Permit/Occupancy					
Net (Average) Permits and Fees/Unit			\$54,808		
x Number of Units			75		\$4,110,600
Construction Costs	SF	Units	Cost/SF	Extension	Indirects
Typical Floor Plan	2,000	75	\$105.00	\$15,750,000	\$1,575,000
Average Direct Construction Costs					\$210,000
Indirect Costs		10% of Direct Costs			\$21,000
Model Complex					\$225,000

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 8-15% for developer's incentive.

Discount Rate (Present Value Factor)

A discount rate will be employed to convert future cash flows to present value, thus reflecting the time value of money. We will employ a discount rate (present value factor) of 5.00% in the land residual analysis.

Conclusion

The land residual analyses are presented as follows:

Land Residual Analysis - LDR Lots												
Revenue and Sales Summary												
Period (Quarter/3 months):	1	2	3	4	5	6	7	8	9	10	11	Total
Sales	10.0	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	0.0	92
Close of Escrow (COE)	0	10	10	9	9	9	9	9	9	9	9	92
Unsold Inventory	82	72	63	54	45	36	27	18	9	0	0	
Total Sales	\$ 7,558,560	\$ 7,558,560	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ -	\$ 69,538,750
Total Sales Revenue	\$ -	\$ 7,558,560	\$ 7,558,560	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 6,802,704	\$ 69,538,750
Expenses and Cash Flow Summary												
Period (Quarter/3 months):	1	2	3	4	5	6	7	8	9	10	11	Total
General and Administrative	\$ (189,651)	\$ (189,651)	\$ (189,651)	\$ (189,651)	\$ (189,651)	\$ (189,651)	\$ (189,651)	\$ (189,651)	\$ (189,651)	\$ (189,651)	\$ (189,651)	\$ (2,086,163)
Marketing and Sales	\$ -	\$ (453,514)	\$ (453,514)	\$ (408,162)	\$ (408,162)	\$ (408,162)	\$ (408,162)	\$ (408,162)	\$ (408,162)	\$ (408,162)	\$ (408,162)	\$ (4,172,325)
Ad Valorem Real Estate Taxes	\$ (47,930)	\$ (42,720)	\$ (37,510)	\$ (32,822)	\$ (28,695)	\$ (23,913)	\$ (19,130)	\$ (14,348)	\$ (9,756)	\$ (4,878)	\$ -	\$ (261,704)
Special Assessments	\$ (68,612)	\$ (61,154)	\$ (53,696)	\$ (46,984)	\$ (41,077)	\$ (34,231)	\$ (27,385)	\$ (20,539)	\$ (13,966)	\$ (6,983)	\$ -	\$ (374,627)
Direct Construction Costs	\$ (1,312,500)	\$ (2,625,000)	\$ (2,493,750)	\$ (2,362,500)	\$ (2,362,500)	\$ (2,362,500)	\$ (2,362,500)	\$ (2,362,500)	\$ (2,362,500)	\$ (2,362,500)	\$ (1,181,250)	\$ (24,150,000)
Indirect Construction Costs	\$ (196,875)	\$ (393,750)	\$ (374,063)	\$ (354,375)	\$ (354,375)	\$ (354,375)	\$ (354,375)	\$ (354,375)	\$ (354,375)	\$ (354,375)	\$ (177,188)	\$ (3,622,500)
Model Complex Costs	\$ (225,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (225,000)
Building Permits	\$ (676,893)	\$ (676,893)	\$ (609,204)	\$ (609,204)	\$ (609,204)	\$ (609,204)	\$ (609,204)	\$ (609,204)	\$ (609,204)	\$ (609,204)	\$ -	\$ (6,227,419)
Total Expenses	\$ (2,717,461)	\$ (4,442,682)	\$ (4,211,388)	\$ (4,003,698)	\$ (3,993,665)	\$ (3,982,036)	\$ (3,970,408)	\$ (3,958,779)	\$ (3,947,615)	\$ (3,935,754)	\$ (1,956,251)	\$ (41,119,737)
Net Income Before Developer's Incentive	\$ (2,717,461)	\$ 3,115,878	\$ 3,347,172	\$ 2,799,006	\$ 2,809,039	\$ 2,820,667	\$ 2,832,296	\$ 2,843,925	\$ 2,855,089	\$ 2,866,950	\$ 4,846,453	\$ 28,419,013
Total Developer's Incentive (Profit)	15.00%	\$ -	\$ 1,133,784	\$ 1,133,784	\$ 1,020,406	\$ 1,020,406	\$ 1,020,406	\$ 1,020,406	\$ 1,020,406	\$ 1,020,406	\$ 1,020,406	\$ 10,430,813
Net Income (Before Discounting)	\$ (2,717,461)	\$ 1,982,094	\$ 2,213,388	\$ 1,778,600	\$ 1,788,633	\$ 1,800,262	\$ 1,811,891	\$ 1,823,519	\$ 1,834,683	\$ 1,846,544	\$ 3,826,047	\$ 17,988,201
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
Discounted Cash Flow	\$ (2,683,912)	\$ 1,933,455	\$ 2,132,419	\$ 1,692,381	\$ 1,680,916	\$ 1,670,958	\$ 1,660,989	\$ 1,651,012	\$ 1,640,612	\$ 1,630,833	\$ 3,337,375	\$ 16,347,037
Net Present Value	\$ 16,347,037											
Conclusion of Value by Discounted Cash Flow Analysis (Rd)												\$ 16,350,000
											per Lot	\$ 178,000

Land Residual Analysis - MDR Lots**Revenue and Sales Summary**

Period (Quarter/3 months):	1	2	3	4	5	6	7	8	9	10	Total
Sales	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	3.0	0.0	75
Close of Escrow (COE)	0	9	9	9	9	9	9	9	9	3	75
Unsold Inventory	66	57	48	39	30	21	12	3	0	0	
Total Sales	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 1,608,150	\$ -	\$ 40,203,750
Total Sales Revenue	\$ -	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 4,824,450	\$ 1,608,150	\$ 40,203,750

Expenses and Cash Flow Summary

Period (Quarter/3 months):	1	2	3	4	5	6	7	8	9	10	Total
General and Administrative	\$ (120,611)	\$ (120,611)	\$ (120,611)	\$ (120,611)	\$ (120,611)	\$ (120,611)	\$ (120,611)	\$ (120,611)	\$ (120,611)	\$ (120,611)	\$ (1,206,113)
Marketing and Sales	\$ -	\$ (289,467)	\$ (289,467)	\$ (289,467)	\$ (289,467)	\$ (289,467)	\$ (289,467)	\$ (289,467)	\$ (289,467)	\$ (96,489)	\$ (2,412,225)
Ad Valorem Real Estate Taxes	\$ (47,930)	\$ (42,178)	\$ (36,427)	\$ (30,675)	\$ (24,924)	\$ (19,172)	\$ (13,420)	\$ (7,669)	\$ (1,917)	\$ -	\$ (224,313)
Special Assessments	\$ (47,919)	\$ (42,169)	\$ (36,419)	\$ (30,668)	\$ (24,918)	\$ (19,168)	\$ (13,417)	\$ (7,667)	\$ (1,917)	\$ -	\$ (224,262)
Direct Construction Costs	\$ (945,000)	\$ (1,890,000)	\$ (1,890,000)	\$ (1,890,000)	\$ (1,890,000)	\$ (1,890,000)	\$ (1,890,000)	\$ (1,890,000)	\$ (1,260,000)	\$ (315,000)	\$ (15,750,000)
Indirect Construction Costs	\$ (94,500)	\$ (189,000)	\$ (189,000)	\$ (189,000)	\$ (189,000)	\$ (189,000)	\$ (189,000)	\$ (189,000)	\$ (126,000)	\$ (31,500)	\$ (1,575,000)
Model Complex Costs	\$ (225,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (225,000)
Building Permits	\$ (493,272)	\$ (493,272)	\$ (493,272)	\$ (493,272)	\$ (493,272)	\$ (493,272)	\$ (493,272)	\$ (493,272)	\$ (164,424)	\$ -	\$ (4,110,600)
Total Expenses	\$ (1,974,232)	\$ (3,066,698)	\$ (3,055,196)	\$ (3,043,694)	\$ (3,032,192)	\$ (3,020,690)	\$ (3,009,188)	\$ (2,997,686)	\$ (1,964,336)	\$ (563,600)	\$ (25,727,512)
Net Income Before Developer's Incentive	\$ (1,974,232)	\$ 1,757,752	\$ 1,769,254	\$ 1,780,756	\$ 1,792,258	\$ 1,803,760	\$ 1,815,262	\$ 1,826,764	\$ 2,860,114	\$ 1,044,550	\$ 14,476,238
Total Developer's Incentive (Profit)	8.00%	\$ -	\$ 385,956	\$ 385,956	\$ 385,956	\$ 385,956	\$ 385,956	\$ 385,956	\$ 385,956	\$ 128,652	\$ 3,216,300
Net Income (Before Discounting)	\$ (1,974,232)	\$ 1,371,796	\$ 1,383,298	\$ 1,394,800	\$ 1,406,302	\$ 1,417,804	\$ 1,429,306	\$ 1,440,808	\$ 2,474,158	\$ 915,898	\$ 11,259,938
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
Discounted Cash Flow	\$ (1,949,859)	\$ 1,338,134	\$ 1,332,695	\$ 1,327,186	\$ 1,321,611	\$ 1,315,970	\$ 1,310,268	\$ 1,304,505	\$ 2,212,443	\$ 808,903	\$ 10,321,856
Net Present Value	\$ 10,321,856										
Conclusion of Value by Discounted Cash Flow Analysis (Rd)											\$ 10,320,000
										Per Lot	\$ 138,000

Reconciliation of Benchmark Lot Value

For the LDR lot category, the sales comparison approach indicated \$167,000 per finished lot, while the land residual analysis yielded a value of \$178,000 per finished lot, a difference of approximately 6%. Both methods are credible and supported. As such, our conclusion of value is **\$175,000 per finished lot for the benchmark LDR category.**

For the MDR lot category, the sales comparison approach indicated \$145,000 per finished lot, while the land residual analysis yielded a value of \$138,000 per finished lot, a difference of approximately 5%. Both methods are credible and supported; however, given the quantity and quality of comparables utilized in the Sales Comparison Approach, we will place primary emphasis on this approach. As such, our conclusion of value is **\$145,000 per finished lot for the benchmark MDR category.**

Lot Value Conclusions

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 \$10,000 - \$20,000 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.

Residential Lot Component									
Phase	Larger Parcel Designation	No. of Lots	Project	Typical Lot Size	Land Use	Benchmark Value	Lot Size Adjustment	Remaining In-Tract Costs/Lot	Adjusted Lot Value (Rd.)
1	JM-2	92	Monument Village	4,500	LDR	\$175,000	(\$12,750)	\$0	\$162,000
1	JM-3	83	Pinnacle Village	8,300	LDR	\$175,000	\$25,250	\$0	\$200,000
1	JM-4A	92	Sentinel Village	5,775	LDR	\$175,000	\$0	\$0	\$175,000
1	JM-20	88	Palisade Village	3,600	MDR	\$145,000	\$0	\$0	\$145,000
2	JM-4B	40	Sentinel Village	5,775	LDR	\$175,000	\$0	\$0	\$175,000
2	JM-2 (Phase 2)	95	Monument Village	4,500	LDR	\$175,000	(\$12,750)	\$0	\$162,000
2	JM-3 (Phase 2)	44	Pinnacle Village	6,500	LDR	\$175,000	\$7,250	\$0	\$182,000
2	JM-20 (Phase 2)	75	Palisade Village	3,600	MDR	\$145,000	\$0	\$0	\$145,000
3	JM-20 (Phase 3.1A)	69	Palisade Village	3,600	MDR	\$145,000	\$0	\$0	\$145,000
3	JM-20 (Phase 3.1B)	39	Palisade Village	3,700	MDR	\$145,000	\$1,000	\$0	\$146,000
3	JM-40	35	Palisade Village	4,000	MDR	\$145,000	\$4,000	\$0	\$149,000
3	JM-21	80	Excelsior	7,000	LDR	\$175,000	\$12,250	\$0	\$187,000
3	FD-10	143	Seasons	3,600	MDR	\$145,000	\$0	\$0	\$145,000
3	FD-6	95	N/Av	3,600	LDR	\$145,000	\$0	\$0	\$145,000
4	FD-24	135	Parkside	3,600	MDR	\$145,000	\$0	\$0	\$145,000

As noted above, Parcel FD-6 has a Land Use designation of LDR. However, the typical lot size for this Parcel most closely resembles (in terms of size) the MDR category of lots. Similarly, the permit and fee structure for the FD-6 lots are generally consistent with the MDR lots; thus, the MDR benchmark lot is used as the basis for determining the indicated lot value for Parcel FD-6.

The improved lot values shown above will be assigned to each partially completed home and vacant, improved lots within CFD No. 1. Additionally, consideration is given to the building permits and impact fees (\$54,808 for MDR lots and \$67,689 for LDR lots) remitted to the City for the homes under construction. These values are presented as follows:

Partially Completed Home and Improved Lot Values					
Component	Concluded lot value	Avg. Permits & Fees paid	Total Value per Lot (Rd.)	No. of Parcels	Aggregate Value
JMC Homes					
Homes Under Construction					
Pinnacle (JM-3)	\$200,000	\$67,689	\$268,000	1	\$268,000
Palisade (JM-20B)	\$146,000	\$54,808	\$201,000	9	\$1,809,000
Palisade (JM-40)	\$149,000	\$54,808	\$204,000	28	\$5,712,000
Excelsior	\$187,000	\$67,689	\$255,000	<u>11</u>	<u>\$2,805,000</u>
Total				49	\$10,594,000
Finished Lots					
Palisade					
JM-20	\$145,000	--	\$145,000	5	\$725,000
JM-40	\$149,000	--	\$149,000	7	\$1,043,000
Sentinel	\$175,000	--	\$175,000	3	\$525,000
Excelsior	\$187,000	--	\$187,000	51	\$9,537,000
FD-6	\$145,000	--	\$145,000	95	\$13,775,000
Parkside	\$145,000	--	\$145,000	<u>135</u>	<u>\$19,575,000</u>
Total				296	\$45,180,000
Richmond American Homes					
Homes Under Construction					
Seasons	\$145,000	\$54,808	\$200,000	<u>15</u>	<u>\$3,000,000</u>
Total				15	\$3,000,000
Finished Lots					
Seasons	\$145,000	--	\$145,000	<u>119</u>	<u>\$17,255,000</u>
Total				119	\$17,255,000

Market Valuation by Ownership

The appraised properties consist of 415 finished residential lots and 64 homes under construction. There are also 244 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.

The not-less-than market values for the smallest floor plans developed within the District are assigned to the 244 completed homes held by individual homeowners and merchant builders. The balance of the taxable properties in the CFD include 482 single family homes with a complete assessed value for both land and improvements, which are not appraised herein.

Based on an analysis of recent market transactions of single-family residential lots throughout the Northern California market area, and interviews with land developers and merchant builders active in the regional market area, it is our opinion, under current market conditions, if exposed to the market the land comprising each respective village situated within the boundaries of the CFD would likely sell to one or more builders each offering competing and/or complimentary product lines. Further, if marketed, it is expected the land comprising each developable village would sell within 12 months of exposure on the market. Thus, while discounting was considered in this analysis, it is our opinion no additional discounting beyond that which is captured in the valuation analyses of the lots in bulk presented herein is necessary.

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 (The Villages at Sierra Vista) Bonds, as of June 1, 2023, are estimated in the following table.

Value by Ownership			
Entity	Lots/Parcels	Value per Lot/Home	Aggregate Value
Individual Homeowners			
Finished Homes without AVs			
Monument	42	\$585,000	\$24,570,000
Palisade	112	\$490,000	\$54,880,000
Pinnacle	17	\$645,000	\$10,965,000
Sentinel	33	\$605,000	\$19,965,000
Excelsior	11	\$650,000	\$7,150,000
Seasons	<u>6</u>	\$510,000	<u>\$3,060,000</u>
<i>Total</i>	221		<i>\$120,590,000</i>
John Mourier Construction, Inc.			
Finished Lots	296	Varies	\$45,180,000
Homes under Construction	49	Varies	\$10,594,000
Finished Homes without AVs			
Sentinel	3	\$605,000	\$1,815,000
Palisade	10	\$490,000	\$4,900,000
Excelsior	<u>7</u>	\$650,000	<u>\$4,550,000</u>
<i>Total</i>	365		<i>\$67,039,000</i>
Richmond American Homes			
Finished Lots	119	\$145,000	\$17,255,000
Homes under Construction	15	\$200,000	\$3,000,000
Finished Homes without AVs			
Seasons	<u>3</u>	\$510,000	<u>\$1,530,000</u>
<i>Total</i>	137		<i>\$21,785,000</i>
Total Aggregate Value	723		\$209,414,000

Final Opinion of Value

As a result of our analysis, it is our opinion the cumulative, or aggregate, value of the appraised properties, in accordance with the assumptions and conditions set forth in the attached document, as of June 1, 2023, is as follows:

Value Conclusions			
Value Premise	Date of Value	No. of Parcels	Aggregate Value
Aggregate Value of Appraised Properties	June 1, 2023	723	\$209,414,000
Aggregate Value of Existing Homes based on Assessed Value	June 1, 2023	482	\$256,262,052
Total Aggregate Value of Appraised and Assessed Properties in the District	June 1, 2023	1,205	\$465,676,052

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. None

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 reimburse for improvements already completed. The estimates of market value account for the impact of the 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 a complete assessed value assigned.

Any properties within the CFD not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites), are not a part of this appraisal.

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.

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 land market, it is our opinion that the probable exposure time for the subject at the concluded market value 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 not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
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 have personally inspected the subject.
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. None

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 reimburse for improvements already completed. The estimates of market value account for the impact of the 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

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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

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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, BREB

3045137

Eric Segal, MAI

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

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Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Eric A. Segal

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 026558

Effective Date: February 19, 2023
Date Expires: February 18, 2025

Angela Jemmott
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

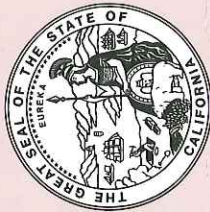
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Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

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

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

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), 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 or review opinion applies.
2. In a lease document, the date upon which the 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 Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project 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 motivated 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 innovative 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. The estimated 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; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

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 for individual investment or operational objectives.

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 Interest

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 it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

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[g]; 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.

Addendum C

Comparable Data

Location & Property Identification

Property Name:	Winding Creek - Village C-5
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:	2996404



Sale Information

Sale Price:	\$10,730,000
Effective Sale Price:	\$10,730,000
Sale Date:	04/28/2023
Sale Status:	Closed

Expenditures After Purchase:	\$92,423
Expenditures Description:	Permits & Fees
Other Adjustment:	\$3,111
Adjustment Comments:	Annual Special Assessments
Sale Price Includes FF&E?	No

\$/Unit (Potential):	\$145,000 /Approved Lot
Grantor/Seller:	Anthem United Creekview Development, LP.
Grantee/Buyer:	Lennar Homes
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

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Acres(Gross):	13.60
Land-SF(Gross):	592,416
Potential Building SF:	5,000
No. of Units (Potential):	74
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

Sale Analysis

Comments

This comparable represents the sale of 74 finished lots



Comments (Cont'd)

with a typical lot size of 5,000 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,111 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.

Location & Property Identification

Property Name: Winding Creek - Village C-9

Sub-Property Type: Residential, Residential Subdivision

Address: E/O Westbrook Blvd., N/O Blue Oaks Blvd.

City/State/Zip: Roseville, CA 95747

County: Placer

Market Orientation: Suburban

IRR Event ID: 2929118



Sale Information

Sale Price: \$16,005,000

Effective Sale Price: \$16,005,000

Sale Date: 04/28/2023

Sale Status: Closed

Expenditures After Purchase: \$92,423

Expenditures Description: Permits & Fees

Other Adjustment: \$3,111

Adjustment Comments: Annual Special Assessments

Sale Price Includes FF&E? No

\$/Unit (Potential): \$165,000 /Approved Lot

Grantor/Seller: Anthem United Creekview Development, LP.

Grantee/Buyer: Woodside 05N, LP.

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

Improvement and Site Data

MSA: Sacramento--Roseville--Arden-Arcade, CA

Acres(Gross): 21.80

Land-SF(Gross): 949,608

Potential Building SF: 5,500

No. of Units (Potential): 97

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

Sale Analysis

Comments

This comparable represents the sale of 97 finished lots

Comments (Cont'd)

with a typical lot size of 5,500 square feet. Permits & fees average \$92,423 per lot and annual special assessments are \$3,111 per lot. The southern lots are anticipated to achieve open space premiums as they are adjacent to Pleasant Grove Creek. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.

Location & Property Identification

Property Name:	Mason Trails 2
Sub-Property Type:	Residential, Residential Subdivision
Address:	N/O PFE Road, W/O Mason Trails Way
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2796813



Sale Information

Sale Price:	\$13,485,000
Effective Sale Price:	\$13,485,000
Sale Date:	03/28/2022
Contract Date:	12/01/2020
Sale Status:	Closed
\$/Unit (Potential):	\$145,000 /Unit
Grantor/Seller:	Jen California 8, LLC.
Grantee/Buyer:	DR Horton
Assemblage:	No
Portfolio Sale:	No
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

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Acres(Gross):	1.00
Land-SF(Gross):	43,560
Potential Building SF:	8,000
No. of Units (Potential):	93
Topography:	Level
Zoning Code:	SPL-RVSP
Zoning Desc.:	Specific Plan – Riolo Vineyards Specific Plan
Flood Plain:	No
Flood Zone Designation:	X
Source of Land Info.:	Public Records

Comments

This transaction represents the sale of 93 finished lots with a typical size of 8,000 square feet. Average permits & fees are \$67,992. DR Horton is constructing floor plans ranging in size from 1,845 to 2,376 square feet. The contract was negotiated in Dec. 2020. The property was not encumbered by bond financing at the time of sale. However, a CFD is proposed to reimburse the master developer for infrastructure improvements already completed.

Sale Analysis

Sale Price Includes FF&E?	No

Location & Property Identification

Property Name:	Glen Willow
Sub-Property Type:	Residential, Residential Subdivision
Address:	N/L of PFE Rd., W/O Walerga Rd.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2714641



Sale Information

Sale Price:	\$20,252,000
Effective Sale Price:	\$20,252,000
Sale Date:	10/01/2021
Contract Date:	12/01/2019
Sale Status:	Closed
\$/Unit (Potential):	\$122,000 /Approved Lot
Grantor/Seller:	JEN California 8, LLC.
Grantee/Buyer:	KB Homes Sacramento, Inc.
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	N/Av

Expenditures After Purchase: \$67,992

Other Adjustment: \$1,878

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	023-440-001 thru -086; -023-450-12
Acres(Gross):	27.10
Land-SF(Gross):	1,180,476
Potential Building SF:	6,300
No. of Units (Potential):	166
Shape:	Irregular
Topography:	Level
Zoning Code:	SPL-RVSP
Zoning Desc.:	Specific Plan Land, Riolo Vineyards SP
Flood Plain:	No
Flood Zone Designation:	X
Source of Land Info.:	Public Records

Comments

This comparable represents the sale of 166 finished lots with a typical lot size of 6,300 square feet. Permits and fees are \$67,992 per lot and annual special assessments average \$1,878/lot. KB Homes is constructing two different product lines with floor plans ranging in size

Sale Analysis

Comments (Cont'd)

from 1,450 square feet to 2,622 square feet. The property is located south of the Roseville City limits and is located within the CJUSD. This contract was negotiated in December 2019.

Location & Property Identification

Property Name: Winding Creek Parcel C-12

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: 2698355



Sale Information

Sale Price: \$14,725,000

Effective Sale Price: \$14,725,000

Sale Date: 08/09/2021

Sale Status: Closed

\$/Unit (Potential): \$155,000 /Approved Lot

Grantor/Seller: Anthem United Creekview Development, LP.

Grantee/Buyer: Meritage Homes of California, Inc.

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.: 2021.103031

Sale Analysis

Expenditures After Purchase: \$82,223

Expenditures Description: permits & fees

Other Adjustment: \$2,518

Adjustment Comments: annual special taxes

Sale Price Includes FF&E? No

Improvement and Site Data

MSA: Sacramento--Roseville--Arden-Arcade, CA

Legal/Tax/Parcel ID: 017-490-017

Acres(Gross): 18.72

Land-SF(Gross): 815,443

Potential Building SF: 5,500

No. of Units (Potential): 95

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 95 finished lots with a typical lot size of 5,500 square feet. Permits & fees average \$82,223 per lot and annual special assessments are \$2,518 per lot. The northern lots are anticipated to achieve open space premiums as they are adjacent to Winding Creek.

Property Name:	Fiddlyment Ranch, Village F-10A (ptn.)
Sub-Property Type:	Residential, Residential Subdivision
Address:	N/O Holt Pky., W/O N. Hayden Pky.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2627049



Sale Price:	\$7,000,000
Effective Sale Price:	\$7,000,000
Sale Date:	03/04/2021
Contract Date:	03/25/2020
Sale Status:	Closed

\$/Unit (Potential):	\$140,000 /Approved Lot
Grantor/Seller:	JEN California 15, LLC.
Grantee/Buyer:	JMC Homes
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed

Expenditures Description:	Permits & Fees
Other Adjustment:	\$1,864
Adjustment Comments:	Annual Special Assessments
Sale Price Includes FF&E?	No

Acres(Gross):	1.00
Land-SF(Gross):	43,560
Potential Building SF:	6,050
No. of Units (Potential):	50
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Zoning Desc.:	Single-family
Easements:	No
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Other

Expenditures After Purchase: \$78,594

This comparable represents the sale of 50 finished lots (55'x110') in phase 3 of Fiddymment Farms. Permits & Fees are \$78,594/lot and annual special assessments are



Comments (Cont'd)

\$1,864/lot. This transaction represents a two phase takedown; the remaining 61 lots within the village are projected to transfer in January 2022 for \$5,000 more/lot.

Location & Property Identification

Property Name:	Westpark-Federico Parcel FD-1
Sub-Property Type:	Residential, Residential Subdivision
Address:	NWQ of N/O Earl Rush & Silver Spruce Drives
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2619398



Sale Information

Sale Price:	\$6,660,000
Effective Sale Price:	\$6,660,000
Sale Date:	02/08/2021
Sale Status:	Closed

\$/Unit (Potential):	\$90,000 /Approved Lot
Grantor/Seller:	Solaire Community Builders, LLC.
Grantee/Buyer:	Taylor Morrison
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed

Expenditures After Purchase: \$143,385

Other Adjustment:	\$1,836
Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	498-020-001
Acres(Gross):	19.73
Land-SF(Gross):	859,438
Potential Building SF:	7,150
No. of Units (Potential):	74
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

Sale Analysis

Comments

This sale represents the sale of 74 LDR blue-topped lots with a typical lot size of 7,150 square feet (65'x110') in

Comments (Cont'd)

Phase 2 of Westpark-Federico. Permits & Fees are approximately \$80,948/lot and development costs are approximately \$62,437/lot. Annual special taxes are \$1,836/lot. These lots are located within the RUSD/RJUHSD.

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

Expenditures After Purchase: \$124,585

Expenditures Description: Permits & Fees and Site Development Costs

Other Adjustment: \$1,836

Adjustment Comments: Annual Special Assessments

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

Sale Analysis

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.

Location & Property Identification

Property Name:	Winding Creek - Village C-21
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:	2996406



Sale Information

Sale Price:	\$9,047,500
Effective Sale Price:	\$9,047,500
Sale Date:	04/20/2023
Sale Status:	Closed
\$/Unit (Potential):	\$117,500 /Approved Lot
Grantor/Seller:	Anthem United Creekview Development, LP.
Grantee/Buyer:	DR Horton
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:	\$86,286
Expenditures Description:	Permits & Fees
Other Adjustment:	\$2,448
Adjustment Comments:	Annual Special Assessments
Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	496-620-005
Acres(Gross):	7.70
Land-SF(Gross):	335,412
Potential Building SF:	2,800
No. of Units (Potential):	77
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)

Improvement and Site Data (Cont'd)

Source of Land Info.: Past Appraisal

Comments

This comparable represents the sale of 77 finished MDR lots with a typical lot size of 3,600 square feet (45'x80'). Permits & fees are \$86,286 per lot and annual special assessments are \$2,448 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.



Location & Property Identification

Property Name: Winding Creek - Village C-22

Sub-Property Type: Residential, Residential Subdivision

Address: E/O Westbrook Blvd., N/O Blue Oaks Blvd.

City/State/Zip: Roseville, CA 95747

County: Placer

Market Orientation: Suburban

IRR Event ID: 2929125



Sale Information

Sale Price: \$9,020,000

Effective Sale Price: \$9,020,000

Sale Date: 03/31/2023

Sale Status: Closed

\$/Unit (Potential): \$110,000 /Approved Lot

Grantor/Seller: Anthem United Creekview Development, LP.

Grantee/Buyer: Meritage Homes of CA, Inc.

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: \$86,286

Expenditures Description: Permits & Fees

Other Adjustment: \$2,448

Adjustment Comments: Annual Special Assessments

Sale Price Includes FF&E? No

Improvement and Site Data

MSA: Sacramento--Roseville--Arden-Arcade, CA

Legal/Tax/Parcel ID: 496-620-005

Acres(Gross): 11.30

Land-SF(Gross): 492,228

Potential Building SF: 3,600

No. of Units (Potential): 82

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)

Improvement and Site Data (Cont'd)

Source of Land Info.: Past Appraisal

Comments

This comparable represents the sale of 82 finished MDR lots with a typical lot size of 3,600 square feet (45'x80'). Permits & fees are \$86,286 per lot and annual special assessments are \$2,448 per lot. The purchase price is in addition to a Master Marketing Fee of 0.75% of HUD Purchase Price which is to be paid in connection with each home closing.



Location & Property Identification

Property Name: Sierra Vista - Parcel FD-10

Sub-Property Type: Residential, Residential Subdivision

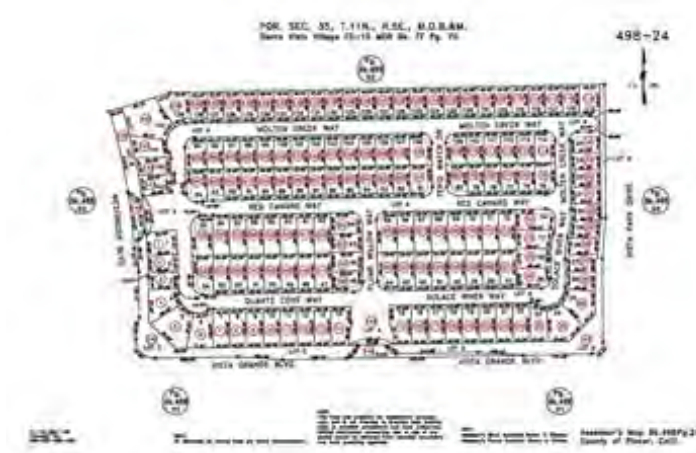
Address: NEC of Vista Grande & Westbrook Boulevards

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.



Location & Property Identification

Property Name:	Westbrook Phase 3, Parcel WB-41
Sub-Property Type:	Residential, Residential Subdivision
Address:	SEC of Pleasant Grove & Santucci Blvds
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	2976957



Sale Information

Sale Price:	\$9,450,000
Effective Sale Price:	\$9,450,000
Sale Date:	03/18/2022
Sale Status:	Closed
\$/Unit (Potential):	\$150,000 /Approved Lot
Grantor/Seller:	Westpark SV 400 LLC.
Grantee/Buyer:	Solaire II – Roseville, LP (Beazer 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
Recording No.:	N/Av

Sale Analysis

Expenditures After Purchase:	\$109,181
Expenditures Description:	Permits & fees and site development costs.
Other Adjustment:	\$1,564
Adjustment Comments:	Annual Special Taxes
Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA
Legal/Tax/Parcel ID:	496-630-001 thru -063
Acres(Gross):	10.00
Land-SF(Gross):	435,600
Potential Building SF:	3,995
No. of Units (Potential):	63
Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
Zoning Code:	RS/DS
Zoning Desc.:	Small lot residential, dev. standard overlay
Flood Plain:	No
Flood Zone Designation:	X

Improvement and Site Data (Cont'd)

Source of Land Info.: Other

Comments

This comparable represents the sale of 63 paper MDR lots with a typical size of 3,995 SF. Permits & fees average \$52,781 per lot, site development costs were \$56,400 per lot, and annual special assessments are \$1,564. The developer plans to construct 3 floor plans ranging in size from 1,907 to 2,480 square feet, priced at \$531,990 to \$609,990. These lots are located with the CJUSD.



Location & Property Identification

Property Name:	Westpark-Federico Parcel FD-20B
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:	2766003



Sale Information

Sale Price:	\$6,600,000
Effective Sale Price:	\$6,600,000
Sale Date:	04/15/2021
Sale Status:	Closed
\$/Unit (Potential):	\$75,000 /Approved Lot
Grantor/Seller:	Solaire Community Builders, LLC.
Grantee/Buyer:	Tri Pointe Homes Holdings, Inc.
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.:	2021.52318

Sale Analysis

Expenditures After Purchase:	\$122,090
Expenditures Description:	site development costs and permits & fees
Other Adjustment:	\$1,665
Adjustment Comments:	annual special taxes
Sale Price Includes FF&E?	No

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden- Arcade, CA
Legal/Tax/Parcel ID:	498-020-005
Acres(Gross):	12.38
Land-SF(Gross):	539,272
Potential Building SF:	3,375
No. of Units (Potential):	88
Shape:	Irregular
Topography:	Level
Zoning Code:	MDR
Zoning Desc.:	Medium Density Residential
Easements:	No
Environmental Issues:	No
Flood Plain:	No

Improvement and Site Data (Cont'd)

Flood Zone Designation:	X
Source of Land Info.:	Other

Comments

This sale represents the sale of 88 MDR blue-topped lots with a typical lot size of 3,375 square feet in Phase 2 of Westpark-Federico. Permits & Fees are approximately \$74,656/lot and development costs are approximately \$47,434/lot. Annual special taxes are \$1,665/lot. These lots are located within the RJUHSD/RCSD.



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

Expenditures After Purchase: \$124,585

Expenditures Description:	Permits & Fees and Site Development Costs
Other Adjustment:	\$1,836
Adjustment Comments:	Annual Special Assessments
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

Sale Analysis

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.

Location & Property Identification

Property Name:	Fiddymment 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

Expenditures Description:	Permits & Fees
Other Adjustment:	\$1,435
Adjustment Comments:	Annual Special Assessments
Sale Price Includes FF&E?	No

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 Fiddymment 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

Expenditures After Purchase:	\$69,529

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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 City, County or State, but are a 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 Placer 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 1, 2023 was approximately 152,928.

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 Golf and 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 at large for staggered four-year terms. At each election, the council member receiving the most votes is appointed mayor pro-tempore for two years and becomes mayor for the final two years.

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 2019 through 2023, as of January 1

<u>Year</u>	<u>City of Roseville</u>	<u>Placer County</u>	<u>State of California</u>
2019	141,097	395,345	39,605,361
2020	143,493	399,015	39,648,938
2021	148,736	406,688	39,286,510
2022	151,450	409,441	39,078,674
2023	152,928	410,305	38,940,231

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 4.4 percent in June 2023, up from a revised 4.0 percent in May 2023, and above the year-ago estimate of 3.7 percent. This compares with an unadjusted unemployment rate of 4.9 percent for California and 3.8 percent for the nation during the same period. The unemployment rate was 3.9 percent in El Dorado County, 3.8 percent in Placer County, 4.5 percent in Sacramento County, and 4.8 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 2018 through 2022.

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Civilian Labor Force</u> ⁽¹⁾	1,088,500	1,101,200	1,095,600	1,107,800	1,124,500
Employment	1,047,200	1,061,100	998,400	1,036,700	1,082,500
Unemployment	41,200	40,100	97,200	71,100	42,000
Unemployment Rate	3.8%	3.6%	8.9%	6.4%	3.7%
<u>Wage and Salary Employment</u> ⁽²⁾					
Agriculture	9,100	8,700	8,300	9,000	8,600
Mining and Logging	400	500	500	500	500
Construction	64,500	69,400	70,200	74,900	76,800
Manufacturing	36,000	36,800	36,100	37,700	40,300
Wholesale Trade	28,400	28,600	26,600	26,900	28,300
Retail Trade	102,000	100,500	95,100	101,600	100,800
Transportation, Warehousing and Utilities	29,500	32,200	34,300	37,500	40,500
Information	12,400	11,900	10,200	10,100	10,500
Finance and Insurance	36,700	35,200	34,800	34,100	33,200
Real Estate and Rental and Leasing	16,800	17,300	16,900	17,700	19,100
Professional and Business Services	136,000	137,300	133,500	140,600	147,500
Educational and Health Services	159,800	166,600	164,000	168,800	175,400
Leisure and Hospitality	106,200	109,600	83,900	93,600	108,700
Other Services	34,200	35,400	31,000	33,300	36,100
Federal Government	14,100	14,200	14,800	14,500	14,300
State Government	120,400	121,900	121,700	127,300	128,700
Local Government	103,500	105,300	98,900	98,400	102,900
Total, All Industries ⁽³⁾	1,009,900	1,031,300	980,700	1,025,400	1,072,300

(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) June 2023

Employer Name	Location	Industry
Backyard Bar & BBQ	Truckee	Restaurants
City of Roseville	Roseville	Alternative Fuels
City of Roseville California	Roseville	Government Offices-City/Village & Twp
Costco Wholesale	Roseville	Wholesale Clubs
Golfand 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	Skiing Centers & Resorts
Placer County Fire Dept	Auburn	Government Offices-County
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	Olympic Valley	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 2nd 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, 2022.

PRINCIPAL EMPLOYERS City of Roseville As of June 30, 2022

<u>Employer</u>	<u>Number of Employees</u>
The Kaiser Permanente Medical Group & Foundation Group	5,900
PRIDE Industries	5,342
Sutter Roseville Medical Group	3,361
Adventist Health	1,500
City of Roseville	1,277
Union Pacific Railroad Company	1,150
Roseville City School District	1,133
Roseville Joint Union High School	1,005
Penumbra	600
Consolidated Communications	507
Total – Top Ten	<u>21,865</u>
Total City-Wide Employment	92,281

Source: City of Roseville Comprehensive Annual Financial Report for Fiscal Year 2021-22.

Construction Permits

The following table shows valuations of residential and non-residential building permits issued for calendar years 2018 through 2022.

BUILDING PERMIT VALUATION City of Roseville (Valuation in Thousands of Dollars)

	2018	2019	2020	2021	2022
<u>Permit Valuation</u>					
New Single-family	\$220,813.8	\$265,615.3	\$322,748.5	\$467,676.3	\$420,490.6
New Multi-family	0.0	6,855.8	46,469.0	0.0	1,552.1
Res. Alterations/Additions	<u>8,598.7</u>	<u>16,133.8</u>	<u>5,126.3</u>	<u>39,648.3</u>	<u>5,529.1</u>
Total Residential	\$229,412.5	\$288,604.9	\$374,343.8	\$507,324.6	\$427,571.8
New Commercial	\$21,072.5	\$24,136.7	\$23,230.8	\$16,627.7	\$40,882.5
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	11,541.4	9,358.1	12,610.6	12,351.9	7,312.1
Com. Alterations/Additions	<u>38,098.5</u>	<u>46,155.6</u>	<u>24,553.9</u>	<u>29,192.0</u>	<u>42,938.9</u>
Total Nonresidential	\$70,712.4	\$79,650.40	\$60,395.3	\$58,171.6	\$91,133.5
<u>New Dwelling Units</u>					
Single-Family	806	1,001	1,226	1,860	1,618
Multiple Family	<u>0</u>	<u>65</u>	<u>372</u>	<u>0</u>	<u>18</u>
Total New Dwelling Units	806	1,066	1,598	1860	1,636

Source: Construction Industry Research Board, Building Permit Summary.

The County's 2022-23 assessment roll totaled \$97,541,982,154 as compared to the prior year's assessment roll of \$89,326,713,518, which reflected a 9.20% increase this year. 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 2018 through 2022. Annual figures are not yet available for 2023.

BUILDING PERMIT VALUATION
County of Placer
(Valuation in Thousands of Dollars)

	2018	2019	2020	2021	2022
<u>Permit Valuation</u>					
New Single-family	\$696,737.4	\$693,647.7	\$827,822.1	\$1,323,114.6	\$1,193,148.4
New Multi-family	23,384.7	7,896.7	72,442.8	11,183.1	40,312.6
Res. Alterations/Additions	<u>99,341.6</u>	<u>86,964.2</u>	<u>52,440.8</u>	<u>107,613.1</u>	<u>82,331.3</u>
Total Residential	\$819,463.7	\$788,508.6	\$952,705.7	\$1,441,910.8	\$1,315,792.3
 New Commercial	 \$90,424.4	 \$73,609.7	 \$58,855.0	 \$52,238.1	 \$105,124.2
New Industrial	7,956.4	268.7	25.0	1,155.5	0.0
New Other	68,208.3	110,951.1	76,576.0	73,032.7	116,224.1
Com. Alterations/Additions	<u>84,271.0</u>	<u>78,159.7</u>	<u>49,149.7</u>	<u>58,371.2</u>	<u>80,371.0</u>
Total Nonresidential	\$250,860.1	\$262,989.2	\$184,605.7	\$184,797.5	\$301,719.3
 <u>New Dwelling Units</u>					
Single-Family	1,963	2,080	2,552	4,176	3,701
Multiple Family	<u>19</u>	<u>71</u>	<u>540</u>	<u>66</u>	<u>351</u>
Total New Dwelling Units	1,982	2,151	3,092	4,242	4,052

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 the first quarter of calendar year 2023 in the City were reported to be \$1,348,494,934, a 3.16% decrease in the total taxable sales of \$1,392,430,779 reported during the calendar year 2022.

TAXABLE TRANSACTIONS City of Roseville Calendar Years 2018 through 2022 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
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	4,800,774	5,602	5,618,718
2022	3,676	5,039,926	5,847	5,934,936

Source: State Department of Tax and Fee Administration

The total taxable sales during the first quarter of calendar year 2023 in the County were reported to be \$2,975,118,499, a 4.98% decrease in the total taxable sales of \$3,130,904,685 reported during calendar year 2022.

TAXABLE TRANSACTIONS Placer County Calendar Years 2018 through 2022 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
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	12,632,960
2022	8,201	10,051,067	14,163	13,351,487

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.

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

September 7, 2023

City Council
City of Roseville
311 Vernon Street
Roseville, California 95678

OPINION: \$4,115,000 City of Roseville Villages at Sierra Vista 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 \$4,115,000 City of Roseville Villages at Sierra Vista 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 July 1, 2019, as supplemented and amended by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of July 1, 2020, a Supplemental Agreement No. 2 to Fiscal Agent Agreement dated as of August 1, 2021, a Supplemental Agreement No. 3 to Fiscal Agent Agreement dated as of August 1, 2022 and a Supplemental Agreement No. 4 to Fiscal Agent Agreement dated as of September 1, 2023 (collectively, the “Fiscal Agent Agreement”), by and between the City, on behalf of the City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities), and U.S. Bank Trust Company, National Association, as fiscal agent. 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 the Fiscal Agent Agreement and perform the agreements on its part contained therein, 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 authorized, executed and delivered 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. The opinions set forth in the preceding sentence 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.

Interest on the 2023 Bonds may be subject to the corporate alternative minimum tax. 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. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS

CONTINUING DISCLOSURE CERTIFICATE (City)

This CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) dated as of September 7, 2023, is executed and delivered by the CITY OF ROSEVILLE (the “City”) in connection with the execution and delivery of its City of Roseville Villages at Sierra Vista 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 July 1, 2019, as supplemented and amended by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of July 1, 2020, a Supplemental Agreement No. 2 to Fiscal Agent Agreement dated as of August 1, 2021, a Supplemental Agreement No. 3 to Fiscal Agent Agreement dated as of August 1, 2022 and a Supplemental Agreement No. 4 to Fiscal Agent Agreement dated as of September 1, 2023 (collectively, the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as successor fiscal agent (the “Fiscal Agent”).

The District 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 each January 15th after the end of the City’s fiscal year.

“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 January 15, 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 to that effect.

(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, unless otherwise specified, as of September 30 of the preceding year:

(i) Principal amount of all outstanding bonds of the District.

(ii) Balance in the improvement fund.

(iii) (a) Balance in 2023 Reserve Account of the Reserve Fund, and statement of the Reserve Requirement for the 2023 Bonds; and statement of projected draws on the 2023 Reserve Account of the Reserve Fund, if any; and (b) balance in any debt service reserve fund or account established in connection with any other issue of bonds of City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) and statement of the reserve requirement for such other bonds; and statement of projected draws on any other such debt service reserve fund or account, 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.

(vii) Notwithstanding the September 30 reporting date, 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 September 30. 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% 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).

(x) Debt service coverage.

(ix) The total Special Tax levy and Maximum Special Tax for Developed Property, Small Lot Tentative Map Property, Large Lot Property and Undeveloped Property (all as defined in the Rate and Method of Apportionment) together with the allocable debt of the CFD Bonds and most recently available assessed values for each category.

(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 is 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 MSRB 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 Villages at Sierra Vista
Community Facilities District No. 1 (Public
Facilities)

By: _____
Name:
Title:

WILLDAN FINANCIAL SERVICES, as
Dissemination Agent

By: _____
Name:
Title:

FORM OF CONTINUING DISCLOSURE CERTIFICATE (Developer)

THIS CONTINUING DISCLOSURE AGREEMENT (the “Disclosure Certificate”) dated as of September 7, 2023, is executed by John Mourier Construction, Inc., a California corporation (the “Developer”) in connection with the execution and delivery by the City of Roseville of its City of Roseville Villages at Sierra Vista 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 July 1, 2019, as supplemented and amended by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of July 1, 2020, a Supplemental Agreement No. 2 to Fiscal Agent Agreement dated as of August 1, 2021, a Supplemental Agreement No. 3 to Fiscal Agent Agreement dated as of August 1, 2022 and a Supplemental Agreement No. 4 to Fiscal Agent Agreement dated as of September 1, 2023 (collectively, the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as successor fiscal agent (the “Fiscal Agent”).

The Developer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Developer for the benefit of the holders and beneficial owners of the Bonds.

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, the following capitalized terms shall have the following meanings:

“Affiliate” of another Person means (a) a Person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other Person, (b) any Person, 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other Person, and (c) any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

“Assumption Agreement” means an undertaking of a Major Owner, or an Affiliate thereof, for the benefit of the holders and beneficial owners of the Bonds containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner’s development and financing plans with respect to the District), whereby such Major Owner or Affiliate agrees to provide periodic reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in the District owned by such Major Owner and its Affiliates and, at the option of the Developer or such Major Owner, agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 11 hereof.

“Dissemination Agent” means Willdan Financial Services, or any successor Dissemination Agent designated in writing by the Developer, and which has filed with the Developer, the City and the Fiscal Agent a written acceptance of such designation, and which is experienced in providing dissemination agent services such as those required under this Disclosure Certificate.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“Major Owner” means, as of any Report Date, an owner of land in the District that is responsible in the aggregate for 20% or more of the Special Taxes in the District anticipated to be levied at any time during the then-current fiscal year.

“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” means Piper Sandler & Co., the original Underwriter of the Bonds.

“Periodic Report” means any Periodic Report provided by the Developer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Property” means the property owned by the Developer in the District.

“Report Date” means April 1 and October 1 of any fiscal year.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Special Taxes” means the special taxes of the District levied on taxable property within the District.

Section 3. Provision of Periodic Reports.

(a) The Developer shall, or, upon written direction of the Developer the Dissemination Agent shall, not later than the Report Date, commencing April 1, 2024, file or cause to be filed with the MSRB a Periodic Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Fiscal Agent (if different from the Dissemination Agent), the Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Developer shall provide the Periodic Report to the Dissemination Agent (if different from the Developer). The Developer shall provide a written certification with (or included as a part of) each Periodic Report furnished to the Dissemination Agent (if different from the Developer), the Fiscal Agent (if different from the Dissemination Agent), the Participating Underwriter and the City to the effect that such Periodic Report constitutes the Periodic Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Fiscal Agent, the Participating Underwriter and the City may conclusively rely upon such certification of the Developer and shall have no duty or obligation to review the Periodic Report. The Periodic Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent does not receive a Periodic Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Developer that the Periodic Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Developer to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 6 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Developer does not provide, or cause the Dissemination Agent to provide, a Periodic Report to the MSRB by the Report Date as required in subsection (a) above, the Dissemination Agent shall send a notice to that effect to the MSRB in substantially the form prescribed by the MSRB, with a copy to the Fiscal Agent (if other than the Dissemination Agent), the City and the Participating Underwriter.

(c) With respect to the Periodic Report, the Dissemination Agent shall, to the extent the Periodic Report has been furnished to it, file the Periodic Report with the MSRB and file a report with the Developer (if the Dissemination Agent is other than the Developer), the City and the Participating Underwriter certifying that the Periodic Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to and filed with the MSRB.

Section 4. Content of Periodic Reports. The Developer's Periodic Report shall contain or incorporate by reference the information set forth in Exhibit B relating to the Developer, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Developer or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Developer shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit B, the Developer's Periodic Report shall include such further 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.

Section 5. Reporting of Significant Events.

(a) The Developer shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Developer and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Developer that is reasonably likely to have a significant impact on the Developer's ability to pay Special Taxes or to sell or develop the Property;

(ii) failure to pay any taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property on or prior to the delinquency date;

(iii) filing of a lawsuit of which the Developer is aware against the Developer or an Affiliate seeking damages, which is reasonably likely to have a significant impact on the Developer's ability to pay Special Taxes or to sell or develop the Property;

(iv) material damage to or destruction of any of the improvements on the Property; and

(v) any payment default or other material default by the Developer on any loan with respect to the construction of improvements on the Property.

(b) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Developer determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Developer shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with the MSRB, with a copy to the Fiscal Agent, the City and the Participating Underwriter.

Section 6. Duration of Reporting Obligation.

(a) All the Developer's obligations hereunder shall commence on the date hereof and terminate (except as provided in Section 11) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the Bonds, or

(ii) at such time as property owned by the Developer is no longer responsible for payment of 20% or more of the Special Taxes, or

(iii) the date on which the Developer prepays in full all of the Special Taxes attributable to the Property, or

(iv) the date on which (A) the Developer has completed construction of all buildings to be constructed within property it owns in the District and (B) each such building constructed by the Developer and intended for lease by the Developer has been, since completion of construction, at least 80% occupied at one time or another, if applicable.

The Developer shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) If a portion of the Property owned by the Developer, or any Affiliate of the Developer, is conveyed to a Person that, upon such conveyance, will be a Major Owner, the obligations of the Developer hereunder with respect to the property in the District owned by such Major Owner and its Affiliates may be assumed by such Major Owner or by an Affiliate thereof, and if so assumed the Developer's obligations hereunder with respect to such portion of the Property will be terminated. In order to effect such an assumption, such Major Owner or Affiliate shall enter into an Assumption Agreement in form and substance reasonably satisfactory to the City and the Participating Underwriter. If not so assumed, the Developer shall report the information, as applicable to the transferee, required herein so long as the transferee is a Major Owner.

Section 7. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist the Developer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty days' written notice to the City, the Developer and the Participating Underwriter.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Developer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied (provided, however, that the Dissemination Agent shall not be obligated under any such amendment that modifies or increases its duties or obligations hereunder without its written consent thereto):

(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; and

(b) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in 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.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Developer 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 Periodic Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Developer chooses to include any information in any Periodic Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Developer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Periodic Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, the Fiscal Agent shall (upon written direction and only to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys), and the Participating Underwriter and 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 Developer 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 and exclusive remedy under this Disclosure Certificate in the event of any failure of the Developer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Developer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents (each, an "Indemnified Party"), harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding loss, liabilities, costs and expenses due to an Indemnified Party's negligence or willful misconduct or failure to perform its duties hereunder. The Dissemination Agent shall be paid compensation for its services provided hereunder in accordance with its schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties

hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Developer, the Fiscal Agent, the Bond owners, or any other party. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given as follows:

To the Developer	John Mourier Construction, Inc. Attn: Controller 1430 Blue Oaks Boulevard Roseville, CA 95747
To the Dissemination Agent:	Willdan Financial Services 27368 Via Industria, Suite 200 Temecula, CA 92590
To the Issuer/City:	City of Roseville 311 Vernon Street Roseville, CA 95678 Attn: CFD Administrator
To the Fiscal Agent:	U.S. Bank Trust Company, National Association 333 South Hope Street, Suite 2626 Los Angeles, CA 90071 Attn: Corporate Trust
To the Participating Underwriter:	Piper Sandler & Co. Attn: Public Finance 2321 Rosecrans Avenue, Suite 3200, El Segundo, CA 90245

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Developer (its successors and assigns), the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. All obligations of the Developer hereunder shall be assumed by any legal successor to the obligations of the Developer as a result of a sale, merger, consolidation or other reorganization.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Developer has executed this Disclosure Certificate as of the date first above written.

John Mourier Construction, Inc., a California corporation

By: _____
Name:
Title:

ACCEPTED by DISSEMINATION AGENT:

Willdan Financial Services,
as Dissemination Agent

By: _____
Name:
Title:

EXHIBIT B

PERIODIC REPORT

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (the "Disclosure Certificate") dated September 7, 2023, executed by the undersigned (the "Developer") in connection with the issuance of the above-captioned bonds by the City of Roseville (the "City") with respect to its City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "District").

Capitalized terms used in this Periodic Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

I. Property Ownership and Development

The information in this section is provided as of _____ (this date must be not more than 60 days before the date of this Periodic Report).

A. Property currently owned by the Developer in the District (the "Property"):

Development name: _____

Number of lots (acreage): _____

B. Status of land development or construction activities:

C. Status of building permits and any significant amendments to land use or development entitlements:

D. Aggregate property sold, optioned or leased by the Developer to end users or merchant builders:

Since the Date of
Issuance of the Bonds

Since the Last Periodic
Report

Acres* _____
Lots _____
Bldg. Sq. Ft. _____

Acres* _____
Lots _____
Bldg. Sq. Ft. _____

* For bulk land sales only (excluding sales of finished lots or completed buildings).

E. Status of any land purchase contracts with regard to the Property, whether acquisition of land in the District by the Developer or sales of land in the District to other property

owners, distinguishing between (i) end users (e.g., condominiums), (ii) developers and (iii) merchant builders.

F. With respect to occupied buildings owned and leased by Developer, (i) occupancy percentage and (ii) a rent roll consisting solely of (A) term of lease and (B) number of square feet subject to the lease, if applicable.

II. Legal and Financial Status of Developer

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any change in the legal structure of the Developer or the financial condition and financing plan of the Developer that would materially and adversely interfere with its ability to complete its development plan described in the Official Statement.

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any development plans or financing plans relating to the Property *that are materially different from* the proposed development and financing plan described in the Official Statement.

IV. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any other significant changes in the information relating to the Developer or the Property contained in the Official Statement under the heading “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT” that would materially and adversely interfere with the Developer’s ability to develop and sell the Property as described in the Official Statement.

V. Other Material Information

In addition to any of the information expressly required above, provide such further 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.

Certification

The undersigned Developer hereby certifies that this Periodic Report constitutes the Periodic Report required to be furnished by the Developer under the Disclosure Certificate.

ANY STATEMENTS REGARDING THE DEVELOPER, THE DEVELOPMENT OF THE PROPERTY, THE DEVELOPER'S FINANCING PLAN OR FINANCIAL CONDITION, OR THE BONDS, OTHER THAN STATEMENTS MADE BY THE DEVELOPER IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE DEVELOPER. THE DEVELOPER IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

THE DEVELOPER HAS NO OBLIGATION TO UPDATE THIS PERIODIC REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated: _____

[John Mourier Construction, Inc.]

By: _____

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

“Administrative Expenses” means any or all of the following: the fees and expenses of the Fiscal Agent (including, but not limited to, any fees or expenses of its counsel), the expenses of the City in carrying out its duties hereunder (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 hereunder (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 and each series of Outstanding Bonds, 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 Manager, Chief Financial Officer, City Attorney 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 this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Jones Hall, A Professional Law Corporation or (ii) any other 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.

“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 California State Treasurer or any successor agency or bureau thereto.

“Chief Financial Officer” means the duly acting Chief Financial Officer of the City, or if the City has no Chief Financial Officer, the Finance Director, Treasurer or other officer of the City serving a similar role.

“City” means the City of Roseville, California, and any successor thereto.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) 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 the Continuing Disclosure Certificate, dated as of the Closing Date, executed by 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, and expenses and fees of counsel to the Fiscal Agent, 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, 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 (i) initially, DTC, and (ii) any other Securities Depository acting as Depository pursuant to the Agreement.

“District” means the City of Roseville Villages at Sierra Vista 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: (a) direct obligations of the Export-Import Bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration, (d) mortgage-backed bonds or passthrough obligations issued and

guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

"Fiscal Agent" means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers herein 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, for each series of Outstanding Bonds, the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of the respective series of 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, with respect to each series of Bonds, the first purchaser of such 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 (d) 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 and 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 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 (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives and retains a fee for services provided to the fund, (b) the Fiscal Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this 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 (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives and retains a fee for services provided to the fund, (b) the Fiscal Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this

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 Special Tax Formula.

"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 acquisition and/or construction of the authorized facilities for the District described in the Resolution of Formation, including Administrative Expenses related thereto.

"Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent, provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company is rated in the top two categories (without regard to modifier) by S&P or Moody's at the time of issuance; (ii) such letter of credit or surety bond has a term of at least 12 months; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement being met by such instrument or with respect to which funds are proposed to be released pursuant to the Fiscal Agent Agreement; and (iv) the Fiscal Agent is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to the Fiscal Agent Agreement.

“Record Date” means the 15th day of the month preceding an 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. 18-119, adopted by the City Council of the City on May 2, 2018, establishing the District.

“Securities Depositories” means DTC; 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.

“Special Tax Formula” means the “Amended Rate, Method of Apportionment, and Manner of Collection of Special Tax for City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities),” approved by the qualified electors in the District on January 16, 2019, as amended and as it may be amended in the future.

“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 this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

Bond Fund

Establishment. There is established as a separate fund to be held by the Fiscal Agent the Villages at Sierra Vista 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 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 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.

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 5 Business Days of each June 1, the Fiscal Agent shall provide the Chief Financial Officer with a notice stating the amount then on deposit in the Bond Fund and the reserve accounts of the Reserve Fund. The receipt of such notice by the Chief Financial Officer shall in no way affect the obligations of the Chief Financial Officer under the following two paragraphs. Upon receipt of such notice, the Chief Financial Officer shall 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 the 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 Chief Financial Officer, 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 Bond Year, including any necessary replenishment or expenditure of amounts in the Reserve Fund and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the Special Tax Formula 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 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.

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.

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.

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.

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 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 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 of the Agreement. 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 of the Agreement. The Fiscal Agent may execute any of the powers under the Agreement or perform any duties 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 hereunder. 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 hereunder in good faith and in accordance with the Agreement.

The Fiscal Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means by an Authorized Officer (or his or her designee) ("Electronic Means" shall mean the following communications methods: 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 hereunder); provided, however, that the City shall provide to the Fiscal Agent an incumbency certificate for each person with the authority to provide such Instructions and containing specimen signatures of such persons, 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 (or designee) listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer (or designee). The City shall be responsible for ensuring that only Authorized Officers (or their designees) transmit such Instructions to the Fiscal Agent and that the City is 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.

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 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, including to effectuate the issuance of Additional Bonds in accordance with the Agreement;
- (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; or
- (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 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.

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 or other fiduciary, 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 certain 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 or other fiduciary, 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 certain 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 this 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 this Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligations of the City (i) under the Maintenance of Tax-Exemption provisions of the Agreement and (ii) 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.

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APPENDIX G

DTC AND THE BOOK-ENTRY ONLY 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 interest 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, DTC 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, DTC Participants or DTC 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 and Agent believe to be reliable, but Issuer and Agent take no responsibility for the accuracy thereof.

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