NEW ISSUE—BOOK-ENTRY-ONLY **NO RATING**

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 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. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

$43,470,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS) IMPROVEMENT AREA NO. 1 SPECIAL TAX BONDS, SERIES 2021

Dated: Delivery Date **Due: September 1, as shown on the inside cover page**

The bonds described herein are being issued by the City of Sacramento (the "City") for City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) (the "District") with respect to Improvement Area No. 1 therein ("Improvement Area No. 1"). The City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1 Special Tax Bonds, Series 2021 (the "Bonds") are being issued by the City to (a) pay the cost and expense of the acquisition and construction of certain public facilities and to finance certain governmental fees required in connection with the development within the District; (b) fund a reserve fund securing the Bonds; (c) pay costs of issuance of the Bonds; and (d) fund an amount to pay the interest on the Bonds due on September 1, 2021 and a portion of the interest on the Bonds due on March 1, 2022.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California), and pursuant to a Master Indenture, dated as of February 1, 2021 as supplemented by a First Supplemental Indenture dated as of February 1, 2021, each by and between the City and U.S. Bank National Association, as trustee (the "Trustee") (collectively, the "Indenture").

The Bonds are special limited obligations of the City and are payable solely from the proceeds of the Special Tax (as defined in this Official Statement) levied on taxable property within Improvement Area No. 1 and from certain other funds pledged under the Indenture, all as further described in this Official Statement. The Special Tax will be levied according to the amended and restated rate and method of apportionment approved by the City Council of the City and the qualified electors within Improvement Area No. 1. See "SOURCES OF PAYMENT FOR THE BONDS."

The Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Bonds may be made in integral multiples of $5,000 and will be in book-entry form only. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds will be payable semi-annually on each March 1 and September 1, commencing September 1, 2021. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described in this Official Statement. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS — General Provisions" and APPENDIX H — "BOOK-ENTRY ONLY SYSTEM."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF SACRAMENTO, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE SPECIAL TAX, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PROCEEDS OF THE SPECIAL TAX LEVIED ON TAXABLE PROPERTY IN IMPROVEMENT AREA NO. 1 AND CERTAIN OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

The Bonds are subject to optional redemption, extraordinary redemption from Special Tax prepayments and mandatory sinking fund redemption prior to maturity as set forth in this Official Statement. See "THE BONDS — Redemption."

THE BONDS ARE NOT RATED BY ANY RATING AGENCY, AND INVESTMENT IN THE BONDS INVOLVES SIGNIFICANT RISKS THAT ARE NOT APPROPRIATE FOR CERTAIN INVESTORS. CERTAIN EVENTS COULD AFFECT THE ABILITY OF THE CITY TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE. SEE THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "SPECIAL RISK FACTORS" FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their validity by Jones Hall, A Professional Law Corporation, Bond Counsel to the City, and subject to certain other conditions. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California is serving as Disclosure Counsel to the City with respect to the Bonds. Certain legal matters will be passed on for the City by the Office of the City Attorney, for the Underwriter by Best Best & Krieger, LLP Riverside, California, as counsel to the Underwriter, and for the Trustee by its counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about February 26, 2021.

PIPER | SANDLER

Dated: February 17, 2021

$43,470,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS, SERIES 2021

MATURITY SCHEDULE

Base *CUSIP No.*† *:* 786071

$11,180,000 Serial Bonds

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP No.*†
2022	$ 295,000	3.000%	1.050%	102.921	QK9
2023	345,000	3.000	1.270	104.266	QL7
2024	395,000	3.000	1.430	105.361	QM5
2025	450,000	3.000	1.590	106.117	QN3
2026	505,000	4.000	1.760	111.721	QP8
2027	570,000	4.000	1.900	112.809	QQ6
2028	635,000	4.000	2.070	113.366	QR4
2029	710,000	4.000	2.170	113.666[C]	QS2
2030	785,000	4.000	2.250	113.141[C]	QT0
2031	860,000	4.000	2.330	112.618[C]	QU7
2032	945,000	4.000	2.380	112.293[C]	QV5
2033	1,030,000	4.000	2.390	112.228[C]	QW3
2034	1,120,000	4.000	2.410	112.098[C]	QX1
2035	1,215,000	4.000	2.450	111.839[C]	QY9
2036	1,320,000	4.000	2.490	111.581[C]	QZ6

$32,290,000 Term Bonds

$8,285,000 4.000% Term Bonds due September 1, 2041, Yield: 2.580% Price: 111.002[C] CUSIP No.† 786071RA0

$11,655,000 4.000% Term Bonds due September 1, 2046, Yield: 2.720% Price: 110.109[C] CUSIP No.† 786071RB8

$12,350,000 4.000% Term Bonds due September 1, 2050, Yield: 2.770% Price: 109.792[C] CUSIP No.† 786071RC6

C Priced to the optional redemption date of September 1, 2027, at 103%.

CITY OF SACRAMENTO

CITY COUNCIL

Darrell Steinberg, Mayor
Jeff Harris, Vice Mayor, District 3
Angelique Ashby, District 1
Sean Loloee, District 2
Katie Valenzuela, District 4
Jay Schenirer, District 5
Eric Guerra, District 6
Rick Jennings II, District 7
Mai Vang, District 8

ADMINISTRATIVE OFFICERS

Howard Chan, City Manager
Michael Jasso, Assistant City Manager
Leyne Milstein, Assistant City Manager
Chris Conlin, Assistant City Manager
Hector Barron, Assistant City Manager
John Colville, City Treasurer
Susana Alcala Wood, City Attorney
Mindy Cuppy, City Clerk
Dawn Holm, Finance Director

PROFESSIONAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Disclosure Counsel

Stradling Yocca Carlson & Rauth, A Professional Corporation

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Trustee

U.S. Bank National Association
San Francisco, California

Special Tax Consultant

Goodwin Consulting Group, Inc.
Sacramento, California

Appraiser

Smith & Associates, Inc.
Folsom, California

Market Absorption Consultant

The Gregory Group
Folsom, California

Except where otherwise indicated, all information contained in this Official Statement has been provided by the City. No dealer, broker, salesperson or other person has been authorized by the City, the Trustee or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Trustee 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 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment to this Official Statement, is intended to be deposited with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org.

The information set forth in this Official Statement which has been obtained from third party sources is believed to be reliable, but such information is not guaranteed as to accuracy or completeness by the City. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the 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 or any other parties described in this Official Statement since the date of this Official Statement. All summaries of the Indenture or other documents 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. Reference is made by this Official Statement to such documents on file with the City for further information. While the City maintains an internet website for various purposes, none of the information on that website is incorporated by reference herein or intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the City. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

> *The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its 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.*

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "THE DISTRICT AND IMPROVEMENT AREA NO. 1" and "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH 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 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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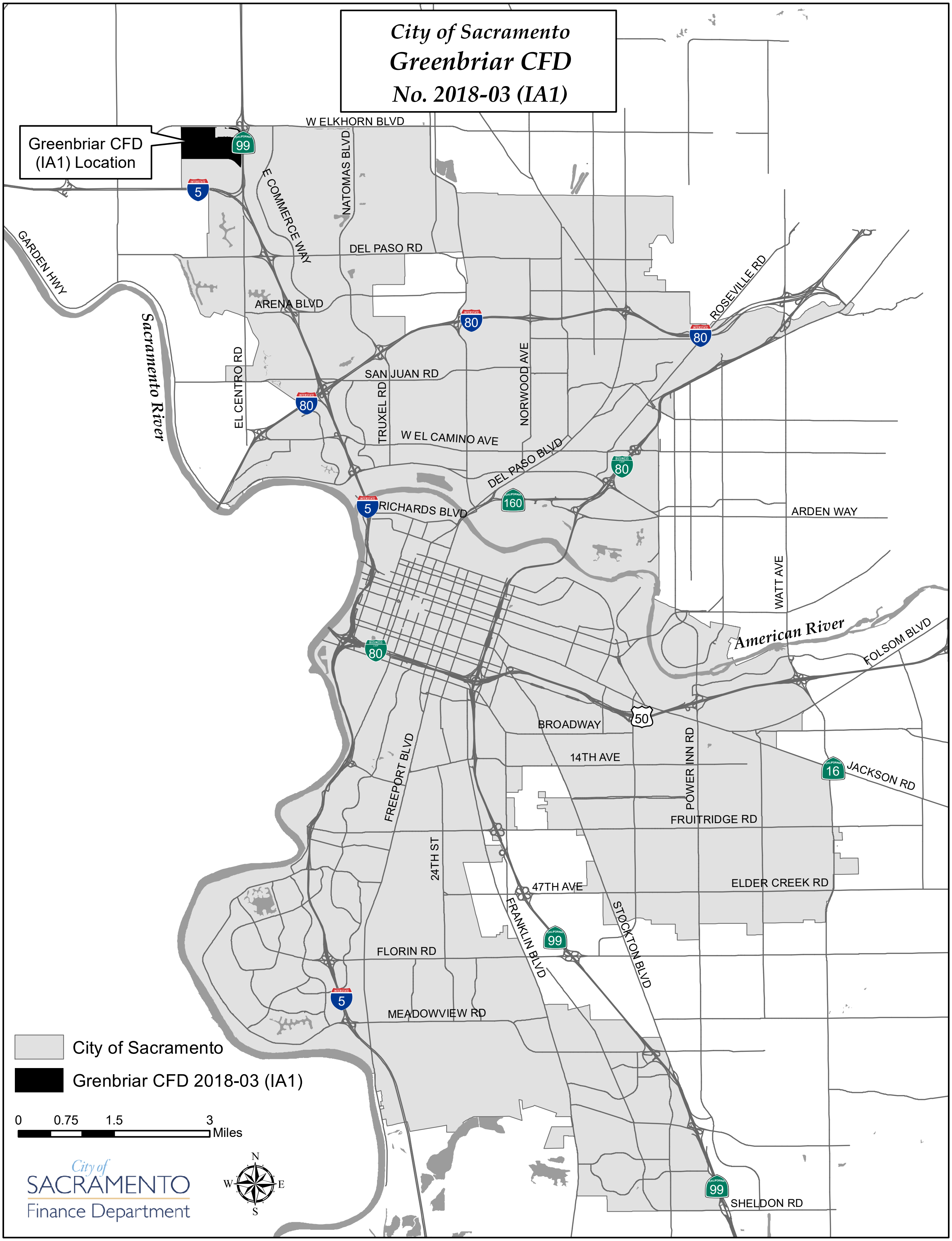
City of Sacramento
Greenbriar CFD
No. 2018-03 (IA1)
Greenbriar CFD
(IA1) Location
W ELKHORN BLVD
99
5
E COMMERCE WAY
NATOMAS BLVD
GARDEN HWY
DEL PASO RD
ARENA BLVD
Sacramento River
80
ROSEVILLE RD
80
EL CENTRO RD
SAN JUAN RD
80
TRUXEL RD
NORWOOD AVE
W EL CAMINO AVE
DEL PASO BLVD
80
160
5
RICHARDS BLVD
ARDEN WAY
WATT AVE
American River
FOLSOM BLVD
80
BROADWAY
50
14TH AVE
16
JACKSON RD
POWER INN RD
FREEPORT BLVD
FRUITRIDGE RD
24TH ST
47TH AVE
ELDER CREEK RD
FRANKLIN BLVD
STOCKTON BLVD
99
FLORIN RD
5
MEADOWVIEW RD
99
SHELDON RD
City of Sacramento
Grenbriar CFD 2018-03 (IA1)
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1.5
3
Miles
City of
SACRAMENTO
Finance Department
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CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 1

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$43,470,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS, SERIES 2021

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the appendices (collectively, the "Official Statement"), is to provide certain information concerning the issuance by the City of Sacramento (the "City") of City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1 Special Tax Bonds, Series 2021 (the "Bonds") in the aggregate principal amount of $43,470,000. The proceeds of the Bonds will be used to (a) pay the cost and expense of the acquisition and construction of certain public facilities and to finance certain governmental fees required in connection with the development of the property within the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) (the "District"); (b) fund a reserve fund securing the Bonds; (c) pay costs of issuance of the Bonds and (d) fund an amount to pay the interest on the Bonds due on September 1, 2021 and a portion of the interest on the Bonds due on March 1, 2022. See "THE FINANCING PLAN — Estimated Sources and Uses of Funds."

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq*. of the Government Code of the State of California) (the "Act"), and pursuant to a Master Indenture, dated as of February 1, 2021 as supplemented by a First Supplemental Indenture dated as of February 1, 2021, each by and between the City and U.S. Bank National Association, as trustee (the "Trustee") (collectively, the "Indenture").

The Bonds are secured under the Indenture by a pledge of and lien upon the proceeds of the Special Tax (as defined in this Official Statement) levied on taxable property within Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) ("Improvement Area No. 1") and all amounts held in the Special Tax Fund, the Bond Redemption Fund, and the Bond Reserve Fund, as provided in the Indenture. See "SOURCES OF PAYMENT FOR THE BONDS."

The Bonds are being issued and delivered pursuant to the provisions of the Act and the Indenture. The Bonds are being sold pursuant to a Bond Purchase Contract between the Underwriter and the City. See "THE BONDS — General Provisions."

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 and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX E — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions."

Northlake, the District and Improvement Area No. 1

General. The District is generally coterminous with the boundaries of a new master-planned community that was initially named "Greenbriar" and is now being marketed as "Northlake." Northlake is located on the southwestern corner of West Elkhorn Boulevard and State Highway 99. The Northlake project is located in an area of the City known as "North Natomas" and is approximately nine miles from downtown Sacramento and approximately four miles from the Sacramento International Airport.

Northlake is located to the north and east of the near-completed master planned communities of Westlake and Natomas Creek and directly adjacent to the east of the Sacramento Metro Air Park. The Sacramento Metro Air Park is an approximately 1,900 acre site that is planned for commercial and industrial uses. Based on current plans, Northlake will be included along the route of a light rail line that is proposed to be extended from downtown Sacramento to the Sacramento International Airport. The current expectation is that the light rail line will have a station along the major arterial roadway (Meister Way) that traverses and bisects Northlake from east to west, and will then continue on to the Sacramento International Airport. The construction and operation of the light rail extension along Meister Way will be the responsibility of the Sacramento Regional Transit Authority and not the City. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1 — *Entitlements and Mitigation Measures* — Transportation Development Impact Fees/Meister Way Overcrossing" for a description of an overcrossing for Meister Way required to be constructed by the Developer for the Northlake project.

Northlake is entitled for up to 2,175 single family homes, 331 multifamily homes, 189-unit age restricted (senior) affordable apartments, and up to 3,554,496 square feet of commercial and retail space. Similar to the Westlake development located to the south, the Northlake development is planned to include several acres of man-made lakes with certain homes to be situated on lakefront lots. The District consists of approximately 544 acres and is generally coterminous with the Northlake development, however two parcels within the Northlake project area are not within the boundaries of the District. There are currently no plans for any commercial development within Improvement Area No. 1.

Improvement Area No. 1 consists of approximately 276 acres located to the west of State Highway 99, south of West Elkhorn Boulevard, east of Lone Tree Road and north of Meister Way. The development within Improvement Area No. 1 is planned for 1,137 market-rate for-sale homes and a 189-unit senior for-rent apartment complex (the "Apartment Complex"). Approximately 201 acres of property in Improvement Area No. 1 are expected to be subject to the Special Tax (as defined in this Official Statement) at build-out. As further described below, the parcel relating to the proposed Apartment Complex is exempt from the Special Tax levy pursuant to the Amended and Restated Rate and Method (as defined below). The balance of the property within Improvement Area No. 1 which is not expected to be subject to the levy of the Special Tax consists primarily of property planned for a community center to be owned by a homeowners' association, parks, open space, a 20-acre man-made lake and public easements and right of ways.

Formation and Change Proceedings. The District was formed by the City pursuant to the Act. The Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities, development-related fees, and services. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, on October 23, 2018, the City Council adopted Resolution No. 2018-0410 (the "Resolution of Intention"), stating its intention to form the District, to designate two improvement areas therein (Improvement Area No. 1 and Improvement Area No. 2), and to authorize the levy of a special tax on the taxable property within each of the improvement areas within the District. On October 23, 2018, the City Council also adopted Resolution No. 2018-0411, stating its intention to incur bonded indebtedness in an aggregate principal amount not to exceed $55,000,000 with respect to Improvement Area No. 1 for the purpose of financing the acquisition, construction, expansion, improvement, or rehabilitation of certain public facilities to serve the area within the District and its neighboring areas. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 — Description of Authorized Facilities."

On November 27, 2018, the City Council adopted Resolution No. 2018-0459 establishing the District and Improvement Area No. 1 and Improvement Area No. 2 therein. On November 27, 2018, an election was held within Improvement Area No. 1 at which the landowners eligible to vote approved the issuance of bonds for Improvement Area No. 1 in an amount not to exceed $55,000,000.

Subsequent to the formation of the District, the City received a petition from the Developer (as defined below) to amend the boundary map of the District to remove two parcels from Improvement Area No. 1, to amend the rate and method of special tax for Improvement Area No. 1 that was approved at the November 27, 2018 election (the "Original Rate and Method") and to decrease the authorized bonded indebtedness for Improvement Area No. 1 from $55,000,000 to $47,000,000. On October 13, 2020, the City Council adopted Resolution No. 2020-0327, to initiate the process to amend the boundary map and amend the Original Rate and Method. On November 17, 2020, the City Council adopted Resolution No. 2020-0372, calling an election for November 24, 2020, on the propositions to amend the boundary map for the District, amend the Original Rate and Method and decrease the authorized bonded indebtedness for Improvement Area No. 1 from $55,000,000 to $47,000,000, which propositions were unanimously approved by the Developer, as the sole qualified landowner elector within Improvement Area No. 1.

On December 8, 2020, the City Council adopted Ordinance No. 2020-0046 (the "Ordinance") which authorizes the levy of a special tax pursuant to the Amended and Restated Rate and Method of Apportionment of Special Tax within Improvement Area No. 1 approved at the November 24, 2020 election (the "Amended and Restated Rate and Method"), a copy of which is attached hereto as APPENDIX A. An Amended Notice of Special Tax Lien was recorded in the office of the Clerk Recorder's office of the County of Sacramento (the "County") on December 9, 2020 as Document No. 202012091286.

Any special taxes levied within Improvement Area No. 2 of the District are not pledged to the payment of the Bonds.

Property Ownership and Development Status

The proposed development within Improvement Area No. 1 is the first phase of the Northlake master-planned community. The master developer within the District is The Greenbriar Project Owner, LLC, a Delaware limited liability company (formerly known as The Greenbriar Project Owner, LP, a Delaware limited partnership) (the "Developer"). The sole member of the Developer is Greenbriar Investor, LLC, which is a joint venture entity formed by affiliates of Integral Communities and Lennar Homes of California, Inc. ("Lennar Homes").

The Developer is responsible for the on-site and off-site backbone infrastructure necessary to complete the planned development within the District and Improvement Area No. 1 therein. As further described herein, the Developer has entered into an agreement with Lennar Homes for Lennar Homes to acquire all of the property within Improvement Area No. 1 that is planned for residential homes in phased takedowns. Pursuant to such agreement, the Developer is required to substantially complete all in-tract infrastructure for the lots prior to the time Lennar Homes acquires such lots.

As of December 1, 2020, the backbone infrastructure was substantially complete and the Developer expects to complete all backbone infrastructure necessary to achieve buildout within Improvement Area No. 1 by the end of the second quarter of 2021. The Developer has obtained all discretionary approvals required in order to complete the planned development within Improvement Area No. 1.

As of January 29, 2021, the Developer has substantially completed the in-tract infrastructure for 605 lots within Improvement Area No. 1, including for the first 145 lots that Lennar Homes acquired on December 11, 2020. The Developer expects to substantially complete the in-tract infrastructure for all residential lots by the end of 2022, and in any event, prior to the times necessary in order for the Developer to meet the takedown schedule agreed to with Lennar Homes.

Improvement Area No. 1 is planned for 1,137 market-rate for-sale homes and a 189-unit Apartment Complex (which is not subject to the Special Tax levy). On December 11, 2020, Lennar Homes acquired 145 lots within Improvement Area No. 1, 33 of which are planned for model homes and the remaining 112 are planned for production units. As of January 13, 2021, Lennar Homes had obtained 62 building permits within Improvement Area No. 1, consisting of building permits for 33 model homes, a sales office/information center and 28 production homes. Lennar Homes opened all eight planned product lines for sale in January 2021. At the end of January 2021, Lennar Homes had 27 homes in escrow. Lennar Homes currently expects to complete and convey all 1,137 planned homes within Improvement Area No. 1 to individual homeowners by the first quarter of 2026.

See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1" and "PROPERTY OWNERSHIP."

The property related to the future Apartment Complex is currently in escrow to be sold to a third-party builder, which sale is currently scheduled to close in the first quarter of 2021. The Developer is not responsible for any infrastructure improvements to be located on the Apartment Complex site and plans to convey such site to the Apartment Complex builder in a mass-graded state.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a "plan," "expect," "estimate," "project," "budget" or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the captions "THE DISTRICT AND IMPROVEMENT AREA NO. 1," "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1" and APPENDIX B — "APPRAISAL REPORT."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Sources of Payment for the Bonds

General. The Bonds and any bonds issued and secured by and payable from the proceeds of the Special Tax on a parity with the Bonds, which may only be issued to refund the Bonds (the "Refunding Bonds"), are limited obligations of the City, and the interest on and principal of and redemption premiums, if any, on the Bonds and any Refunding Bonds are payable solely from the Special Tax to be levied annually against the taxable property in Improvement Area No. 1, and, subject to the conditions set forth in the Indenture, amounts held in the Special Tax Fund, the Bond Redemption Fund and the Bond Reserve Fund. As described in this Official Statement, the Special Tax will be collected along with *ad valorem* property taxes on the tax bills mailed by the County. Although the Special Tax constitutes a lien on the property subject to taxation in Improvement Area No. 1, it does not constitute a personal indebtedness of the owners of such property. There is no assurance that such owners will be financially able to pay the annual Special Tax or that they will pay such taxes even if they are financially able to do so. See "SOURCES OF PAYMENT FOR THE BONDS" and "SPECIAL RISK FACTORS."

Limited Obligations. Except for the Special Tax, no other revenues or taxes are pledged to the payment of the Bonds and any Refunding Bonds. The Bonds and any Refunding Bonds are not general obligations of the City but are special limited obligations of the City payable solely from the proceeds of the Special Tax and other amounts held under the Indenture as more fully described herein.

Special Tax. As used in this Official Statement, the term "Special Tax" means the taxes which have been authorized pursuant to the Act to be levied against Taxable Land (as defined in the Indenture) within Improvement Area No. 1 under and pursuant to the Act and in accordance with the Amended and Restated Rate and Method. See "SOURCES OF PAYMENT FOR THE BONDS — Special Tax" and APPENDIX A — "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." Under the Indenture, the City will pledge to repay the Bonds and any Refunding Bonds from the proceeds of the Special Tax on deposit in certain accounts established under the Indenture.

The Special Tax is the primary security for the repayment of the Bonds and any Refunding Bonds. In the event that the Special Tax is not paid when due, the only sources of funds available to pay the debt service on the Bonds and any Refunding Bonds are amounts held by the Treasurer in the Special Tax Fund and the amounts held in the Bond Reserve Fund, and the Bond Redemption Fund held by the Trustee under the Indenture. See "SOURCES OF PAYMENT FOR THE BONDS."

Foreclosure Covenant. The City will covenant in the Indenture to, annually on or before October 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 (a) on the basis of such review the City will, not later than the succeeding December 1, institute foreclosure proceedings as authorized by the Act against all parcels that are delinquent in the payment of such Special Tax in such Fiscal Year by $3,000 or more in order to enforce the lien of all such delinquent installments of such Special Tax, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale, and (b) on the further basis of such review, if the City determines that the total amount so collected is less than 95% of the total amount of the Special Tax levied in such Fiscal Year, the City will, not later than the succeeding December 1, institute foreclosure proceedings as authorized by the Act against all parcels that are delinquent in the payment of such Special Tax in such Fiscal Year to enforce the lien of all the delinquent installments of such Special Tax, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale in accordance with the Act.

The Indenture provides that any actions taken to enforce delinquent Special Tax liens shall be taken only consistent with Sections 53356.1 through 53356.7, both inclusive, of the Act. In addition, the City is not obligated to enforce the lien of any delinquent installment of the Special Tax for any Fiscal Year in which the City has received 100% of the amount of the installment from the County under the Teeter Plan (as defined below). Improvement Area No. 1 is included in the County's Teeter Plan. See "SOURCES OF PAYMENT FOR THE BONDS — Teeter Plan" and "SPECIAL RISK FACTORS — Teeter Plan Termination."

See "SOURCES OF PAYMENT FOR THE BONDS — Special Tax —*Foreclosure Covenant*." There is no assurance that the Taxable Property within Improvement Area No. 1 can be sold for the appraised or assessed values described in this Official Statement and in the Appraisal Report, or for a price sufficient to provide monies to pay the principal of and interest on the Bonds in the event of a default in payment of the Special Tax by current or future landowners within Improvement Area No. 1. See "SPECIAL RISK FACTORS — Property Values" and APPENDIX B — "APPRAISAL REPORT."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF SACRAMENTO, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE SPECIAL TAX, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PROCEEDS OF THE SPECIAL

TAX AND CERTAIN OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

Refunding Bonds and Liens. Under the terms of the Indenture, the City may issue Refunding Bonds secured by the proceeds of the Special Tax on a parity with the Bonds if certain conditions are met, but only for the purpose of refunding the Bonds and Refunding Bonds, if any. See "SOURCES OF PAYMENT FOR THE BONDS — Issuance of Refunding Bonds." Refunding Bonds may be issued by means of a supplemental indenture and without any requirement for the consent of any Holders. Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Tax have been levied and may also be levied in the future on the property within Improvement Area No. 1, which could adversely affect the ability and willingness of the landowners to pay the Special Tax when due. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments."

Appraisal Report

An MAI appraisal (the "Appraisal Report") of certain of the land and existing improvements within Improvement Area No. 1 was prepared by Smith & Associates, Inc., Folsom, California (the "Appraiser"). The Appraisal Report has a date of value of December 11, 2020 (the "Date of Value"). See APPENDIX B — "APPRAISAL REPORT." The Appraisal Report provides an estimate of market value for the Taxable Property within Improvement Area No. 1. As of the Date of Value, the Appraiser estimates that the aggregate value of the Taxable Property (as defined in the Amended and Restated Rate and Method) within Improvement Area No. 1 was not less than $137,800,000.

As further described herein, Multi-Family Property other than Taxable Multi-Family Property, is Exempt Property (as such terms are defined in the Amended and Restated Rate and Method) and is not subject to the Special Tax levy. As a result, the property associated with the parcel which is planned for the 189-unit Apartment Complex is not included in the appraised value of the Taxable Property and Special Tax revenue assumptions for purposes of sizing the Bonds.

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in APPENDIX B. The City makes no representations as to the accuracy of the Appraisal Report. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 — Property Values" and "— Projected Special Tax Levy and Value-To-Lien Ratios." There is no assurance that any property within Improvement Area No. 1 can be sold for the estimated values set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to provide monies to pay the Special Tax for that parcel in the event of a default in payment of the Special Tax by the landowner. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1," "SPECIAL RISK FACTORS — Property Values" and APPENDIX B — "APPRAISAL REPORT."

Description of the Bonds

The Bonds will be issued and delivered as fully registered Bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in integral multiples of $5,000, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described in Appendix H. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry-only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See APPENDIX H — "BOOK-ENTRY ONLY SYSTEM."

Principal of, premium, if any, and interest on the Bonds are payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Trustee, all as provided in the Indenture.

The Bonds are subject to optional redemption, extraordinary redemption, and mandatory sinking fund redemption as described herein. See “THE BONDS — Redemption.” For more complete descriptions of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see “THE BONDS” and APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Professionals Involved in the Offering

U.S. Bank National Association, will act as Trustee under the Indenture. Piper Sandler & Co. is the underwriter (the “Underwriter”) of the Bonds. The validity of the Bonds and certain other legal matters are subject to the approving opinion of Jones Hall, A Professional Law Corporation, Bond Counsel to the City in connection with the issuance of the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California is serving as Disclosure Counsel to the City with respect to the Bonds. Certain legal matters will be passed on for the City by the Office of the City Attorney, for the Underwriter by Best Best & Krieger LLP, Riverside, California, as counsel to the Underwriter and for the Trustee by its counsel. Other professional services have been performed by Smith & Associates, Inc., Folsom, California, as the Appraiser, The Gregory Group, Folsom, California as Market Absorption Consultant, Fieldman, Rolapp & Associates, Inc., Irvine, California as municipal advisor to the City, Goodwin Consulting Group, Inc., Sacramento, California, as Special Tax Consultant, and BBG, Inc., Sacramento, California, as the appraisal reviewer.

For information concerning respects in which certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds, see “FINANCIAL INTERESTS.”

Continuing Disclosure

The City has agreed to provide, or cause to be provided, pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission (the “Rule”) certain financial information and operating data on an annual basis (the “City Reports”). The City has further agreed to provide, in a timely manner, notice of certain events with respect to the Bonds (the “Listed Events”). These covenants have been made in order to assist the Underwriter in complying with the Rule. The City Reports will be filed with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (the “MSRB”) available on the Internet at http://emma.msrb.org. Notices of Listed Events will also be filed with the MSRB. Within the last five years, the City and certain related entities have failed to comply in certain respects with prior continuing disclosure undertakings. See “CONTINUING DISCLOSURE.”

The Underwriter does not consider the Developer or Lennar Homes to be an “obligated person” with respect to the Bonds for purposes of the Rule. However, to assist in the marketing of the Bonds, the Developer and Lennar Homes have agreed to provide, or cause to be provided on EMMA, updated information with respect to the development within Improvement Area No. 1 of the District (the “Developer Reports” and together with the City Reports, the “Reports”), on a semi-annual basis and notices of certain events.

See “CONTINUING DISCLOSURE” and APPENDIX F and APPENDIX G for a description of the specific nature of the annual reports to be filed by the City, the semi-annual reports to be filed by the Developer and Lennar Homes, notices of Listed Events and the forms of the continuing disclosure undertakings pursuant to which such Reports are to be made.

Bond Holders' Risks

Certain events could affect the ability of the City to collect the Special Tax in an amount sufficient to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The Bonds are not rated by any nationally recognized rating agency. The purchase of the Bonds involves significant risks, and the Bonds may not be appropriate investments for certain investors. See "SPECIAL RISK FACTORS."

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the constitution and laws of the State as well as the proceedings of the City Council, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture.

Copies of the Indenture, the Appraisal Report and other documents and information are available for inspection and (upon request and payment to the City of a charge for copying, mailing and handling) for delivery from the City Treasurer's Office at 915 I Street, Historic City Hall, 3rd Floor, Sacramento, California 95814.

THE FINANCING PLAN

Authorized Facilities and Fees

A portion of the proceeds of the Bonds will be applied to finance the costs of the acquisition and construction of certain facilities and to finance governmental fees authorized under the Act which facilities and fees relating to the costs of such facilities, include without limitation, water, sewer and storm drain improvements, roadways and traffic improvements, landscaping and park improvements, and school facilities, in addition to other improvements authorized under the Acquisition Agreement described below. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 — Description of Authorized Facilities."

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Estimated Sources and Uses of Funds

The following table sets forth the expected sources and uses of Bond proceeds.

Sources of Funds:	
Principal Amount of Bonds	$ 43,470,000.00
Plus Original Issue Premium	4,571,173.35
Total Sources	**$ 48,041,173.35**
Uses of Funds:	
Acquisition and Construction Fund	$ 42,261,805.88
Bond Redemption Fund(1)	1,316,906.25
Costs of Issuance(2)	1,111,156.90
Bond Reserve Fund	3,351,304.32
Total Uses	**$ 48,041,173.35**

(1) Amount represents interest on the Bonds due on September 1, 2021 and a portion of the interest on the Bonds due on March 1, 2022.
(2) Includes Underwriter's Discount, Bond Counsel, Disclosure Counsel, Special Tax Consultant, municipal advisor and Trustee fees, appraisal costs, printing costs and other issuance costs.
Source: The Underwriter.

THE BONDS

General Provisions

The Bonds will be dated as of their date of delivery and will bear interest at the rates per annum, payable semi-annually on each March 1 and September 1, commencing on September 1, 2021 (each, an "Interest Payment Date"), and will mature in the amounts and on the dates, all as set forth on the inside cover page of this Official Statement. Interest on the Bonds due on September 1, 2021 and a portion of the interest on the Bonds due on March 1, 2022 will be paid from capitalized interest.

Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless it is authenticated on a day during the period from the 16th day of the month next preceding an Interest Payment Date to such Interest Payment Date, both dates inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on a day on or before the 15th day of the month next preceding the first Interest Payment Date, in which event it shall bear interest from its date; provided, that if at the time of authentication of any Bond interest is then in default on any Outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds.

Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be made only to the person whose name appears in the registration books required to be kept by the Trustee pursuant to the Indenture as the registered owner thereof at the close of business as of the Record Date, meaning the 15th day of the month next preceding any Interest Payment Date. Such interest will be paid by check of the Trustee mailed by first class mail to such registered owner at his address as it appears on such books, except that in the case of a Holder of $1,000,000 or more in aggregate principal amount of Outstanding Bonds, payment shall be made at such Holder's option by federal wire transfer of immediately available funds according to written instructions provided by such Holder to the Trustee at least 15 days before such Interest Payment Date to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the United States of America.

Payment of the principal of and redemption premiums, if any, on the Bonds shall be made only to the person whose name appears in the registration books required to be kept by the Trustee pursuant to the

Indenture as the registered owner thereof, such principal and redemption premiums, if any, to be paid only on the surrender of the Bonds at the Principal Corporate Trust Office of the Trustee at maturity or on redemption prior to maturity.

The Bonds will be issued as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of $5,000 and any integral multiple thereof. So long as DTC is the securities depository all payments of principal and interest on the Bonds will be made to DTC and will be paid to the Beneficial Owners in accordance with DTC's procedures and the procedures of DTC's Participants. See APPENDIX H — "BOOK-ENTRY ONLY SYSTEM."

Redemption

Optional Redemption. The Bonds maturing on or after September 1, 2028, are subject to optional redemption by the City before their respective stated maturity dates, as a whole or in part on any date on or after September 1, 2027, from any source of available funds, upon mailed notice as provided in the Indenture, at the following redemption prices (expressed as a percentage of the principal amount of Bonds or portions thereof called for redemption), together with accrued interest thereon to the date of redemption:

Redemption Dates	***Redemption Price***
September 1, 2027, through August 31, 2028	103%
September 1, 2028, through August 31, 2029	102
September 1, 2029, through August 31, 2030	101
September 1, 2030 and any date thereafter	100

Extraordinary Redemption from Special Tax Prepayments. The Bonds are subject to extraordinary redemption by the City before their respective stated maturity dates, as a whole or in part on any Interest Payment Date on or after September 1, 2021, solely from prepayments of the Special Tax, upon mailed notice as provided in the Indenture, at the following redemption prices (expressed as a percentage of the principal amount of Bonds or portions thereof called for redemption), together with accrued interest to the date of redemption:

Redemption Dates	***Redemption Price***
Any Interest Payment Date from September 1, 2021 through and including March 1, 2028	103%
September 1, 2028, and March 1, 2029	102
September 1, 2029, and March 1, 2030	101
September 1, 2030, and any Interest Payment Date thereafter	100

See the caption "SPECIAL RISK FACTORS—Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds" for a discussion of the potential for a lower than expected yield on the Bonds as a result of a special mandatory redemption from prepayment of the Special Tax.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 2041, are subject to mandatory redemption by the City before their stated maturity date in part on each September 1, as set forth in the schedule below, solely from Sinking Fund Account Payments established under the Indenture for that purpose, upon mailed notice as provided in the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, as follows (except that if any of the Bonds maturing on September 1, 2041 have been optionally or extraordinarily redeemed, the amounts of the Sinking Fund Account Payments therefor shall be reduced proportionately by the principal amount of all such Bonds so optionally or extraordinarily redeemed):

Sinking Fund Redemption Date (September 1)	*Sinking Fund Payments*
2037	$1,425,000
2038	1,535,000
2039	1,650,000
2040	1,775,000
2041 (maturity)	1,900,000

The Bonds maturing on September 1, 2046, are subject to mandatory redemption by the City before their stated maturity date in part on each September 1, as set forth in the schedule below, solely from Sinking Fund Account Payments established under the Indenture for that purpose, upon mailed notice as provided in the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, as follows (except that if any of the Bonds maturing on September 1, 2046 have been optionally or extraordinarily redeemed, the amounts of the Sinking Fund Account Payments therefor shall be reduced proportionately by the principal amount of all such Bonds so optionally or extraordinarily redeemed):

Sinking Fund Redemption Date (September 1)	*Sinking Fund Payments*
2042	$2,035,000
2043	2,175,000
2044	2,325,000
2045	2,480,000
2046 (maturity)	2,640,000

The Bonds maturing on September 1, 2050, are subject to mandatory redemption by the City before their stated maturity date in part on each September 1, as set forth in the schedule below, solely from Sinking Fund Account Payments established under the Indenture for that purpose, upon mailed notice as provided in the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, as follows (except that if any of the Bonds maturing on September 1, 2050 have been optionally or extraordinarily redeemed, the amounts of the Sinking Fund Account Payments therefor shall be reduced proportionately by the principal amount of all such Bonds so optionally or extraordinarily redeemed):

Sinking Fund Redemption Date (September 1)	*Sinking Fund Payments*
2047	$2,810,000
2048	2,990,000
2049	3,175,000
2050 (maturity)	3,375,000

Selection of Bonds for Redemption. If less than all of the Bonds outstanding are to be redeemed at the option of the City at any one time, the City will select the maturity date or dates of the Bonds to be redeemed. If less than all of the Bonds of any one maturity date are to be redeemed at any one time, the Trustee shall select the Bonds or the portions thereof of such maturity date to be redeemed in integral multiples of $5,000 in any manner that the Trustee deems appropriate.

Notice of Redemption. When Bonds are to be redeemed under the Indenture the Trustee shall give notice of the redemption of such Bonds. The notice of redemption must state the date of the notice, the Bonds to be redeemed, the date of issue of the Bonds, the redemption date, the redemption price, the place of redemption (being the address of the Principal Corporate Trust Office of the Trustee), the CUSIP number (if any) of the maturity or maturities and, if less than all of any such maturity, the numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. The notice must further state that interest on the Bonds to be redeemed or the portions thereof will not accrue from and after the date of redemption and that all Bonds must be surrendered for redemption at the Principal Corporate Trust Office of the Trustee so designated. If any Bond chosen for redemption is not redeemable in whole, the notice must state that the Bond is to be redeemed in part only and that upon presentation of the Bond for redemption there will be issued in lieu of the unredeemed portion of principal a new Bond or Bonds of the same series and maturity date of authorized denominations equal in aggregate principal amount to the unredeemed portion.

At least 20 days but no more than 90 days before the redemption date, the Trustee shall mail a copy of such notice by first-class mail, postage prepaid, to (a) the Holders of all Bonds selected for redemption at their addresses appearing on the register maintained by the Trustee in accordance with the Indenture, and (b) to the securities information services selected by the City in accordance with the Indenture. Neither the failure to receive any such notice nor any immaterial defect in such notice will affect the sufficiency or validity of the proceedings for redemption.

Notwithstanding anything to the contrary contained in the Indenture, with respect to any notice of optional or extraordinary redemption of Bonds, unless, upon the giving of such notice, such Bonds are deemed to have been paid within the meaning of the Indenture, such notice will state that such redemption is conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Bonds to be redeemed, and that if such amounts are not received the notice will be of no force and effect and the City will not be required to redeem such Bonds. In the event that any such notice of redemption contains such a condition and such amounts are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the same manner, and to the same parties, as the notice of redemption was given. Such failure to redeem such Bonds shall not constitute an Event of Default under the Indenture.

Notwithstanding anything to the contrary contained in the Indenture, any notice of optional or extraordinary redemption of Bonds may be rescinded by written notice given to the Trustee by the City no later than two Business Days before the date specified for redemption. The Trustee will give notice of such rescission as soon thereafter as practicable in the same manner, and to the same parties, as notice of such redemption was given.

Effect of Redemption. If notice of redemption is given as provided in the Indenture and the money necessary for the payment of the principal of, and any redemption premiums, if any, and interest to the redemption date on, the Bonds or portions thereof so called for redemption is held by the Trustee, then on the redemption date the Bonds called for redemption or portions thereof will become due and payable, and from and after the redemption date interest on those Bonds or such portions thereof will cease to accrue and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the principal or such portions thereof and the redemption premiums, if any, thereon and the interest accrued thereon to the redemption date.

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DEBT SERVICE SCHEDULE

The following table presents the semi-annual debt service on the Bonds (including sinking fund redemption), assuming there are no optional or extraordinary redemptions. See "SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS — Redemption." The Bonds have been structured such that the projected annual Special Tax Revenues, assuming no delinquencies, if levied at the Maximum Special Tax Rates assuming all 1,137 parcels are Developed Property, would produce not less than 110% annual coverage on annual Debt Service on the Bonds plus estimated Expenses. At buildout, the City expects to levy the Special Tax at such rates to meet the Special Tax Requirement, which may be less than the Maximum Special Tax rates.

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Date	*Principal*	*Interest*	*Total Debt Service*
9/1/2021	--	$ 885,918.75	$ 885,918.75[(1)]
3/1/2022	--	861,975.00	861,975.00[(2)]
9/1/2022	$ 295,000	861,975.00	1,156,975.00
3/1/2023	--	857,550.00	857,550.00
9/1/2023	345,000	857,550.00	1,202,550.00
3/1/2024	--	852,375.00	852,375.00
9/1/2024	395,000	852,375.00	1,247,375.00
3/1/2025	--	846,450.00	846,450.00
9/1/2025	450,000	846,450.00	1,296,450.00
3/1/2026	--	839,700.00	839,700.00
9/1/2026	505,000	839,700.00	1,344,700.00
3/1/2027	--	829,600.00	829,600.00
9/1/2027	570,000	829,600.00	1,399,600.00
3/1/2028	--	818,200.00	818,200.00
9/1/2028	635,000	818,200.00	1,453,200.00
3/1/2029	--	805,500.00	805,500.00
9/1/2029	710,000	805,500.00	1,515,500.00
3/1/2030	--	791,300.00	791,300.00
9/1/2030	785,000	791,300.00	1,576,300.00
3/1/2031	--	775,600.00	775,600.00
9/1/2031	860,000	775,600.00	1,635,600.00
3/1/2032	--	758,400.00	758,400.00
9/1/2032	945,000	758,400.00	1,703,400.00
3/1/2033	--	739,500.00	739,500.00
9/1/2033	1,030,000	739,500.00	1,769,500.00
3/1/2034	--	718,900.00	718,900.00
9/1/2034	1,120,000	718,900.00	1,838,900.00
3/1/2035	--	696,500.00	696,500.00
9/1/2035	1,215,000	696,500.00	1,911,500.00
3/1/2036	--	672,200.00	672,200.00
9/1/2036	1,320,000	672,200.00	1,992,200.00
3/1/2037	--	645,800.00	645,800.00
9/1/2037	1,425,000	645,800.00	2,070,800.00
3/1/2038	--	617,300.00	617,300.00
9/1/2038	1,535,000	617,300.00	2,152,300.00
3/1/2039	--	586,600.00	586,600.00
9/1/2039	1,650,000	586,600.00	2,236,600.00
3/1/2040	--	553,600.00	553,600.00
9/1/2040	1,775,000	553,600.00	2,328,600.00
3/1/2041	--	518,100.00	518,100.00
9/1/2041	1,900,000	518,100.00	2,418,100.00
3/1/2042	--	480,100.00	480,100.00
9/1/2042	2,035,000	480,100.00	2,515,100.00
3/1/2043	--	439,400.00	439,400.00
9/1/2043	2,175,000	439,400.00	2,614,400.00
3/1/2044	--	395,900.00	395,900.00
9/1/2044	2,325,000	395,900.00	2,720,900.00
3/1/2045	--	349,400.00	349,400.00
9/1/2045	2,480,000	349,400.00	2,829,400.00
3/1/2046	--	299,800.00	299,800.00
9/1/2046	2,640,000	299,800.00	2,939,800.00
3/1/2047	--	247,000.00	247,000.00
9/1/2047	2,810,000	247,000.00	3,057,000.00
3/1/2048	--	190,800.00	190,800.00
9/1/2048	2,990,000	190,800.00	3,180,800.00
3/1/2049	--	131,000.00	131,000.00
9/1/2049	3,175,000	131,000.00	3,306,000.00
3/1/2050	--	67,500.00	67,500.00
9/1/2050	3,375,000	67,500.00	3,442,500.00
Total	$43,470,000	$35,658,018.75	$79,128,018.75

(1) Amount to be paid from capitalized interest.
(2) 50% of this amount to be paid from capitalized interest.
Source: The Underwriter.

SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are payable from and secured by the proceeds of the Special Tax and by amounts on deposit in the Special Tax Fund, the Bond Redemption Fund and the Bond Reserve Fund. The Bonds are not secured by monies on deposit in the Expense Fund, the Rebate Fund or the Acquisition and Construction Fund established by the Indenture.

The Indenture defines the term "Special Tax" to mean the special tax authorized to be levied and collected annually on all Taxable Land in Improvement Area No. 1 in accordance with the Amended and Restated Rate and Method under and pursuant to the Act. See APPENDIX E — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions."

The City is legally authorized and has covenanted in the Indenture to cause the levy and collection of the Special Tax in an amount determined according to the Amended and Restated Rate and Method. See "SOURCES OF PAYMENT FOR THE BONDS — Special Tax" and "SPECIAL RISK FACTORS — Proposition 218" below. The Amended and Restated Rate and Method apportions the total amount of the Special Tax to be collected among the Taxable Property in Improvement Area No. 1. See "—Special Tax" and APPENDIX A — "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

Although the Special Tax will be levied against Taxable Property within Improvement Area No. 1, it does not constitute a personal indebtedness of the property owners. There is no assurance that the property owners will be able to pay the Special Tax or that they will pay it even if able to do so. See "SPECIAL RISK FACTORS" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF SACRAMENTO, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE SPECIAL TAX, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PROCEEDS OF THE SPECIAL TAX AND CERTAIN OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

Special Tax

Authorization and Pledge. In accordance with the provisions of the Act, the City established the District and designated Improvement Area No. 1 therein on November 27, 2018, for the purpose of financing the various public improvements and governmental fees required in connection with the proposed development within the District. In connection with certain change proceedings with respect to Improvement Area No. 1, on November 24, 2020, an election was held within Improvement Area No. 1 at which the landowners eligible to vote approved the issuance of bonds for the District with respect to Improvement Area No. 1 in an amount not to exceed $47,000,000, secured by special taxes levied on property within Improvement Area No. 1 to finance the facilities and fees. The landowners within Improvement Area No. 1 also voted to approve the Amended and Restated Rate and Method which authorized the Special Tax to be levied to repay indebtedness of the District with respect to Improvement Area No. 1, including the Bonds.

The City will covenant in the Indenture, so long as any Bonds are Outstanding, to annually levy the Special Tax against all Taxable Land in Improvement Area No. 1 in accordance with the Amended and Restated Rate and Method and, subject to the limitations in the Amended and Restated Rate and Method and the Act, make provision for the collection of the Special Tax in amounts which will be sufficient, together with the money then on deposit in the Bond Redemption Fund, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Indenture, and which in any event will be sufficient to pay the interest on and principal of and Sinking Fund Account Payments for and redemption premiums, if any, on the Bonds as they become due and payable and to replenish the Bond Reserve Fund and to pay all current Expenses as they become due and payable in accordance with the provisions and terms of the Indenture.

The Special Tax is collected in the same manner as *ad valorem* property taxes for the County are collected and, except as otherwise provided in the Indenture or by the Act, are subject to the same penalties and the same collection procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* property taxes. See APPENDIX A — "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." See also "— Collection of Special Tax; Suspension of Penalties and Interest."

Flow of Funds. Under the Indenture, except as described below, all proceeds of the Special Tax are to be deposited in the Special Tax Fund, which has been established under the Indenture and is held and maintained in trust by the City Treasurer. The City agrees in the Indenture to deposit all proceeds of the Special Tax in the Special Tax Fund when and as received and to transfer all amounts in the Special Tax Fund into the following funds in the following order of priority:

(1) to the Bond Redemption Fund (maintained by the Trustee) to pay debt service payments on all outstanding Bonds and any Refunding Bonds,

(2) to the Bond Reserve Fund (maintained by the Trustee) to the extent necessary to replenish the Bond Reserve Fund to the Required Bond Reserve,

(3) to the Expense Fund (maintained by the Treasurer) to pay Expenses, including certain administrative costs of the District, and

(4) to the Community Facilities Fund (maintained by the Treasurer) to be used and withdrawn by the City for the benefit of the District in accordance with the Act.

On or before each March 1 and September 1, the Treasurer will, from the money in the Special Tax Fund, transfer to the Trustee for deposit in the Bond Redemption Fund an amount equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds and Refunding Bonds on that March 1 and September 1. On or before each September 1, the Treasurer will, from the then remaining money in the Special Tax Fund, transfer to the Trustee for deposit in the Bond Redemption Fund an amount equal to the aggregate amount of principal becoming due and payable on all Outstanding Serial Bonds on that September 1, plus the aggregate of the Sinking Fund Account Payments required by the Indenture to be made on that September 1 into the Sinking Fund Account.

All of the aforesaid payments shall be made without priority of any payment over any other payment, and in the event that the money in the Bond Redemption Fund on any March 1 or September 1 is not equal to the amount of interest becoming due on all Bonds and Refunding Bonds on such date, or in the event that the money in the Bond Redemption Fund on any September 1 is not equal to the amount of principal of the Bonds and Refunding Bonds becoming due on such date plus the amount of the Sinking Fund Account Payments becoming due on such date, as the case may be, then such money shall be applied pro rata in such proportion as such interest and principal and Sinking Fund Account Payments bear to each other.

No deposit needs to be made into the Bond Redemption Fund if the amount of money contained in the Bond Redemption Fund is at least equal to the amount required by the Indenture to be deposited in the Bond Redemption Fund at the times and in the amounts described above.

Notwithstanding anything to the contrary in the Indenture, as soon as practicable after the receipt by the City of any prepayment of the Special Tax, the Treasurer shall (i) deposit any component thereof representing the "Remaining Facilities Amount" (as defined in the Amended and Restated Rate and Method) in the Acquisition and Construction Fund, (ii) deposit any component thereof representing the "Administrative Fees and Expenses" (as defined in the Amended and Restated Rate and Method) in the Expense Fund, and (iii) transfer to the Trustee for deposit in the Bond Redemption Fund, any remaining amounts, for the extraordinary redemption of Bonds or Refunding Bonds pursuant to the terms of any Supplemental Indenture. The respective amounts of the deposits and transfers described in clauses (i), (ii) and (iii) will be determined by the Treasurer.

The Special Tax levied in any fiscal year may not exceed the maximum rates authorized pursuant to the Amended and Restated Rate and Method. See APPENDIX A — "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" hereto. There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See the caption "*Limitation on Special Tax Levy*" below and "SPECIAL RISK FACTORS — Insufficiency of Special Tax" herein.

For additional details on the flow of funds under the Indenture, see APPENDIX E – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Amended and Restated Rate and Method of Apportionment of Special Tax. The City is legally authorized and will covenant to cause the levy of the Special Tax in an amount determined according to a methodology, i.e., the Amended and Restated Rate and Method which the City Council and the electors within Improvement Area No. 1 have approved. The Amended and Restated Rate and Method apportions the total amount of the Special Tax to be collected among the Taxable Property in the Improvement Area No. 1 as more particularly described below.

The following is a synopsis of the provisions of the Amended and Restated Rate and Method for Improvement Area No. 1, which should be read in conjunction with the complete text of the Amended and Restated Rate and Method which is attached as APPENDIX A — "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The definitions of the capitalized terms used under this caption "*—Amended and Restated Rate and Method of Apportionment of Special Tax*" are as set forth in APPENDIX A. This section provides only a summary of the Amended and Restated Rate and Method, and is qualified by more complete and detailed information contained in the entire Amended and Restated Rate and Method attached as APPENDIX A.

Classification of Parcels. On or about July 1 of each Fiscal Year, the Administrator shall identify the Special Tax Requirement for the Fiscal Year. The Administrator shall also determine the following for each Assessor's Parcel: (1) the current Assessor's Parcel Number for the Assessor's Parcel; (2) whether it is Developed Property, Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, Taxable Public Property, or Exempt Property; (3) for Developed Property, whether an Assessor's Parcel is Single Family Residential Property or Other Property; and (4) for Single Family Residential Property, within which Village each Assessor's Parcel is located and the number of Residential Units on the Assessor's Parcel.

In addition, the Administrator shall, on an ongoing basis, monitor Tentative Map revisions, Final Maps, and condominium plans to determine if there are any proposed changes to the Expected Land Uses that would reduce the Expected Maximum Special Tax Revenues for a Village. If the Expected Maximum Special Tax Revenues will be reduced pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in the Amended and Restated Rate and Method and described below.

In any Fiscal Year, if the Administrator determines that: (1) a Final Map or other map for an Assessor's Parcel within Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or on any other date after which the County Assessor will not incorporate the newly created parcels into the then-current tax roll); (2) because of the date the map was recorded, the County Assessor does not yet recognize the new parcels created by the map; and that one or more of the newly created parcels is in a different Development Class from other parcels created by the map, then the Administrator shall calculate the Special Tax for the property affected by recordation of the map by determining the Special Tax that applies separately to the property within each Development Class and then applying the sum of the individual Special Taxes to the Assessor's Parcel that was subdivided by recordation of the map.

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. The City shall then levy the Special Tax according to the following steps:

Step 1. The Special Tax will be levied Proportionately on Developed Property up to 100% of the Maximum Special Tax for each Assessor's Parcel until the amount levied is equal to the Special Tax Requirement before applying Capitalized Interest that is available under the Indenture.

Step 2. If additional revenue is needed after Step 1 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Final Map Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Final Map Property.

Step 3. If additional revenue is needed after Step 2 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Undeveloped Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Undeveloped Property.

Step 4. If additional revenue is needed after Step 3 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Anticipated Park/School Site Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Anticipated Park/School Site Property.

Step 5. If additional revenue is needed after Step 4 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable Multi-Family Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable Multi-Family Property.

Step 6. If additional revenue is needed after Step 5 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable HOA Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable HOA Property.

Step 7. If additional revenue is needed after Step 6 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable Public Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable Public Property.

Maximum Special Tax Rates. The Maximum Special Tax rates for Developed Property and Final Map Property are set forth in Table 1 in the Amended and Restated Rate and Method (see Appendix A), which rates will increase by two percent each Fiscal Year from the Fiscal Year beginning July 1, 2021. The Maximum Special Tax for Undeveloped Property, Anticipated Park/School Site Property, Taxable Multi-Family Property, Taxable HOA Property, and Taxable Public Property is $21,000 per Acre for Fiscal Year 2020-21, which amount shall increase on July 1, 2021 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

Changes to Maximum Special Tax Rates. The Expected Maximum Special Tax Revenues were calculated based on the Expected Land Uses at the time the change proceedings for Improvement Area No. 1 were completed on November 24, 2020. The Expected Maximum Special Tax Revenues for each Village at such time is set forth in Attachment 1 to the Amended and Restated Rate and Method (see Appendix A).

Attachment 1 is subject to modification upon the occurrence of Land Use Changes. The Administrator shall review Final Maps, Tentative Map revisions, and other changes to land uses proposed within Improvement Area No. 1 and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Special Tax Revenues.

After issuance of the Bonds, if a Land Use Change is proposed or identified, the Administrator shall take the following steps:

Step 1: By reference to Attachment 1 to the Amended and Restated Rate and Method (which shall be updated by the Administrator each time a Land Use Change has been processed according to the Amended and Restated Rate and Method or a partial prepayment has been made), the Administrator shall identify the Expected Maximum Special Tax Revenues prior to the Land Use Change.

Step 2: The Administrator shall calculate the Expected Maximum Special Tax Revenues that could be collected from Taxable Property in Improvement Area No. 1 after the Land Use Change.

Step 3: If the revenues calculated in Step 2 are (i) higher than determined in Step 1 or (ii) less than those calculated in Step 1, but the reduction in Expected Maximum Special Tax Revenues does not reduce debt service coverage on outstanding Bonds below Required Coverage, no further action is needed, and the Administrator shall update Attachment 1 to the Amended and Restated Rate and Method to show the revised Expected Maximum Special Tax Revenues.

If the revenues calculated in Step 2 are less than those calculated in Step 1, and the Administrator determines that the reduction in Expected Maximum Special Tax Revenues would reduce debt service coverage on outstanding Bonds below the Required Coverage, one of the following shall occur:

3.a. The landowner requesting the Land Use Change (the "Requesting Landowner") may make a prepayment in an amount that will ensure that the reduced Expected Maximum Special Tax Revenues are sufficient to provide Required Coverage, as determined pursuant to Section H of the Amended and Restated Rate and Method. If the Requesting Landowner notifies the Administrator that he/she would like to remedy the reduction by making a prepayment, such prepayment must be made by the earlier of (i) 30 days from the date of delivery of the prepayment estimate or (ii) the date of issuance of any Building Permits for any Assessor's Parcel owned by the Requesting Landowner that was Final Map Property or Undeveloped Property at the time the Administrator prepared the prepayment estimate, or

3.b. If a prepayment is not received, the Base Special Tax for each Assessor's Parcel of Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues for the area affected by the Land Use Change is the same as it was prior to the Land Use Change.

If multiple Land Use Changes are proposed simultaneously by a single landowner (which may include approval of multiple Final Maps at one time), the Administrator may consider the combined effect of all the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction, the Administrator shall increase the Maximum Special Tax proportionately in all of the Final Maps being proposed by the landowner until the aggregate amount that can be levied within the Final Maps is equal to the amount that could have been levied prior to the proposed Land Use Changes. If Land Use Changes are proposed simultaneously by multiple landowners, the Administrator shall consider the proposed Land Use Changes individually.

Notwithstanding the foregoing, once a certificate of occupancy has been issued for a Residential Unit on an Assessor's Parcel, the Maximum Special Tax for the Assessor's Parcel cannot be increased because of subsequent Land Use Changes that may occur within the area in which the Assessor's Parcel is located.

Table 1 below shows the Special Tax Revenues at buildout within Improvement Area No. 1 (i.e. assuming building permits have been issued for all 1,137 planned residential units), based on the Fiscal Year 2021-22 Maximum Special Tax rates for Developed Property and assuming no Land Use Changes after the issuance of the Bonds. If no Land Use Changes occur after the issuance of the Bonds, the Maximum Special Tax rates for Developed Property will be those set forth in Table 1 below, which increase by 2% per Fiscal Year.

TABLE 1
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 1
ESTIMATED SPECIAL TAX REVENUES AT BUILDOUT

Village	***Number of Planned Units***(1)	***Fiscal Year 2021-22 Maximum Special Tax Rates***(2)	***Special Tax Revenues at Buildout Based on Fiscal Year 2021-22 Maximum Special Tax Rates***
Village 1	23	$2,142 per Residential Unit	$ 49,266
Village 2A	45	$2,611 per Residential Unit	117,504
Village 2B	71	$2,611 per Residential Unit	185,395
Village 3A	63	$2,510 per Residential Unit	158,144
Village 3B	73	$2,510 per Residential Unit	183,246
Village 4A	30	$2,142 per Residential Unit	64,260
Village 4B	49	$2,142 per Residential Unit	104,958
Village 5A	70	$1,845 per Residential Unit	129,163
Village 5B	34	$1,845 per Residential Unit	62,736
Village 5C	53	$1,845 per Residential Unit	97,795
Village 6	67	$1,843 per Residential Unit	123,490
Village 7A	60	$1,956 per Residential Unit	117,382
Village 7B	42	$1,956 per Residential Unit	82,167
Village 8	87	$1,553 per Residential Unit	135,151
Village 9	51	$1,553 per Residential Unit	79,226
Village 10A	85	$1,360 per Residential Unit	115,571
Village 10B	51	$1,360 per Residential Unit	69,343
Village 11	64	$1,843 per Residential Unit	117,961
Village 12A	77	$2,142 per Residential Unit	164,934
Village 12B	42	$2,142 per Residential Unit	89,964
Total	**1,137**		**$2,247,656**

(1) Based on Attachment 1 to the Amended and Restated Rate and Method
(2) The Special Tax rates in Table 1 above increase by 2.0% per Fiscal Year.
Source: Goodwin Consulting Group, Inc.

Exemptions. The Special Tax will not be levied in any Fiscal Year on: (1) Exempt Property, except Taxable Public Property, Taxable Multi-Family Property, and Taxable HOA Property; or (2) Prepayment Parcels that have fully prepaid the Special Tax obligation. "Exempt Property" is defined in the Amended and Restated Rate and Method as: (1) Public Property, except as otherwise authorized by § 53317.3 or § 53317.5 of the Act and other than Taxable Public Property; (2) HOA Property, other than Taxable HOA Property;

(3) Multi-Family Property, other than Taxable Multi-Family Property: (4) Assessor's Parcels that are owned by a public utility and developed with an unoccupied facility; or (5) Assessor's Parcels that are subject to an easement or other instrument that precludes any use other than the use set forth in the easement.

Notwithstanding the foregoing, if a Special Tax has been levied on an Assessor's Parcel in any Fiscal Year, and the entire Assessor's Parcel subsequently meets the criteria to be categorized as Exempt Property, the Assessor's Parcel shall remain subject to the Special Tax levy, unless the First Bond Sale has yet to occur, in which case such property shall be categorized as Public Property, HOA Property, or Multi-Family Property, as the case may be, and the Administrator shall recalculate the Expected Maximum Special Tax Revenues based on the corresponding change in revenues.

Prepayment of Annual Special Tax. The Special Tax obligation for an Assessor's Parcel may be prepaid in full, or in part, provided that the terms set forth under the Amended and Restated Rate and Method are satisfied. The Prepayment Amount is calculated as specified in Section H of the Amended and Restated Rate and Method attached as APPENDIX A.

Limitation on Special Tax Levy. Pursuant to Section 53321(d) of the Government Code, the special tax levied against any Assessor's Parcel for which an occupancy permit for private residential use has been issued shall not be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel within Improvement Area No. 1 by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. As a result, it is possible that the City may not be able to increase the tax levy to the Maximum Special Tax rate in all years. However, subject to the limitations on the City's ability to levy the necessary amount of the Special Tax as imposed by Section 53321(d) of the Government Code, the City can levy the Special Tax on Undeveloped Property to make-up all or a portion of any shortfall in the Special Tax levy, subject to the maximum Special Tax rate on Undeveloped Property.

Collection of Special Tax. The Special Tax is levied and collected by the Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes. The City may, however, collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations with respect to Improvement Area No. 1 of the District.

Although the Special Tax constitutes a lien on Taxable Property (as defined in the Amended and Restated Rate and Method) within Improvement Area No. 1, it does not constitute a personal indebtedness of the owners of property within Improvement Area No. 1. In addition to the obligation to pay the Special Tax, properties in Improvement Area No. 1 are subject to other assessments and special taxes as set forth under Table 2 below. These other special taxes and assessments are on parity with the lien for the Special Tax. Moreover, other liens for taxes and assessments could come into existence in the future in certain situations without the consent or knowledge of the City or the landowners in Improvement Area No. 1. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments." There is no assurance that property owners will be financially able to pay the Special Tax or that they will pay such taxes even if financially able to do so. See "SPECIAL RISK FACTORS" below.

Foreclosure Covenant. The proceeds of delinquent amounts of the Special Tax received following a judicial foreclosure sale of parcels within Improvement Area No. 1 resulting from a landowner's failure to pay the Special Tax when due, up to the amount of the delinquent Special Tax lien, are included within the Special Tax revenues pledged to the payment of principal and interest on the Bonds under the Indenture, except any payment of the Special Tax on tax-defaulted parcels, including all delinquent and redemption penalties, fees and costs and the proceeds collected from the sale of property pursuant to the foreclosure provisions of the Indenture, so long as the County has paid to the City the Special Tax levied for a tax-defaulted parcel pursuant to the Teeter Plan established by the County. See "— Teeter Plan" below.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the City of the Special Tax in an amount which is less than the Special Tax levied, the City Council of the City may order that the Special Tax be collected by a superior court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory.

However, the City will covenant in the Indenture to, annually on or before October 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 (a) on the basis of such review the City will, not later than the succeeding December 1, institute foreclosure proceedings as authorized by the Act against all parcels that are delinquent in the payment of such Special Tax in such Fiscal Year by $3,000 or more in order to enforce the lien of all such delinquent installments of such Special Tax, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale, and (b) on the further basis of such review, if the City determines that the total amount so collected is less than 95% of the total amount of the Special Tax levied in such Fiscal Year, the City will, not later than the succeeding December 1, institute foreclosure proceedings as authorized by the Act against all parcels that are delinquent in the payment of such Special Tax in such Fiscal Year to enforce the lien of all the delinquent installments of such Special Tax, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale in accordance with the Act.

The Indenture provides that any actions taken to enforce delinquent Special Tax liens shall be taken only consistent with Sections 53356.1 through 53356.7, both inclusive, of the Act. In addition, the City is not obligated to enforce the lien of any delinquent installment of the Special Tax for any Fiscal Year in which the City has received 100% of the amount of the installment from the County under the Teeter Plan (as defined below).

If foreclosure is necessary and other funds (including amounts in the Bond Reserve Fund) have been exhausted, debt service payments on the Bonds could be delayed until the foreclosure proceedings have ended with the receipt of any foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the City. See "SPECIAL RISK FACTORS — Bankruptcy and Foreclosure" herein. Moreover, no assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. See "SPECIAL RISK FACTORS — Property Values" herein. Although the Act authorizes the City to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the City any obligation to purchase or acquire any lot or parcel of property sold at a foreclosure sale if there is no other purchaser at such sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes.

Bond Reserve Fund

In order to secure the payment of principal and of interest on the Bonds, the City is required, upon delivery of the Bonds, to deposit in the Bond Reserve Fund an amount equal to the Required Bond Reserve and thereafter to maintain in the Bond Reserve Fund an amount equal to the Required Bond Reserve. The Indenture provides that the amount to be maintained in the Bond Reserve Fund as the Required Bond Reserve shall, as of any date of calculation, equal the least of (a) 10% of the principal amount of the Outstanding Bonds and any Refunding Bonds, or (b) Maximum Annual Debt Service, or (c) 125% of the average annual Debt Service payable under the Indenture in the current and in all future Bond Years, all as determined by the City under the Internal Revenue Code of 1986 (the "Code") and specified in writing to the Trustee; provided, that such requirement (or any portion thereof) may be satisfied by the provision of one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer or by a letter of credit issued by a bank, the obligations insured by which insurer or issued by which bank, as the case may be, have at least one rating at the time of issuance of such policy or surety bond or letter of credit equal to "AA" or higher assigned by Fitch or "Aa" or higher assigned by Moody's or "AA" or higher assigned by S&P, in each case without regard to any numerical modifier or plus or minus sign; and provided further, that the amount of the Required Bond Reserve shall not increase at any time except upon the issuance of a Series of Refunding Bonds; and provided further, that, with respect to the issuance of any issue of Refunding Bonds, if the amount on deposit in the Bond Reserve Fund would have to be increased by an amount greater than 10% of the stated principal amount of such issue of Refunding Bonds (or, if the issue has more than a de minimis amount of original issue discount or premium, of the issue price of such issue of Refunding Bonds) then the Required Bond Reserve shall be such lesser amount as is determined by a deposit of such 10%. As of the date of issuance of the Bonds the Required Bond Reserve will be fully funded in the amount of $3,351,304.32 from a portion of the proceeds of the Bonds.

Subject to the limits on the Maximum Special Tax which may be levied within Improvement Area No. 1 in accordance with the Amended and Restated Rate and Method set forth in APPENDIX A, the City will covenant to levy the Special Tax in an amount that is anticipated to be sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Bond Reserve Fund at the Required Bond Reserve. Amounts in the Bond Reserve Fund are to be applied to (i) pay debt service on the Bonds and any Refunding Bonds, to the extent other monies in the Bond Redemption Fund are insufficient therefor; (ii) reinstate the amount available under any municipal bond insurance policy, surety bond, or letter of credit which may be issued and held in satisfaction of all or a portion of the Required Bond Reserve; and (iii) retire Bonds and any Refunding Bonds in whole or in part, to the extent that the amount on deposit in the Bond Reserve Fund exceeds the Required Bond Reserve due to a redemption or defeasance of Bonds or Refunding Bonds. See APPENDIX E — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Allocation of Money in the Special Tax Fund."

Issuance of Refunding Bonds

The City may issue one or more series of Refunding Bonds (each a "Series"), in addition to the Bonds, which shall be secured by a lien on the Special Tax and funds pledged for the payment of the Bonds under the Master Indenture on a parity with the Outstanding Bonds. The Refunding Bonds shall be issued by means of a Supplemental Indenture and without the consent of any Holders, upon compliance with the provisions of the Master Indenture, which include, among others, the following specific conditions:

(a) No Event of Default under the Master Indenture or under any Supplemental Indenture shall have occurred and shall be then continuing; and

(b) After the issuance and delivery of such Series of bonds either (i) none of the Bonds or Refunding Bonds theretofore issued thereunder will be Outstanding or (ii) the Debt Service in each Bond Year that begins after the issuance of such Series is not increased by reason of the issuance of such Series.

Teeter Plan

In June 1993, the Board of Supervisors of the County approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis (irrespective of actual collections) to local political subdivisions for which the County acts as the tax-levying or tax-collecting agency.

Under the Teeter Plan, the County distributes tax collections on a cash basis to taxing entities during the fiscal year and at year-end distributes 100% of any taxes delinquent as of June 30th to the taxing entities and those special assessment districts and community facilities districts (and individual parcels within each district) that the County determines are eligible to participate in the Teeter Plan. The County may make eligibility determinations on an annual basis and may exclude a district or an individual parcel that had previously been included in the plan. Improvement Area No. 1 is currently included in the County's Teeter Plan. The County has the discretion to determine which delinquent special taxes will be paid through the Teeter Plan on a case-by-case basis. See "SPECIAL RISK FACTORS — Teeter Plan Termination."

Collection of Special Tax; Suspension of Penalties and Interest

The Special Tax will be collected in the same manner as ordinary ad valorem property taxes for the County are collected and, except as otherwise provided in the Indenture or by the Act, shall be subject to the same penalties and the same collection procedure, sale, and lien priority in case of delinquency as is provided for ad valorem property taxes. On May 6, 2020, Governor Newsom issued Executive Order N-61-20 (the "Executive Order"), waiving penalties and interest on taxes on property on the secured or unsecured roll, or a supplemental tax bill through May 6, 2021 under certain conditions, including: (i) the property is a residential property occupied by the taxpayer or the property is used for a small business, (ii) the taxes owed were not delinquent as of March 4, 2020, (iii) the taxpayer files for relief in a form prescribed by the tax collector, and (iv) the taxpayer demonstrates economic hardship to the satisfaction of the tax collector. There are currently no individual homeowners within Improvement Area No. 1. The City cannot predict whether the Executive Order will be extended beyond May 6, 2021. If the Executive Order is extended or modified, it may have an effect on the collection of penalties and interest on delinquent Special Taxes and may otherwise affect a future homeowner's willingness to pay Special Taxes when due. See "SPECIAL RISK FACTORS — COVID-19 (Coronavirus) Pandemic" herein.

THE DISTRICT AND IMPROVEMENT AREA NO. 1

General Description

The District was formed and Improvement Area No. 1 was designated therein in 2018 by the City Council under the Act to provide for the financing of public improvements to meet the needs of new development. The eligible electors within Improvement Area No. 1 authorized the City to incur bonded indebtedness with respect to Improvement Area No. 1 to finance certain public facilities and governmental fees to meet the needs of new development within the District, approved the Amended and Restated Rate and Method for Improvement Area No. 1 and authorized the levy of the Special Tax.

The District is generally coterminous with the boundaries of a new master-planned community that was initially named "Greenbriar" and is now being marketed as "Northlake." Northlake is entitled for up to 2,175 single family homes, 331 multifamily homes, 189 senior affordable apartments, and up to 3,554,496 square feet of commercial and retail space. The District consists of approximately 544 acres. Northlake is planned to be developed in two phases with the first phase being generally coterminous with Improvement Area No. 1 and the second phase generally coterminous with Improvement Area No. 2.

Improvement Area No. 1 consists of approximately 276 acres located to the west of State Highway 99, south of West Elkhorn Boulevard, east of Lone Tree Road and north of Meister Way. The residential development within Improvement Area No. 1 is planned for 1,137 market-rate for-sale homes and the 189-unit age-restricted Apartment Complex. Approximately 201 acres of property in Improvement Area No. 1 are expected to be subject to the Special Tax at build-out. The parcel relating to the proposed Apartment Complex is exempt from the Special Tax levy pursuant to the Amended and Restated Rate and Method. The balance of the property within Improvement Area No. 1 which is not expected to be subject to the levy of the Special Tax consists primarily of property planned for a community center to be owned by a homeowners' association, parks, open space, a 20-acre man-made lake and public easements and right of ways.

The Developer is responsible for the on-site and off-site backbone infrastructure (sewer, water, storm drains, utilities, and arterial roads) necessary to complete the planned development within Improvement Area No. 1. As of December 1, 2020, such backbone infrastructure was substantially complete and the Developer expects to complete all backbone infrastructure necessary to achieve buildout within Improvement Area No. 1

by the end of the second quarter of 2021. The Developer has obtained all discretionary approvals required in order to complete the planned development within Improvement Area No. 1.

As further described herein, the Developer has entered into an agreement with Lennar Homes for Lennar Homes to acquire all of the property within Improvement Area No. 1 that is planned for residential homes in phased takedowns. Pursuant to such agreement, the Developer is required to substantially complete all in-tract infrastructure for the lots prior to the time Lennar Homes acquires such lots. As of January 29, 2021, the Developer has substantially completed the in-tract infrastructure for 605 lots within Improvement Area No. 1, including for the first 145 lots that Lennar Homes acquired on December 11, 2020. The Developer expects to substantially complete the in-tract infrastructure for all residential lots by the end of 2022, and in any event, prior to the times necessary in order for the Developer to meet the takedown schedule agreed to with Lennar Homes.

See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1" for a description of the development status and remaining required infrastructure necessary to complete development in the District. A detailed description of the status of the construction and ownership as of the date of the Appraisal Report is included in APPENDIX B — "APPRAISAL REPORT."

Water and sewer service to the property is provided by the City and the Sacramento Regional County Sanitation District, respectively. Electricity is supplied by Sacramento Municipal Utilities District and natural gas is supplied by Pacific Gas & Electric. The Northlake development is located within the Twin Rivers Unified School District.

Description of Authorized Facilities

A portion of the proceeds from the sale of the Bonds will be deposited in the Acquisition and Construction Fund under the Indenture and used to pay for the costs of facilities authorized to be financed for the District, including such facilities which are included in the City's and other governmental agency fee programs, in accordance with the terms of the Indenture and the Acquisition Agreement. As more fully detailed in the Acquisition Agreement, costs of such facilities, including those which are included in the City's and other governmental agency fee programs and are eligible to be financed with the proceeds of the Bonds, consist of backbone infrastructure, including without limitation water, sewer and storm drain improvements, roadways and traffic improvements, landscaping and park improvements, and school facilities, in addition to other improvements authorized under the Acquisition Agreement. Approximately $42 million of the costs of such facilities or fees including the City's, the Twin Rivers Unified School District's, SAFCA's, and the Sacramento Area Sewer District's governmental fee programs are expected to be reimbursed or paid from Bond proceeds. Approximately $4.9 million, $1.8 million and $0.3 million of fees included within the Twin Rivers Unified School District's, SAFCA's, and the Sacramento Area Sewer District's governmental fee programs, respectively, are expected to be reimbursed or paid from a portion of the proceeds of the Bonds. The costs of the facilities and fees required for development within the District in excess of available proceeds from the sale of the Bonds are expected to be paid for by the Developer. See "ESTIMATED SOURCES AND USES OF FUNDS." See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1" for a description of the infrastructure required to be constructed by the Developer in order to complete development within Improvement Area No. 1.

De Facto Building Moratorium from 2008 to 2015

In 2005, in response to revised criteria and standards relating to levees and flood protection, the United States Army Corp of Engineers (the "Corps") and the Sacramento Area Flood Control Agency ("SAFCA") commissioned the Natomas Levee Evaluation Study ("NLES"). The NLES final report concluded that considerable improvements were necessary along the south levee of the Natomas Cross Canal, the east levee of the Sacramento River, and the north levee of the American River. As a result of these conclusions, on July 20, 2006, the Corps issued a letter to SAFCA stating that the Corps could no longer support its original position certifying the levees in the Natomas Basin. On December 29, 2006, FEMA issued a letter to the City notifying the City that FEMA planned to update the Flood Insurance Rate Map within the Natomas Basin. On December 8, 2008, FEMA's Revised Map became effective, placing the Natomas Basin (including the District) within a Special Flood Hazard Area ("Zone AE"). As a result of the Revised Map and the Zone AE designation, the Natomas Basin was subject to a de facto building moratorium from December 8, 2008, through June 15, 2015.

On June 10, 2014, then President Barack Obama signed the Water Resources Reform & Redevelopment Act ("WRRDA") into law. With respect to the Natomas Basin, the WRRDA directs the Corps to strengthen 24 miles of levees surrounding the Natomas Basin (the "Levee Project"). As a result of the implementation of the Levee Project, FEMA issued a revised map and designated the area within the Natomas Basin (including the District) as Zone A99 effective June 16, 2015, which allows for the resumption of new building construction, subject to the limitations described below. According to FEMA, an area designated as Zone A99 has a 1% annual chance of a flood event (i.e., a 100-year flood) but ultimately will be protected upon completion of an under-construction federal flood-protection system. The four major requirements for that designation are (a) 50% of the critical improvements to achieve a 100-year level of flood protection have been constructed, (b) 50% of the total cost for such improvements has been expended, (c) 60% of the total cost of the improvements has been appropriated, and (d) 100% of the improvements have been authorized. As described below, construction of the Levee Project is underway (see "—Flood Hazard" below).

On March 31, 2015, the City adopted an ordinance allowing for non-residential development and a limited resumption of residential development in the portion of the Natomas Basin that is within the City and designated as Zone A99 (the "Building Ordinance"). The Building Ordinance became operative on June 16, 2015, upon the revised map and Zone A99 designation by FEMA. The Building Ordinance allows non-residential development to resume with no cap and limited residential development of up to 1,000 single-family detached units and 500 multi-family attached units each calendar year. Dwelling units in excess of those limits will require City Council approval. On May 30, 2017, upon making certain required findings relating to the protection of public health and safety, consistency with actions underway to mitigate potential damage due to flood (see "—Flood Hazard" below), and promotion of orderly development within the City, the City Council adopted a resolution that permits the Northlake project to proceed notwithstanding the caps on residential development under the Building Ordinance.

Flood Hazard

Development in the District is subject to federal and State requirements regarding the restoration of protection against flood hazards (e.g., levees).

Compliance with Federal Flood-Protection Requirements. As required by 44 C.F.R. § 65.14(g), the City annually submits to FEMA a certification that the Zone A99 restoration plan will be completed within a specified time. This Federal regulation also requires that the City and the cost-sharing Federal agency update the restoration plan and identify any permitting or construction problems that will delay the Levee Project's completion beyond the deadline set out in the restoration plan previously submitted to the Federal Insurance Administrator. The FEMA Regional Office that has jurisdiction over the District makes an annual assessment and recommendation to the Federal Insurance Administrator about the viability of the restoration plan and will conduct periodic on-site inspections of the flood-protection system under restoration. Should FEMA make an adverse finding as to the viability of the restoration plan, FEMA could revise the flood map from its current Zone A99 designation, which could result in the Natomas Basin, including the Northlake project, becoming subject again to a de facto building moratorium. The City currently does not expect any delays with respect to the Levee Project that would cause the Natomas Basin to be subject to another de facto building moratorium.

Compliance with State Flood Protection Requirements. The Central Valley Flood Protection Act of 2008 requires that cities and counties within the California Central Valley (including the City) make certain findings with respect to flood protection before approving development agreements, tentative maps, discretionary permits, and ministerial permits for new residences. One of those findings is that the local flood-management agency has made "adequate progress" on the construction of a flood-protection system that will provide an Urban Level of Flood Protection ("ULOP") by 2025. An ULOP is the level of flood protection needed to withstand a flood event that has a 0.5% chance of occurring in a year (i.e., a 200-year flood).

SAFCA is the local flood-management agency that serves the area within the City. In 2016, SAFCA prepared its ULOP plan, which the City accepted in June 2016. When making the adequate-progress finding, the City has relied on annual progress reports prepared by SAFCA, which demonstrate that the Levee Project is meeting specified development milestones toward providing an ULOP by 2025. If construction of the Levee Project is delayed so that the City is unable to make a finding of adequate progress toward an ULOP, then the City might not be able to approve either or both of the following: a discretionary permit or other discretionary entitlement for construction of a new building or construction that would result in an increase in allowed occupancy for an existing building; or a ministerial permit for construction of a new residence. The City currently does not expect any delays with respect to the Levee Project that would cause this to occur.

Status of the Levee Project. Even though the Natomas Basin has been designated as Zone A99, the Natomas Basin will not be outside of a 100-year flood zone until the Levee Project is completed. The Corps began construction of the Levee Project in 2017 and the Levee Project is currently estimated to be complete in 2025. To date, 18 miles have been completed and construction of the remaining 24 miles began in 2019. The Corps will need to acquire additional land and obtain additional approvals and permits in order to complete the Levee Project.

When the Levee Project is completed, the City expects that, under current FEMA criteria, the Natomas Basin will be zoned "X (shaded)," meaning an area that is subject to between a 1.0% (100-year flood zone) to 0.2% annual chance of a flood event (i.e., a 500-year flood zone). As described above, under State law, completion of the Levee Project will mean the Natomas Basin will have an ULOP, which is the level of flood protection needed to withstand a flood event that has a 0.5% chance of occurring in a year (200-year flood zone).

As described above, completion of the Levee Project provides additional protection but does not eliminate the risk of flood-related property damage within the Natomas Basin (including the property in Improvement Area No. 1). The requirement to purchase flood insurance will remain in effect even though the Natomas Basin is designated as Zone A99. Flood insurance is available for purchase by homeowners within the Natomas Basin. The City participates in FEMA's national flood-insurance program community rating system, which provides flood insurance premium discounts resulting from the community's efforts to reduce certain flood risks. Notwithstanding the foregoing, the City can make no assurances as to the continued availability of flood insurance or any discounts on premiums through the community rating system. See "SPECIAL RISK FACTORS — Natural Disasters."

Direct and Overlapping Indebtedness

The ability of an owner of land within Improvement Area No. 1 to pay the Special Tax could be affected by the existence of other taxes and assessments imposed upon the property. These other taxes and assessments consist of the direct and overlapping debt in Improvement Area No. 1 and are set forth in Table 2 below (the "Debt Report"). The Debt Report sets forth those entities that have issued debt supported by special taxes, assessments or *ad valorem* property taxes. Table 2 does not include entities that only levy or assess fees, charges or special taxes for purposes other than supporting debt. The Debt Report includes the principal amount of the Bonds, in addition to the share of any outstanding community facilities district and assessment district bonds that is allocable to land within Improvement Area No. 1. The Debt Report has been derived from data assembled and reported to the City by California Municipal Statistics, Inc. as of October 1, 2020. Neither the City nor the Underwriter have independently verified the information in the Debt Report and do not guarantee its completeness or accuracy.

TABLE 2
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENTS AREA NO. 1
OVERLAPPING DEBT SUMMARY AS OF OCTOBER 1, 2020

Overlapping District	*Percent Applicable*	*Total Outstanding Bonded Debt*
Los Rios Community College District General Obligation Bonds	0.008%	$ 32,899
Twin Rivers Unified School District General Obligation Bonds (pre-unification elementary school general obligation indebtedness)(1)	0.143	77,765
Twin Rivers Unified School District General Obligation Bonds	0.112	305,836
Sacramento Area Flood Control District Consolidated Capital Assessment District No. 2 Bonds	0.015	8,537
Sacramento Area Flood Control District Natomas Basin Local Assessment District(2)	0.037	35,697
City of Sacramento Greenbriar CFD No. 2018-03 Improvement Area No. 1 Special Tax Bonds	**100.000**	43,470,000
Total		**$43,930,734**
Total Appraised Value(3):		**$137,800,000**
Appraised Value-to-Lien Ratio		**3.14:1**

(1) Reflects general obligation bonds of elementary school districts prior to unification with the Grant Joint Union High School District to form the Twin Rivers Unified School District.
(2) Assessment on developed residential property is a higher amount than on undeveloped property. As a result, the allocated debt will increase as property within Improvement Area No. 1 is developed.
(3) Based on the Appraisal Report.
Source: California Municipal Statistics, Inc.; Appraiser.

Estimated Fiscal Year 2021-22 Tax Burden

Table 3 below sets forth the estimated total tax obligation of single-family detached homes within the Improvement Area No. 1 based on the average base sales prices of homes as set forth in the Market Absorption Report (as defined below), the Fiscal Year 2020-21 Special Tax levy at the Maximum Special Tax rates on Developed Property and the Fiscal Year 2020-21 tax rates for overlapping taxing entities. The amounts charged and the effective tax rates vary for individual parcels within Improvement Area No. 1 and may increase or decrease in future years. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments."

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TABLE 3
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 1
ESTIMATED TAX OBLIGATION

	Percent of Total Assessed Value	*Villages 10A & 10B*	*Villages 8 & 9*	*Villages 6 & 11*	*Villages 5A, 5B & 5C*	*Villages 7A & 7B*	*Villages 1, 4A, 4B, 12A & 12B*	*Villages 3A & 3B*	*Villages 2A & 2B*
Assumptions									
Average Sales Price[1]		$ 475,000	$ 518,000	$ 561,600	$ 559,500	$ 570,200	$ 596,250	$ 628,750	$ 687,750
Homeowner's Exemption		(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Net Expected Assessed Value		**$ 468,000**	**$ 511,000**	**$ 554,600**	**$ 552,500**	**$ 563,200**	**$ 589,250**	**$ 621,750**	**$ 680,750**
Ad Valorem Property Taxes[2]									
General Purpose	1.00000%	$ 4,680	$ 5,110	$ 5,546	$ 5,525	$ 5,632	$ 5,893	$ 6,218	$ 6,808
Grant Joint Union High School District GOB	0.02000	94	102	111	111	113	118	124	136
Los Rios Community College District GOB	0.02230	104	114	124	123	126	131	139	152
Twin Rivers Unified School District GOB	0.06130	287	313	340	339	345	361	381	417
Twin Rivers Unified School District GOB (Pre-Unification Elementary School Debt)[3]	0.04480	210	229	248	248	252	264	279	305
Total Ad Valorem Property Taxes	**1.14840%**	**$ 5,375**	**$ 5,868**	**$ 6,369**	**$ 6,345**	**$ 6,468**	**$ 6,767**	**$ 7,140**	**$ 7,818**
District Charges									
Sacramento Area Flood Control Agency		$ 6	$ 8	$ 10	$ 10	$ 11	$ 11	$ 12	$ 15
Natomas Basin Local Assessment District		27	31	37	34	35	38	42	47
SAFCA Consolidated Capital Assessment #2[4]		49	66	76	80	83	89	98	117
Sacramento Additional Library Service Tax		36	36	36	36	36	36	36	36
Sacramento Core Library Service Tax		14	14	14	14	14	14	14	14
Reclamation District No. 1000		25	25	25	25	25	25	25	25
North Natomas TMA CFD No. 99-01		78	78	78	78	78	78	78	78
City of Sacramento CFD 2018-05		229	229	229	229	229	229	229	229
City of Sacramento CFD 2018-03 IA No. 1[5]		1,333	1,523	1,807	1,809	1,918	2,100	2,461	2,560
Total Direct Changes		**$ 1,798**	**$ 2,010**	**$ 2,311**	**$ 2,315**	**$ 2,429**	**$ 2,620**	**$ 2,995**	**$ 3,121**
Total Taxes and Direct Charges[6]		**$ 7,172**	**$ 7,878**	**$ 8,680**	**$ 8,660**	**$ 8,897**	**$ 9,387**	**$ 10,135**	**$ 10,939**
Percent of Average Sales Price		**1.51%**	**1.52%**	**1.55%**	**1.55%**	**1.56%**	**1.57%**	**1.61%**	**1.59%**

(1) Reflects average base sales prices based on the Market Absorption Report.
(2) Based on Fiscal Year 2020-21 *ad valorem* tax rates. Ad valorem tax rates are subject to change in future years.
(3) Reflects general obligation bonds of elementary school districts prior to unification with the Grant Joint Union High School District to form the Twin Rivers Unified School District.
(4) Assessments are determined based on factors including, among others, benefit zone, land use and flood depth zone.
(5) Reflects the Fiscal Year 2020-21 Maximum Special Tax rates on Developed Property.
(6) Totals may not sum due to rounding.

Source: Goodwin Consulting Group, Inc.; Appraiser; Market Absorption Consultant.

Market Absorption Study

In order to provide an independent estimate of the absorption schedule of the property within Improvement Area No. 1, the City engaged The Gregory Group of Folsom, California (the "Market Absorption Consultant"). The Market Absorption Consultant performed a comprehensive analysis of the product mix characteristics as well as the macroeconomic and microeconomic factors that the Market Absorption Consultant expects to influence the absorption of the forthcoming products within Improvement Area No. 1. The Market Absorption Consultant Report dated as of October 2020 is attached hereto as Appendix I. In the Market Absorption Report, the Market Absorption Consultant observes that: (1) existing homes in Natomas (the area in which the Northlake project is located) have an average days on market of 18 days during the 60-day study period, which translates to solid demand and a lack of inventory in the Natomas area; (2) new home inventory in the Natomas area is limited, with only 55 unsold units across 17 projects; (3) only approximately 2,509 units are within new projects that may deliver homes in the near future; and (4) the national economy is experiencing a recovery and the homebuilding sector has recovered, however, the Market Absorption Report does not conclude that the economy and housing market are back to normal.

In reaching its estimated rate of absorption, the Market Absorption Consultant took into account factors such as the desirability of Natomas as a new-home destination, increasing new-home sales within Natomas and the Sacramento region, limited immediate future inventory in Natomas, current absorption rates for similar products in Natomas and improving economic conditions within the Sacramento region and in the United States.

Based on the foregoing and information provided by the Developer that all products will open for sale in January 2021 (which has occurred), the Market Absorption Consultant concludes that the development within Improvement Area No. 1 can absorb one unit per week per product offering with the final sales to occur in the third quarter of 2025. The following table sets forth the Market Absorption Consultant's estimated absorption schedule for the 1,137 residential units planned for Improvement Area No. 1.

Community	***Villages***	***Total No. of Units***	***Units Sold Per Year***				
			2021	***2022***	***2023***	***2024***	***2025***
Shor	10A, 10B1 & 2, VE	140	65	65	10	0	0
Lakelet	8/VE, 9/VE	134	65	65	4	0	0
Watersyde	6, 11, 7A	127	52	52	23	0	0
Wavmor	5A/VW, 5B, 5C	153	52	52	49	0	0
Crestvue	7A, 7B	97	52	45	0	0	0
Bleau	1, 4A, 4B/VW, 5C, 11, 12A, 12B	235	52	52	52	52	27
Drifton	3A, 3B/VW	135	39	39	39	18	0
Atla	2A, 2B	116	39	39	38	0	0
	Totals	**1,137**	**416**	**409**	**215**	**70**	**27**

The Market Absorption Consultant identifies potential risks that could affect the estimated absorption, including economic downturn and the impact of the COVID-19 pandemic. See "SPECIAL RISK FACTORS." A complete copy of the Market Absorption Study is attached hereto as APPENDIX I.

Property Values

Assessed Value. The estimated assessed value of the property within Improvement Area No. 1, as shown on the County's assessment roll for Fiscal Year 2020-21, is approximately $18,024,001. The assessed value of the property within Improvement Area No. 1 represents the secured assessed valuation established by the County Assessor. Assessed values do not necessarily represent market values. Article XIIIA of the

California Constitution (Proposition 13) defines "full cash value" to mean "the County assessor's valuation of real property as shown on the 1975/76 roll under 'full cash value', or, thereafter, the appraised value of real property when purchased or newly constructed or when a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors. Because of the general limitation to 2% per year in increases in full cash value of properties which remain in the same ownership, the County tax roll does not reflect values uniformly proportional to actual market values. There can be no assurance that the assessed valuations of the properties within Improvement Area No. 1 accurately reflect their respective market values.

Appraisal. As described above, due to Article XIIIA of the California Constitution, a property's assessed value is not necessarily indicative of its market value. In order to provide information with respect to the value of certain of the property within Improvement Area No. 1, the City engaged Smith & Associates, Inc., the Appraiser, to prepare the Appraisal Report. The Appraiser has a "MAI" designation from the Appraisal Institute and has prepared numerous appraisals for the sale of land-secured municipal bonds. The Appraiser was selected by the City and has no material relationships with the City or the owners of the land within Improvement Area No. 1 other than the relationship represented by the engagement to prepare the Appraisal Report. The City instructed the Appraiser to prepare its analysis and report in conformity with City-approved guidelines and the Appraisal Standards for Land Secured Financings published in 1994 and revised in 2004 by the California Debt and Investment Advisory Commission (the "CDIAC Guidelines"). A copy of the Appraisal Report is included as APPENDIX B — "APPRAISAL REPORT."

The purpose of the Appraisal Report was to estimate the market value of the property within Improvement Area No. 1 that is subject to the Special Tax lien, based on the hypothetical condition that the Bonds had been sold. Subject to the contingencies, assumptions and limiting conditions set forth in the Appraisal Report, the Appraiser concluded that, as of the Date of Value, the aggregate value of the property within Improvement Area No. 1 subject to the Special Tax levy was $137,800,000. In addition, in estimating the value of the property, the Appraiser took into account the fact that the property is located in a flood zone designated as Zone A99 and the future homeowners within Improvement Area No. 1 will be required to purchase flood insurance. See "— De Facto Building Moratorium from 2008 to 2015" and "—Flood Hazard."

Pursuant to the Amended and Restated Rate and Method, the property planned for the community center, parks, open space and the 189-unit senior apartment complex are not expected to be subject to the Special Tax levy. The value thereof is not included in the appraised value set forth in the Appraisal Report and no Special Tax revenues from such properties have been assumed for purposes of sizing the Bonds. See "Projected Special Tax Levy and Value-To-Lien Ratios —*Tax-Exempt Parcels*" below.

In estimating the market value for the Taxable Property within Improvement Area No. 1, the Appraiser used a sales comparison approach to estimate the land value per lot within each of the proposed villages within Improvement Area No. 1. The Appraiser then applied an extraction/land residual methodology, which involves deducting the home construction costs from the estimated home sales revenues to arrive at an estimated land value of a finished lot within each of the eight proposed product types within Improvement Area No. 1. The estimated home sales revenues were based on those set forth in the Market Absorption Study. The Appraisal Report notes that the Appraiser concurs with such estimated revenues. The Appraiser then applied a discounted cash flow analysis which takes into account the expected revenues and expenses over the projected absorption period.

Reference is made to APPENDIX B for a complete list of the assumptions and limiting conditions and a full discussion of the appraisal methodology and the basis for the Appraiser's opinions. In the event that any of the contingencies, assumptions and limiting conditions are not actually realized, the value of the appraised property within Improvement Area No. 1 may be less than the amount reported in the Appraisal Report. In any case, there can be no assurance that any portion of the property within Improvement Area No. 1 would actually sell for the amount indicated by the Appraisal Report.

The Appraisal Report indicates the Appraiser's opinion as to the market value of the appraised property in Improvement Area No. 1 as of the Date of Value and under the conditions specified in the Appraisal. The Appraiser's opinion reflects conditions prevailing in the applicable market as of the Date of Value. The Appraiser's opinion does not predict the future value of the subject property, and there can be no assurance that market conditions will not change adversely in the future.

It is a condition precedent to the issuance of the Bonds that the Appraiser deliver to the City a certification to the effect that nothing has come to the attention of the Appraiser subsequent to the date of the Appraisal Report that would cause the Appraiser to believe that the value of the Taxable Property in Improvement Area No. 1 is less than the value reported in the Appraisal Report. However, the Appraiser notes that acts and events may have occurred since the date of the Appraisal Report which could result in both positive and negative effects on market value within Improvement Area No. 1.

Appraisal Review Report. The City engaged BBG, Inc., independent appraisers, to conduct a review of the Appraisal Report. BBG concluded in its report dated January 13, 2021 that the Appraisal Report: (i) was conducted in accordance with the Uniform Standards of Professional Appraisal Practice and CDIAC's Appraisal Standards for Land Secured Financing; (ii) the data and analysis in the Appraisal Report was adequate and relevant to produce a credible appraisal; (iii) the appraisal methods and techniques used to produce the Appraisal Report were appropriate and the conclusions in the Appraisal Report are supported and reasonable; (iv) the extraordinary assumptions and hypothetical conditions in the Appraisal Report are reasonable; and (v) the level of detail contained in the Appraisal Report is commensurate with the complexity of the valuation.

Estimated Debt Service Coverage

The Bonds have been structured such that the projected annual Special Tax Revenues, assuming no delinquencies, if levied at the Maximum Special Tax Rates assuming all 1,137 parcels are Developed Property, would produce not less than 110% annual coverage on annual Debt Service on the Bonds plus estimated Expenses. At buildout, the City expects to levy the Special Tax at such rates to meet the Special Tax Requirement, which may be less than the Maximum Special Tax rates. Based on the current takedown schedule provided by the Developer and the pace of home building provided by Lennar Homes (see "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1 — Acquisition of Lots by Lennar Homes —*Takedown Schedule*" and "—Home Construction — *Development Plan*"), the current expectation is that all 1,137 proposed lots within Improvement Area No. 1 will be classified as Developed Property under the Amended and Restated Rate and Method in Fiscal Year 2024-25. Until such time, the City expects to levy the Special Tax on Final Map Property and Undeveloped Property to meet debt service on the Bonds.

Projected Special Tax Levy and Value-To-Lien Ratios

Projected Special Tax Levy. Table 4 below shows the projected Fiscal Year 2021-22 levy based on the Fiscal Year 2021-22 Maximum Special Tax rates and development status as of the Date of Value of the Appraisal Report. Table 4 also shows the estimated Maximum Special Tax levy at buildout (i.e. assuming building permits have been issued for all 1,137 planned residential units), using the Fiscal Year 2021-22 Maximum Special Tax rates.

As of the Date of Value, Lennar Homes had acquired 145 lots from the Developer. As of such date, the balance of the Taxable Property within Improvement Area No. 1 was owned by the Developer. Based on the acquisition of 145 lots from the Developer and assuming no additional transfer of property or development activity within Improvement Area No. 1, the Developer and Lennar Homes are estimated to be responsible for 90.3% and 9.7% of the Fiscal Year 2021-22 Special Tax levy, respectively. Since the Date of Value, Lennar

Homes has obtained additional building permits and has entered into sales contracts with individuals. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1 — Home Construction."

Tax-Exempt Parcels. The sites planned for the 189-unit senior apartment complex and the community center are expected to be classified as Multi-Family Property and HOA Property, respectively, under the Amended and Restated Rate and Method and based on such classification, are not expected to be subject to the Special Tax levy. In addition, pursuant to the Amended and Restated Rate and Method, property to be used as parks, open space, approximately 20 acres of man-made lakes and public rights of way will be exempt from the Special Tax levy. For purposes of sizing the Bonds, no Special Tax levy is assumed on such property.

Value-to-Lien Ratio. Based on the principal amount of the Bonds, the estimated appraised value-to-lien ratio within Improvement Area No. 1, including all Taxable Property (giving effect to the issuance of the Bonds) as of the Date of Value is approximately 3.17-to-1. This ratio includes other land-secured debt (i.e. other community facilities districts or assessment districts) within the Improvement Area No. 1 but does not include the overlapping general obligation bonds. Taking that direct and overlapping debt into account, the ratio of the aggregate appraised value of the Taxable Property within Improvement Area No. 1 to the total principal amount of all direct and overlapping general obligation debt for Improvement Area No. 1 is approximately 3.14-to-1. See "— Direct and Overlapping Indebtedness" above. Each of the aforesaid value to lien ratios is for the entire Improvement Area No. 1, however, the ratios of the value of individual lots within Improvement Area No. 1 to their respective shares of the principal amount of the Bonds can vary substantially.

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TABLE 4
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 1
MAXIMUM AND PROJECTED SPECIAL TAX LEVY

Special Tax Category[1]	*Number of Planned Units at Buildout*[2]	*Fiscal Year 2021-22 Maximum Special Tax Levy*[1]	*Estimated Maximum Special Tax Levy at Buildout*[3]	*Percent of Maximum Special Tax Levy at Buildout*[3]	*Allocation of City of Sacramento CFD No. 2018-03 IA 1 Bonds* [4]	*Total Direct and Overlapping Land-Secured Debt*[5]
Developed Property[6]	30	$ 57,489	$ 57,489	2.5%	$ 1,111,851	$ 1,113,066
Final Map Property	659	$ 1,264,862	$ 1,264,862	56.3%	$ 24,462,626	$ 24,488,007
Undeveloped Property[7]	448	$ 1,651,332	$ 925,304	41.2%	$ 17,895,523	$ 17,913,161
Total	**1,137**	**$ 2,973,684**	**$ 2,247,656**	**100.0%**	**$ 43,470,000**	**$ 43,514,234**

(1) Based on development status as of the Date of Value. On the Date of Value, Lennar Homes acquired 145 lots from the Developer. The balance of the Taxable Property within the District as of such date was owned by the Developer.
(2) Reflects the total number of proposed lots at buildout.
(3) Reflects the estimated share of the Maximum Special Tax levy at buildout (i.e. assumes all 1,137 residential lots are classified as Developed Property) using Fiscal Year 2021-22 Maximum Special Tax rates.
(4) Allocated based on the estimated Special Tax levy as described in footnote 3 above.
(5) Includes land-secured overlapping special tax and assessment lien debt as of October 1, 2020 that is applicable to the Taxable Property in Improvement Area No. 1. See "— Direct and Overlapping Indebtedness" above.
(6) Lennar Homes has obtained additional building permits since the Date of Value. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1 — Home Construction."
(7) All parcels of Undeveloped Property that are not the subject of Small-Lot Final Maps are the subject of a recorded Parcel Map. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1 — Infrastructure Development — *Small-Lot Final Map Status*" for the current schedule for recording the remaining small lot final maps. All parcels of Undeveloped Property are Taxable Property not classified as Developed Property, Final Map Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

Source: California Municipal Statistics; Goodwin Consulting Group, Inc.; City for building permit status.

Delinquency History

The City has not yet levied the Special Tax within Improvement Area No. 1. As a result, no delinquency history with respect to the Special Tax exists. Fiscal Year 2021-22 will be the first year of the Special Tax levy.

DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1

The information in this section about the Developer and Lennar Homes and their respective developments within Improvement Area No. 1 has been provided by the Developer and Lennar Homes and has not been independently confirmed or verified by the Underwriter or the City. The Underwriter and the City make no representation as to the accuracy or adequacy of the information contained in this section, including, but not limited to the description of the Lennar Homes PSA, the Operating Agreement (as such terms are defined below) and any other agreement between Lennar Homes and Integral or their respective affiliates with respect to the Northlake project.

The information provided in this section has been included because it may be considered relevant to an informed evaluation and analysis of the Bonds. No assurance can be given, however, that the proposed development of the property within Improvement Area No. 1 will occur in a timely manner or in the configuration or to the density described in this Official Statement, or that the Developer, Lennar Homes, or any owners or affiliates thereof, or any other property owner described in this Official Statement will or will not retain ownership of its respective property within Improvement Area No. 1. Neither the Bonds nor the Special Tax represent personal obligations of any property owner within Improvement Area No. 1. The Bonds are secured by and payable solely from the Special Tax and amounts on deposit in certain of the funds and accounts established and maintained under the Indenture. See "SPECIAL RISK FACTORS" for a discussion of certain of the risk factors that should be considered in evaluating the investment quality of the Bonds. Neither the Bonds nor the Special Tax are personal obligations of the property owners within Improvement Area No. 1 or any affiliate thereof and, in the event that a property owner defaults in the payment of its Special Tax, the City may proceed with judicial foreclosure, but has no direct recourse to the assets of such property owner or any affiliate thereof.

Northlake, the District and Improvement Area No. 1

General. The property in Improvement Area No. 1 is part of a new master-planned community being developed by The Greenbriar Project Owner, LLC, a Delaware limited liability company (previously defined as the "Developer"), that was initially named "Greenbriar" and is now being marketed as "Northlake." Northlake is located on the southwestern corner of West Elkhorn Boulevard and State Highway 99, approximately nine miles from downtown Sacramento and approximately four miles from the Sacramento International Airport. Northlake is located to the north and east of the near-completed master planned communities of Westlake and Natomas Creek and directly adjacent to the east of the Sacramento Metro Air Park. The Sacramento Metro Air Park is an approximately 1,900 acre site that is planned for commercial and industrial uses. Based on current plans, Northlake will be included along the route of a light rail line that is proposed to be extended from downtown Sacramento to the Sacramento International Airport. The current expectation is that the light rail line will have a station along the major arterial roadway (Meister Way) that traverses and bisects Northlake from east to west, and will then continue on to the Sacramento International Airport. The construction and operation of light rail extensions along Meister Way will be the responsibility of the Sacramento Regional Transit Authority and not the City. See "— *Entitlements and Mitigation Measures* — Transportation Development Impact Fees/Meister Way Overcrossing" below for a description of an overcrossing for Meister Way required to be constructed by the Developer for the Northlake project.

Northlake is entitled for up to 2,175 single family homes, 331 multifamily homes, 189 senior affordable apartments, and up to 3,554,496 square feet of commercial and retail space. Similar to the Westlake development located to the south, the Northlake development is planned to include several acres of man-made lakes with certain homes to be situated on lakefront lots. The District consists of approximately 544 acres and is generally coterminous with the Northlake development, however two parcels within the Northlake project area are not within the boundaries of the District. There are currently no plans for any commercial development within Improvement Area No. 1.

The District is divided into two improvement areas. The first phase of Northlake is generally coterminous with Improvement Area No. 1. Improvement Area No. 2 is located adjacent to the south of Improvement Area No. 1 and is planned for residential development and a future elementary school site. Phase 2 of Northlake is generally coterminous with Improvement Area No. 2. ***The property in Improvement Area No. 2 is not subject to the levy of the Special Tax and is not security for the Bonds.***

Improvement Area No. 1 consists of approximately 276 acres located to the west of State Highway 99, south of West Elkhorn Boulevard, east of Lone Tree Road and north of Meister Way. The development within Improvement Area No. 1 is planned for 1,137 market-rate for-sale homes and a 189-unit age-restricted (senior) for-rent Apartment Complex (which is not subject to the Special Tax levy). Improvement Area No. 1 is also planned to include two parks totaling approximately 14.4 acres, a community center, open space and trails and approximately 20 acres of man-made lakes. The man-made lakes will be located toward the center of Improvement Area No. 1, with 133 homes to be situated on the lakefront lots. The Developer plans to construct pedestrian and bike trails along the lakefronts to provide common access to the lakefronts. In addition to serving as a visual amenity to the community, the lakes are designed to work in conjunction with the storm drainage system of the development. The lakes will not be available for recreational use (i.e., water sports and boating).

The Developer is responsible for the on-site and off-site backbone infrastructure necessary to complete the planned development within Improvement Area No. 1 therein. As of December 1, 2020, such backbone infrastructure was substantially complete and the Developer expects to complete all backbone infrastructure necessary to achieve buildout within Improvement Area No. 1 by the end of the second quarter of 2021. See “Infrastructure Development — *Backbone Infrastructure Development*.”

The Developer has entered into an agreement with Lennar Homes for Lennar Homes to acquire all of the property within Improvement Area No. 1 that is planned for residential homes in phased takedowns. Pursuant to such agreement, the Developer is required to substantially complete all in-tract infrastructure for the lots prior to the time Lennar Homes acquires such lots. See “— Acquisition of Lots by Lennar Homes” for a description of the in-tract infrastructure work that the Developer is required to substantially complete prior to the time Lennar acquires a lot. As of January 29, 2021, the Developer has substantially completed the in-tract infrastructure for 605 lots within Improvement Area No. 1, including for the first 145 lots that Lennar Homes acquired on December 11, 2020. The Developer expects to substantially complete the in-tract infrastructure for all residential lots by the end of 2022, and in any event, prior to the times necessary in order for the Developer to meet the takedown schedule agreed to with Lennar Homes. See “— Acquisition of Lots by Lennar Homes.”

For more information on the Developer and Lennar Homes, see the caption “PROPERTY OWNERSHIP.”

Entitlements and Mitigation Measures. Pursuant to a Development Agreement by and between the City and the Developer, as approved by the City Council by Ordinance No. 2017-0040 on May 30, 2017 (as amended to date, the “Development Agreement”), the Developer is vested with the right to develop the Northlake project with up to 2,175 single family homes, 331 multifamily homes, 189 senior affordable apartments, and up to 3,554,496 square feet of commercial and retail space, subject to compliance with the terms and conditions of the Development Agreement. The Development Agreement includes mitigation measures to be satisfied and fees to be paid in order to achieve full buildout of the Northlake project, some of which are described below. Aside from such mitigation measures to be satisfied and payment of fees as development within Northlake progresses, the Developer has satisfied all conditions of approval and has obtained all discretionary approvals from State and federal agencies in order to complete the Northlake project. Sufficient capacity for water (which is provided by the City) and sewer (which is provided by the Sacramento Area Sewer District (collection services) and the Sacramento Regional Sanitation District (treatment services)) is available to achieve full buildout of Northlake.

Certain of the mitigation measures and fees required under the Development Agreement are described below. Aside from the affordable housing and the habitat conservation requirements described below, the mitigation measures and fees may be financed with proceeds of the Bonds and bonds issued with respect to Improvement Area No. 2, if any.

Transportation Development Impact Fees/Meister Way Overcrossing. The Developer is required to pay City Transportation Development Impact Fees ("TDIF") in connection with the development of Northlake. As part of the conditions of approval of Northlake, the Developer is also required to construct a State Route 99 overcrossing that would connect Meister Way (which bisects Northlake from east to west) to East Commerce Way, located offsite to the east of Northlake. Pursuant to the Development Agreement, the Developer will receive a dollar-for-dollar credit against its TDIF obligations based on the cost of the overcrossing. As a result, the Northlake development is exempt from TDIF until the Developer expends $5,590,136 on the cost of constructing the Meister Way overcrossing. The estimated cost of the overcrossing is approximately $7.7 million and approximately $2.9 million of such cost may be financed with proceeds of the Bonds.

The overcrossing is required to be constructed on or before 65% buildout of the Northlake project, based on total project trips. Preliminary design has commenced on the overcrossing to finalize street alignments and other impacts to the first and second phase of the Northlake project's grading and improvements. Based on the estimated project trips to be generated by the development within Improvement Area No. 1, the Developer does not expect that the overcrossing will need to be completed prior to buildout of the planned development within Improvement Area No. 1.

School Mitigation Payments. Pursuant to an Amended and Restated Mutual Benefit Agreement (the "School District Agreement") between the Developer and Twin Rivers Unified School District (the "School District"), until the Trigger Event (defined below), mitigation payments (the "School Fees") on a per-residential unit basis will be paid to the School District with each building permit requested. No later than nine months after grading within the second phase of Northlake (within Improvement Area No. 2) has commenced (the "Trigger Event"), the remaining unpaid School Fees for all of the property in the District are payable to the School District in one lump sum payment. The total estimated School Fees for Northlake are estimated to be approximately $32.7 million and approximately $16.6 million may be financed with proceeds of the Bonds. Approximately $4.9 million of the proceeds of the Bonds are expected to be applied to finance the School Fees. Lennar Homes is obligated to pay the School Fees relating to the proposed residential units within Improvement Area No. 1. The Developer currently expects that grading in Improvement Area No. 2 will commence in the spring of 2021.

Pursuant to the School District Agreement, the Developer is also required to sell an approximately 17 acre site located within Improvement Area No. 2 to the School District. The sale of such school site will not occur until development within Improvement Area No. 2 commences.

Affordable Housing Requirement. Pursuant to City requirements, the Northlake project's affordable housing requirement is 189 units. This requirement is expected to be satisfied by the construction of the 189-unit age-restricted (senior) Apartment Complex. The approximately eight-acre site for the Apartment Complex is in escrow to be sold to a third-party and such sale is currently expected to close in the first quarter of 2021. A building permit must be issued for such Apartment Complex prior to the issuance of 65% of building permits for the market-rate homes within Northlake. The Developer does not expect such requirement to adversely impact the projected development timing and sale of homes within Improvement

Area No. 1 as described in this Official Statement. The site related to the Apartment Complex is exempt from the Special Tax levy.

Parks. The City requires 3.5 acres of parkland dedication per 1,000 residents of population for new development within the Natomas Basin. Pursuant to the conditions of approval for the Northlake development, the City has agreed that the Developer may satisfy the parks requirement by the following: (i) in Improvement Area No. 1, the Developer will be dedicating and constructing two parks – a 12.4 acre community park and a 2.0 acre neighborhood park; and (ii) in Improvement Area No. 2, the Developer will be dedicating and building three parks totaling 6.4 acres and will be given credit for certain private recreation facilities. The Developer has commenced grading of two park sites within Improvement Area No. 1 and expects to complete the park sites in Improvement Area No. 1 in mid-2021.

Habitat Conservation. The Northlake project site is located within the boundaries of the Natomas Basin Habitat Conservation Plan (NBHCP) area. Parties to the NBHCP and the related implementation agreement include the City, Sutter County, the U.S. Fish & Wildlife Service and the California Department of Fish and Wildlife. The Northlake project site is not part of the City's NBHCP permit area. The Northlake project has stand-alone approvals and permits from the wildlife resource regulatory agencies for the project area separate from the City's NBHCP. In 2017, the Developer requested an update to the conservation strategy for habitat preservation for the Northlake project. The conservation strategy (referred to as the Greenbriar Development Project Conservation Strategy) includes the dedication of one on-site and three off-site properties to be used as reserve lands in perpetuity. The on-site Lone Tree Canal Reserve of approximately 28 acres (approximately 15 of which are located within Improvement Area No. 1) will be located along the western boundary of the Northlake project. The three off-site reserves total approximately 528.8 acres. The reserve lands have been, or will be, dedicated to third-party conservation easement holders as approved by the applicable State and federal agencies. The Developer is required to fund approximately $7.3 million toward the endowments to pay for the maintenance of the reserves. Through December 1, 2020, the Developer has funded approximately $5.2 million toward the endowments that will manage the reserve sites. The Developer expects to fund the remaining $2.1 million toward the endowments by June, 2021.

Greenbriar Fee. As part of the project approval process for the Northlake project, the Developer caused to be prepared a financing plan to fund the required backbone infrastructure, public facilities, development fees and maintenance costs for the project. The financing plan as included in the Development Agreement requires a "Greenbriar Fee" to be paid on a per-unit basis for the residential component of the Northlake project, and on a per-acre basis for any commercial component. The Greenbriar Fee is be used to contribute to City-wide funds to finance the costs of transit facilities and programs, land acquisition and park development costs, fire services facilities and regional community center costs. The Greenbriar Fee currently ranges from $1,558 to $4,517 for residential units and between $54,869 to $73,433 per acre for commercial uses. The Developer is responsible for the payment of such fees and expects to pay such fees when due as development within Northlake progresses. A portion of the Greenbriar Fee may be funded from proceeds of the Bonds.

Environmental Review. The environmental review process for the Northlake project began in 2006 with the preparation of a draft environmental impact report. In January 2008, the City certified the final environmental report (the "Final EIR") and approved the Northlake project (then known as Greenbriar). Certain modifications in the project plan have been made since the certification of the Final EIR in 2008. The Developer has since provided the required studies and information and the City has made the necessary findings such that a new environmental impact report for the Northlake project was not required as a result of such modifications. The Developer has acquired all of the required environmental permits from State and federal regulatory agencies that Developer currently believes will be required to complete the Northlake development. All appeal periods with respect to such approvals have expired.

Other Environmental/Natural Hazard Matters. As stated above, the Developer has satisfied all conditions of approval and has obtained all discretionary approvals from State and federal agencies in order to complete the Northlake project. Such approvals and permits include, among others, a Section 404 permit under the federal Clean Water Act, incidental take permits from the State and federal agencies and a Lake and Streambed Agreement from the State.

Northlake is not located within an area designed by the Department of Forestry and Fire Protection of the State of California as a "Very High Fire Hazard Severity Zone." See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 — De Facto Building Moratorium from 2008 to 2015" and "—Flood Hazard." for a description of certain flood issues within the North Natomas area, which includes Northlake. Also see "SPECIAL RISK FACTORS — Natural Disasters."

Infrastructure Development

Backbone Infrastructure Development. As of December 1, 2020, the backbone infrastructure necessary to serve the development within Improvement Area No. 1 was substantially complete. As of such date, the remaining backbone infrastructure necessary to complete development within Improvement Area No. 1 included final work on an off-site sewer lift station and landscaping work. In addition, the Developer had commenced initial construction on the two parks, the man-made lakes and the community center to be located within Improvement Area No. 1, however, the ability to obtain building permits within Improvement Area No. 1 is not conditioned on the completion thereof. Lennar Homes commenced obtaining building permits for model homes in November, 2020 and has commenced construction of model and production homes. See "— Home Construction" below.

Through December 1, 2020, the Developer has expended approximately $84.9 million on land acquisition costs for the entire Northlake Project (i.e., Improvement Area No. 1 and Improvement Area No. 2) and approximately $37.8 million on backbone infrastructure and related soft costs on the property located in Improvement Area No. 1. The land acquisition cost represents an agreed upon amount between the joint venture entities which formed the Developer. In arriving at such amount, certain considerations were taken into account, including the amount of capital contributions to be provided by the joint venture partners. As a result, such acquisition amount may not reflect the market value at the time of acquisition. The table below sets forth the actual costs incurred on development within Improvement Area No. 1 as of December 1, 2020, excluding land acquisition costs. See "— Developer Financing Plan" below.

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STATUS OF IMPROVEMENTS
WITHIN IMPROVEMENT AREA NO. 1
(as of December 1, 2020)

Project Description	***Budgeted Costs***	***Costs Spent Through December 1, 2020***	***Percentage Spent Through December 1, 2020***
Backbone Infrastructure for Improvement Area No. 1			
Grading/Earthwork	$ 6,744,779	$ 6,402,358	94.92%
Sewer	5,962,559	4,858,374	81.48
Drainage	10,853,116	8,139,140	74.99
Water	8,309,730	6,092,234	73.31
Concrete/Roadwork	7,405,604	4,174,582	56.37
Landscaping	6,785,623	265,898	3.92
Dry Utilities	5,828,099	3,710,596	63.67
Soft Costs	2,455,846	1,652,398	67.28
Fees	3,580,311	1,931,638	53.95
Bonds	1,365,266	598,230	43.82
Backbone Infrastructure Subtotal	**$59,290,933**	**$37,825,448**	**63.80%**
Habitat Conservation/Mitigation for Improvement Area No. 1			
Grading/Earthwork	$ 1,747,077	$ 1,745,162	99.89%
Planting	1,130,016	639,893	56.63
Surveying/Monitoring	750,713	480,098	63.95
Endowment Fees	6,539,171	5,216,444	79.77
Bonds	133,758	97,022	72.53
Habitat Conservation/Mitigation Subtotal	**$10,300,735**	**$8,178,619**	**79.40%**
Amenities for Improvement Area No. 1			
Neighborhood Park	$ 970,606	$ 119,196	12.28%
Community Park	5,117,894	348,977	6.82
Community Center	3,236,204	475,431	14.69
Amenities Subtotal	**$ 9,324,704**	**$ 943,604**	**10.12%**
Total for Improvement Area No. 1:	**$ 78,916,373**	**$ 46,947,671**	**59.49%**

Source: The Developer.

In-Tract Infrastructure. As described below under "— Acquisition of Lots by Lennar Homes," the Developer is required under its purchase and sale agreement with Lennar Homes to substantially complete all in-tract infrastructure improvements prior to the time Lennar Homes acquires the related lots. Such in-tract infrastructure improvements include driveways, sidewalks, utility laterals, retaining walls and street capping. All wet and dry utilities are required to be stubbed to each residential lot and ready to be energized. As of December 1, 2020, the Developer had spent approximately $17.7 million on in-tract infrastructure costs in Improvement Area No. 1. As of January 29, 2021, in-tract infrastructure for 605 lots, including those related to the 145 initial lots that Lennar Homes acquired on December 11, 2020, had been substantially completed. The Developer expects to substantially complete the in-tract infrastructure for all residential lots by the end of 2022, and in any event, prior to the times necessary in order for the Developer to meet the takedown schedule agreed to with Lennar Homes. As of December 1, 2020, the Developer expects to spend an additional $28.6 million in in-tract infrastructure costs in Improvement Area No. 1 in order to bring all 1,137 residential lots within Improvement Area No. 1 to a finished status. See "— Acquisition of Lots by Lennar Homes."

Amenities. There are several amenities associated with the Northlake development. These amenities include a community center, pool, bocce ball court, an approximately 12-acre community park and an approximately two-acre neighborhood park within Improvement Area No. 1 and three parks within Improvement Area No. 2. In addition, approximately 20 acres of man-made lakes are planned to be included within Improvement Area No. 1 which are expected to be bordered by pedestrian and bike trails, providing common access to the lakefronts.

Small-Lot Final Map Status. As of December 3, 2020, the Developer had recorded small-lot final maps relating to 689 of the 1,137 residential units within Improvement Area No. 1. As shown in the table below, the Developer expects to record the balance of the small-lot final maps for the planned residential development within Improvement Area No. 1 by the end of 2021. Pursuant to the purchase and sale agreement with Lennar Homes, the Developer is required to record a small-lot final map prior to Lennar Homes acquiring the related lots.

SMALL LOT FINAL MAP RECORDING STATUS

Village	***Number of Planned Units/ Parcels***	***Recording Status (Estimated Recording Date)***
East	42	Recorded on 9/2/20
West	47	Recorded on 9/2/20
1	23	(not later than Q4 2021)
2A	45	(not later than Q4 2021)
2B	71	Recorded on 9/2/20
3A	63	(not later than Q4 2021)
3B	47	Recorded on 9/2/20
4A	30	(not later than Q4 2021)
4B	38	Recorded on 9/2/20
5A	60	Recorded on 9/2/20
5B	34	(not later than Q4 2021)
5C	53	Recorded on 9/2/20
6	67	Recorded on 12/3/20
7A	60	Recorded on 9/2/20
7B	42	(not later than Q4 2021)
8	58	(not later than Q4 2021)
9	38	Recorded on 9/2/20
10A	85	Recorded on 9/2/20
10B	34	(not later than Q4 2021)
10B-1	17	Recorded on 12/3/20
11	64	Recorded on 9/2/20
12A	77	(not later than Q4 2021)
12B	42	(not later than Q4 2021)
Total	**1,137**	

Source: The Developer.

COVID-19 (Coronavirus) Pandemic. The development within Improvement Area No. 1 is subject to disruption due to the COVID-19 pandemic and related public health and governmental authorities' orders and actions. With housing construction considered an essential function, the Developer has largely continued, with certain modifications, its development activities in Improvement Area No. 1 to date. See "SPECIAL RISK FACTORS—COVID-19 (Coronavirus) Pandemic" herein.

The Developer cannot predict the ultimate effects of the COVID-19 outbreak and related public health and governmental authorities' orders and actions (including, without limitation, the scope of restrictions under the current or any amended shelter in place orders), on its ability to continue to complete the backbone and in-tract infrastructure within Improvement Area No. 1. Such effects, if and as they arise, could have a material adverse effect on the ability to complete the development in Improvement Area No. 1 as planned, and no assurance can be provided that the Developer will be able to (a) complete in whole or in any part, or within any particular time, their planned development within Improvement Area No. 1; (b) avoid material increases in development costs or delays resulting from work stoppages, reduced attendance of workers, shortages or delays in the delivery of building materials, and/or delays in obtaining necessary inspections and approvals, due to in each case public health or governmental restrictions, further spread of COVID-19, an economic downturn driven by the pandemic, or otherwise.

Developer Financing Plan

Joint Venture. As described below under "PROPERTY OWNERSHIP—The Developer," the Developer is a joint venture between Integral Greenbriar, LLC, an affiliate of Integral Communities, and Len-Land West, an affiliate of Lennar Homes. Pursuant to the operating agreement of Greenbriar Investor, LLC, the sole member of the Developer, the foregoing affiliates of Integral Communities and Lennar Homes made initial capital contributions to fund the development costs within Improvement Area No. 1. Pursuant to such operating agreement and subject to certain limitations set forth therein, Len-Land West has agreed to provide all of the additional capital contributions required for the joint venture's operations, including the costs necessary to complete the backbone and in-tract infrastructure for the development within Improvement Area No. 1.

The total budgeted land acquisition (for all of the Northlake project) and the backbone and in-tract infrastructure costs and related soft costs for Improvement Area No. 1 is approximately $260.1 million. Through December 1, 2020, the Developer has spent approximately $155.1 million on such costs. The Developer expects to spend an additional $31.9 million in backbone infrastructure, habitat/conservation mitigation, and amenity costs within Improvement Area No. 1, including the cost of the parks and the community center. As of such date, the Developer expects to spend an additional $28.6 million in in-tract infrastructure costs in order to bring all 1,137 residential lots within Improvement Area No. 1 to a finished status. In addition, the Developer expects to repay the Bank Loan (as defined below) in full at maturity on July 31, 2021.

To date, the Developer has financed the costs of the development within Improvement Area No. 1 through internal funds and the Goldman Sachs loan described below. The Developer expects to finance the balance of the backbone and in-tract infrastructure costs within Improvement Area No. 1 from internal funds (including any capital contributions from Len-Land West) and proceeds of the Bonds.

The following table shows the Developer's estimated budget, as of December 1, 2020, to complete the backbone and in-tract infrastructure costs within Improvement Area No. 1.

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DEVELOPER BUDGET

	Total Budgeted Costs	*Through December 1, 2020*	*2021*	*2022*	*2023*	*Balance to Completion*
Sources of Funds						
Developer Internal Funds[1]	$ 183,577,594	$ 110,112,417	$61,668,234	$8,907,679	$2,811,434	$ 77,829
Bank Loan	45,000,000	45,000,000	-	-	-	-
Bond Proceeds	32,331,777	-	32,331,777	-	-	-
Total	**$ 260,909,371**	**$ 155,112,417**	**$94,000,011**	**$8,907,679**	**$2,811,434**	**$ 77,829**
Uses of Funds						
Land Acquisition[2]	$ 84,909,761	$ 84,909,761	$ -	$ -	$ -	$ -
Backbone Infrastructure[3]	59,290,934	37,825,448	21,465,486	-	-	-
Habitat Conservation/ Mitigation	10,300,735	8,178,619	1,502,321	307,396	234,569	77,829
Amenities	9,324,704	943,604	8,348,523	32,577	-	-
In-Tract Infrastructure	46,337,230	17,686,743	17,505,916	8,567,706	2,576,865	-
Loan Payoff	45,000,000	-	45,000,000	-	-	-
Other	5,746,007	5,568,242	177,765	-	-	-
Total	**$ 260,909,371**	**$ 155,112,417**	**$94,000,011**	**$8,907,679**	**$2,811,434**	**$ 77,829**

(1) Includes any capital contributions necessary from Len-Land West.
(2) Land acquisition costs include land costs for both Improvement Area No. 1 and Improvement Area No. 2.
(3) Includes all related soft costs and fees.
Source: The Developer.

Goldman Sachs Loan. The Developer obtained a $45 million loan from Goldman Sachs (the "Bank Loan"), which the Developer has used to finance costs relating to the development within Improvement Area No. 1. The loan matures on July 31, 2021 and is currently outstanding in the principal amount of $45 million. The Bank Loan is secured by a lien on the property within the District (both Improvement Area No. 1 and Improvement Area No. 2). The Developer currently expects to repay portions of the Bank Loan prior to maturity as necessary to release lots from the lien on the Bank Loan as such lots are taken down by Lennar Homes. The Developer expects to repay the remaining balance of the Bank Loan at maturity from internal funds.

Notwithstanding the belief of the Developer that it will have sufficient funds to complete its planned development in Improvement Area No. 1, no assurance can be given that sources of financing available to the Developer will be sufficient to complete the property development as currently anticipated. While the Developer has made such internal financing available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither the Developer nor any of its affiliates has any legal obligation of any kind to make any such funds available or to obtain loans. Other than pointing out the willingness of the Developer to provide internal financing in the past, the Developer has not represented in any way that it will do so in the future. If and to the extent that internal financing, loan proceeds, or bond proceeds are inadequate to pay the costs to complete the development within Improvement Area No. 1 and other financing by the Developer is not put into place, there could be a shortfall in the funds required to complete the proposed development by the Developer and portions of the project may not be developed.

Acquisition of Lots by Lennar Homes

Purchase and Sale Agreement. The Developer and Lennar Homes entered into a Purchase and Sale Agreement and Joint Escrow Instructions dated June 3, 2020, as amended from time to time (the "Lennar Homes PSA"). The Lennar Homes PSA is an agreement by which Lennar Homes has agreed to purchase all 1,137 lots planned for residential development within Improvement Area No. 1 in 18 quarterly takedowns (each a "Takedown"), commencing December 2020 and ending March 2025. The number of lots to be acquired in each quarterly Takedown varies, with a high of 101 lots to a low of 9. The first Takedown was 145 lots consisting of model and production lots.

The due diligence period under the Lennar Homes PSA has expired and Lennar Homes is now committed to purchasing all 1,137 proposed lots pursuant to the Lennar Homes PSA.

Under the Lennar Homes PSA, among other things, the Developer must do the following with respect to each Takedown of property ("Takedown Property") at each takedown closing ("Takedown Closing"):

1. Small Lot Final Maps. The Small Lot Final Maps for the applicable Takedown Property shall have been recorded. This condition is not waivable.

2. Seller In-Tract Improvements. All in-tract infrastructure for the applicable Takedown Property must be substantially complete. The Developer has agreed to use commercially diligent efforts to satisfy the closing conditions before the applicable scheduled Takedown Closing date. The Developer will not be in default if, despite using commercially diligent efforts, the Developer fails to timely satisfy any of these closing conditions by the applicable Takedown Closing date. In the event any closing condition is not satisfied on the applicable Takedown Closing date, Lennar Homes has the right to extend the applicable Takedown Closing date for such Takedown on a day-to-day basis for the delay in satisfying such conditions. If, and only if, any Takedown is delayed by more than ten (10) days, then the Takedown Closing date for all subsequent Takedowns will be similarly extended on a day-for-day basis.

Under the Lennar Homes PSA, the Developer must conduct the "Seller Work" on the lots scheduled to close on each Takedown Closing date. The Seller Work is defined to mean the following: (a) satisfying all conditions of approval and/or development conditions imposed on the large-lot parcel relating to the lots to be taken down (including conditions relating to off-site improvements); (b) completion of the in-tract infrastructure improvements; and (c) completing all other governmental conditions of approval imposed on the Small Lot Final Maps (including conditions relating to off-site improvements). As described above, completion of all such work by the Developer is not a Takedown Closing condition; only substantial completion of the in-tract infrastructure is a condition.

The Developer and Lennar Homes will enter into a license agreement at each Takedown Closing so that the Developer may enter the Takedown Property to perform any remaining work required of the Developer on lots not completed prior to the applicable Takedown Closing date. Subject to delay as permitted by the Lennar Homes PSA, the Developer shall complete any such work not required to be completed prior to a Takedown Closing date so that, in the normal course of Lennar Homes' sales absorption and operations, Lennar Homes is not delayed in: (a) obtaining building or occupancy permits; (b) commencing and completing construction of homes; and (c) closing escrow for the sale of completed homes to homebuyers.

If any specified work required of the Developer is not timely completed as and when required under the Lennar Homes PSA, then Lennar Homes shall be entitled to pursue any or all of the following remedies for such default as Lennar Homes' sole and exclusive remedies: (i) the right to file an action for specific performance; (ii) the right to pursue self-help as provided in the Lennar Homes PSA; and/or (iii) the right to receive a Delivery Delay Credit (as defined below). Termination of the Lennar Homes PSA is not a remedy for the failure to satisfy the closing conditions.

Except for the right to reimbursement for self-help as provided below, Lennar Homes is not entitled to any damages for default in the performance of the work that the Developer is required to complete prior to a Takedown Closing date, as described above. If Lennar Homes elects to pursue self-help, Lennar Homes is entitled to receive reimbursement from the Developer for one hundred five percent (105%) of all actual out-of-pocket third party costs to complete such work (or applicable portion thereof).

In the event due to the work required of the Developer not being completed or performed Lennar Homes is delayed in (a) obtaining building or occupancy permits; (b) commencing and completing construction of homes; and/or (c) closing escrow for the sale of completed homes to homebuyers, Lennar Homes will receive a credit against the purchase price in connection with the next Takedown (the "Delivery

Delay Credit") in an amount equal to interest at an agreed-upon rate per annum on the sum of: (i) the total purchase price for the affected lots, and (ii) any homebuilding hard costs and building permit fees incurred by Lennar Homes with respect to such lots. Such Delivery Delay Credit shall accrue from the date of completion of the home until the date the City issues a certificate of occupancy. In the event there are no future Takedowns to apply the Delivery Delay Credit to, the Developer shall pay the amount of any remaining Delivery Delay Credit (with the interest accrual terminating at the time of such payment by the Developer) within thirty (30) days of Lennar Homes' written request.

The right of Lennar Homes to terminate the Lennar Homes PSA is limited as described herein. If (a) any Takedown of the Property or portion thereof is taken by condemnation or eminent domain (or is the subject of a pending or threatened taking which has not yet been consummated) (a "Condemnation"); or (b) any Takedown of the property or portion thereof is damaged or destroyed (a "Casualty"), the Developer shall notify Lennar Homes in writing of such fact promptly after obtaining knowledge thereof. Upon the occurrence of a Casualty, the Developer shall promptly repair the damage or destruction and if necessary in order for the Developer to repair such Casualty by the applicable Takedown Closing date, such Takedown Closing date for all lots in the affected Village(s) shall be delayed until ten (10) Business Days after such repairs have been completed. For avoidance of doubt, the Takedown Closing date for Villages not affected by the Casualty shall not be extended. In the case of a Condemnation, Lennar Homes shall have the right to terminate the Lennar PSA with respect to some or all of the lots affected by such Condemnation (the "Affected Lots"), by giving written notice to the Developer no later than ten (10) Business Days after Lennar Homes' receipt of the Developer's notice, and the applicable Takedown Closing date for any Takedown shall be extended, if necessary, to provide sufficient time for Lennar Homes to make such election. The failure by Lennar Homes to so elect in writing within such ten (10) Business Day period shall be deemed an election to terminate the Lennar PSA with respect to the Affected Lots. Upon termination of the Lennar PSA with respect to any Affected Lots, the purchase price for Villages containing such Affected Lots shall be recalculated in accordance with the Lennar Homes PSA. In addition, Lennar Homes has a limited termination right in the event the Developer is in material default of its representations, warranties, covenants or obligations under the Lennar Homes PSA which cause an applicable Closing not to occur, subject to all cure periods set forth in the Lennar Homes PSA.

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Takedown Schedule. Pursuant to the Lennar Homes PSA (as amended), Lennar Homes is currently scheduled to takedown lots from the Developer as follows:

Time Period	***Number of Lots to be Taken Down by Quarter Per Lennar Homes PSA***
2020	
Q4 (12-11-20)	145[(1)]
2020 Total	**145**
2021	
Q1 (3-11-21)	87
Q2 (6-11-21)	95
Q3 (9-10-21)	96
Q4 (12-10-21)	97
2021 Total	**375**
2022	
Q1 (3-11-22)	101
Q2 (6-10-22)	94
Q3 (9-9-22)	81
Q4 (12-9-22)	85
2022 Total	**361**
2023	
Q1 (3-10-23)	82
Q2 (6-9-23)	64
Q3 (9-11-23)	41
Q4 (12-11-23)	13
2023 Total	**200**
2024	
Q1 (3-11-24)	12
Q2 (6-11-24)	9
Q3 (9-11-24)	11
Q4 (12-11-24)	12
2024 Total	**44**
2025	
Q1 (3-11-25)	12
2025 Total	**12**
Total	**1,137**

(1) The first takedown closed on December 11, 2020.
Source: The Developer.

Home Construction

No assurances can be made that Lennar Homes or any other current or future owner of taxable property within Improvement Area No. 1 will have the resources, willingness, and ability to successfully complete development activities on the property within Improvement Area No. 1. No representation is made as to the ability (financial or otherwise) of Lennar Homes or any other current or future owner of taxable property within Improvement Area No. 1 to complete development as currently planned.

Development Plan. As described above, all 1,137 lots proposed for residential development are subject to the Lennar Homes PSA to be acquired by Lennar Homes in phases. The 1,137 proposed homes within Improvement Area No. 1 have been organized into Villages for purposes of home development. Lennar Homes currently has eight product lines as further described below. Lennar Homes took down 145 lots from the Developer on December 11, 2020, 32 of which are planned for model homes and 112 of which are planned for production homes. One home will be remodeled to function as a sales office/information center for the project and is not included within the foregoing 32 model homes.

With the exception of the Drifton product, Lennar Homes commenced construction of model homes on all product types in December 2020. Lennar Homes opened all eight product lines for sale in January 2021. Through the end of January 2021, Lennar Homes had 27 homes in escrow.

As of January 13, 2021, Lennar Homes had obtained 62 building permits within Improvement Area No. 1, consisting of building permits for 33 model homes, a sales office/information center and 28 production homes. Lennar Homes anticipates completing all model homes by the end of May 2021. Lennar Homes currently plans to commence construction on production homes at the time such lots are scheduled to be taken down as described in the schedule shown under "Acquisition of Lots by Lennar Homes — *Takedown Schedule*" above. Lennar Homes has reviewed the absorption schedule set forth under "— Market Absorption Study" and expects that its pace of home sales will be in line with such schedule. Lennar Homes currently expects to complete and convey all 1,137 planned homes within Improvement Area No. 1 to individual homeowners by the first quarter of 2026.

The following table sets forth the estimated number of lots, home sizes, minimum lot sizes and base sales prices for Lennar Homes' eight product lines planned within Improvement Area No. 1. As shown in the table below, 133 homes are currently planned to be situated on lakefront lots.

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DEVELOPMENT PLANS BY NEIGHBORHOOD AND PLAN

Community	*Villages*	*No. of Lots*	*Estimated Home Size (Sq. Ft.)*	*Minimum Lot Size (Sq. Ft.)*	*No. of Lakefront Lots*	*Estimated Base Sales Prices*
Shor	10A, 10B1 & 2, VE	140	1,774 – 2,190	2,778	0	\$426,990 - \$454,990
Lakelet	8/VE, 9/VE	134	2,114 – 2,362	3,960	0	\$459,990 - \$477,990
Watersyde	6, 11, 7A	127	2,307 – 2,968	4,000 – 4,250	36	\$484,990- \$533,990
Wavmor	5A/VW, 5B, 5C	153	2,134 – 2,786	4,500	29	\$487,990 - \$531,990
Crestvue	7A, 7B	97	1,797 – 3,178	4,675	21	\$473,990 - \$570,990
Bleau	1, 4A, 4B/VW, 5C, 11, 12A, 12B	235	2,150 – 3,180	5,000	30	\$505,990 - \$584,990
Drifton	3A, 3B/VW	135	2,282 – 3,425	5,500	0	\$533,990 - \$617,990
Atla	2A, 2B	116	2,632 – 3,940	6,600	17	\$565,990 - \$661,990
	Totals	**1,137**			**133**	

Source: Lennar Homes.

Lennar Homes Financing Plan. To date, Lennar Homes has financed its land acquisition and various site development costs related to its property in Improvement Area No. 1 through internally generated funds. Lennar Homes estimates that as of December 1, 2020 it remains to incur approximately \$295 million in homebuilding, builder fees, marketing, and sales costs to complete its development in Improvement Area No. 1. Lennar Homes expects to use home sales revenues and internal funding to complete its development in Improvement Area No. 1. Lennar Homes believes that it will have sufficient funds available to complete its planned development in Improvement Area No. 1 in accordance with the development schedule described in this Official Statement.

Although Lennar Homes expects to have sufficient funds available to complete its development in the District in accordance with the development schedule described in this Official Statement, there can be no assurance that amounts necessary to finance the remaining development costs will be available from Lennar Homes or any other source when needed. Neither Lennar Homes, nor any of its related entities are under any legal obligation of any kind to expend funds for the development of and construction of homes on its property in Improvement Area No. 1. Any contributions by Lennar Homes to fund the costs of such development are entirely voluntary.

If and to the extent that internal funding, including but not limited to home sales revenues, are inadequate to pay the costs to complete the planned development by Lennar Homes within Improvement Area No. 1 and other financing by Lennar Homes is not put into place, there could be a shortfall in the funds required to complete the planned development by Lennar Homes in Improvement Area No. 1.

COVID-19 (Coronavirus) Pandemic. The development of Lennar Homes' planned development within Improvement Area No. 1 is subject to disruption due to the COVID-19 pandemic and related public health and governmental authorities' orders and actions. With housing construction considered an essential function, Lennar Homes has largely continued, with certain modifications, its home construction and sales activities in Improvement Area No. 1 to date. See "SPECIAL RISK FACTORS—COVID-19 (Coronavirus) Pandemic" herein. As of the date of this Official Statement, Lennar Homes has not experienced any material increases in costs, delays in home construction resulting from decisions to reduce financing for the project, work stoppages, reduced attendance of workers, lack of or delays in the delivery of building materials or the ability to obtain necessary inspections and approvals attributable to the COVID-19 pandemic.

Lennar Homes cannot predict the ultimate effects of the COVID-19 outbreak and related public health and governmental authorities' orders and actions (including, without limitation, the scope of restrictions under the current or any amended shelter in place orders), on their ability to sell and close units within Improvement Area No. 1. Such effects, if and as they arise, could have a material adverse effect on the ability to develop its project in Improvement Area No. 1 as planned, and no assurance can be provided that Lennar Homes will be able to (a) complete in whole or in any part, or within any particular time, its planned development within Improvement Area No. 1; (b) avoid material increases in development costs or delays resulting from work stoppages, reduced attendance of workers, shortages or delays in the delivery of building materials, and/or delays in obtaining necessary inspections and approvals; or (c) close any homes or not experience purchase contract cancellations, due to in each case public health or governmental restrictions, further spread of COVID-19, an economic downturn driven by the pandemic, or otherwise.

PROPERTY OWNERSHIP

The information in this section about the Developer and Lennar Homes has been provided by Developer and Lennar Homes and has not been independently confirmed or verified by the Underwriter or the City. The Underwriter and the City make no representation as to the accuracy or adequacy of the information contained in this section.

The Developer

General. As described above, the substantial majority of the property within Improvement Area No. 1 is owned by the Developer. All of such property owned by the Developer within Improvement Area No. 1 that is planned for residential development is subject to the Lennar Homes PSA.

The Developer is a joint venture between Integral Greenbriar, LLC, an affiliate of Integral Communities, and Len-Land West, an affiliate of Lennar Homes. See "—*Integral Communities*" and "—Lennar Homes of California" below. Greenbriar Investor, LLC ("Investor") is the direct parent entity of the Developer. Len-Land West ("LLW"), a wholly-owned subsidiary of Lennar Homes, and Integral Greenbriar, LLC ("Integral") are the sole members of Investor, which is governed by that certain Operating Agreement of Investor, dated as of July 11, 2019, as amended by that certain First Amendment to Operating Agreement of Investor, dated as of June 3, 2020 (as amended, the "Operating Agreement").

Upon formation of Investor, each of Integral and LLW made initial capital contributions to Investor. Subject to the maximum dollar amounts set forth in the Operating Agreement, LLW has agreed to provide all of the additional capital contributions to Investor that are currently expected to be required for Investor's operations. Such capital contributions shall be made upon the request of Integral, acting as the managing member of Investor, when additional funds are required by Investor or any of its subsidiaries, including the Developer.

Integral, as the managing member of Investor, is acting as the development manager for the property within Improvement Area No. 1 and may take the following actions on behalf of Investor without member consent: (i) retain or engage and coordinate the services of all contractors, architects, engineers, brokers, accountants, attorneys, and other professional persons necessary or appropriate to carry out the purpose of Investor; (ii) obtain any financing approved by both members and execute, deliver and perform on behalf of Investor any note or deed of trust or any modification thereof and to execute any required security agreements with respect to tangible or personal property or other property owned by Investor and any other documents which may be required in connection with such financing, or any modifications thereof; (iii) pay from the funds of Investor all debts, expenses and obligations of Investor; (iv) if approved by both members, Integral, on behalf of Investor, shall have the power to purchase and maintain insurance on behalf of any person who is or was an agent of Investor against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as an agent, whether or not Investor would have the power to indemnify such person against such liability under the provisions of the Operating Agreement or under applicable law; (v) execute, deliver and perform such agreements and other documents as it may deem advisable for Investor purposes; (vi) perform or cause to be performed Investor's obligations, and exercise or cause to be exercised all of Investor's rights, under any agreement to which Investor is a party; (vii) exercise all rights, powers, remedies, duties and obligations as a member or owner of a direct or indirect ownership interest in the Developer; (viii) loan money to the Developer or any subsidiary; (ix) contribute additional cash or other assets to the Developer or any subsidiary; (x) grant, or cause the Developer to grant, easements, reservations, rights-of-way, covenants, conditions, restrictions or other encumbrances affecting all or a portion of the real property; (xi) execute, deliver and perform such agreements and other documents as it may deem advisable in connection with real property transfers permitted under the Operating Agreement; (xii) give a capital call notices in accordance with the Operating Agreement; and (xiii) amend, or cause the Developer to amend, purchase and sale agreements for the real property; provided that the amendment is materially consistent with either the purpose of Investor or the Developer or the business plan previously approved by the members, is not a material change from prior purchase and sale agreements for the real property, and does not have a materially negative effect on any member.

Integral Communities. The principals of Integral Communities have over 150 years of combined experience in the real estate development business. Many of the principals spent more than a decade growing Western Pacific Housing into a successful western states home building and development company. Recognized as the 12th-largest homebuilder in the country at one time, Western Pacific was later sold to D.R. Horton in excess of $1 billion in market capitalization. Following the sale to D.R. Horton, the five principals formed Integral Communities.

Integral Communities creates new opportunities from underutilized or undeveloped property of land through value-added land planning, with projects that include for-sale, apartment, mixed-use and residential multi-family opportunities. Previous projects of Integral Communities include, among others, the following:

- Gateway Station – Newark, CA (580 residential units; sold to Lennar Homes).
- Dublin Ranch Sub Area 3 – Dublin, CA (437 residential units; sold to Lennar Homes).
- Dublin Ranch Lot 3 – Dublin, CA (123 residential units; sold to Lennar Homes).
- Centre Pointe – Milpitas, CA (241 residential units; sold to D.R. Horton).
- Houret – Milpitas, CA (114 residential units; sold to The New Home Company).
- Riverdale – Long Beach, CA (131 residential units; as a joint venture with Brandywine Homes).
- Torian – Newark, CA (547 residential units; sold to William Lyon Homes).
- Palmilla – Brentwood, CA (400 residential units; sold to Pulte and William Lyon Homes).
- Montecito Vista – San Jose, CA (284 residential units; sold to Taylor Morrison and Lennar Homes).
- The Fields – Milpitas, CA (1,185 for-sale and for-rent multifamily residential units; as a joint venture with Lyon Living).
- Tracy Hills – Tracy, CA (1,203 for-sale residential units; sold to Lennar Homes, Shea Homes and Meritage Homes).

Further information regarding Integral Communities is available from its website at integralcommunities.com. This internet address is included for reference only, and the information on the internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement.

Lennar Homes of California, Inc.

General. Lennar Homes has acquired 145 lots within Improvement Area No. 1 and is under contract to acquire the remaining lots owned by the Developer planned for residential development in Improvement Area No. 1. Lennar Homes is based in Irvine, California, and has been in the business of developing residential real estate communities in California since 1995. Lennar Homes is wholly-owned by U.S. Home Corporation, a Delaware corporation ("U.S. Home"). U.S. Home is wholly-owned by Lennar Corporation, a

Delaware corporation ("Lennar Corporation"). Lennar Corporation, founded in 1954 and publicly traded under the symbol "LEN" since 1971, is one of the nation's largest home builders, operating under a number of brand names, including Lennar and U.S. Home. The company primarily develops residential communities both within the Lennar Corporation family of builders and through consolidated and unconsolidated partnerships in which the company maintains an interest.

Lennar Corporation is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the internet at the SEC's website at www.sec.gov. *This internet address is included for reference only and the information on the internet site is not a part of this Official Statement and is 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 the internet site.*

Copies of Lennar Corporation's Annual Report on Form 10-K and related financial statements are available from Lennar Corporation's website at www.lennar.com. *This internet address is included for reference only and the information on the internet site is not a part of this Official Statement and is 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 the internet site.*

Recent Litigation Against Lennar Corporation. A lawsuit was filed in the state court of California against Lennar Corporation relating to Lennar Corporation and LandSource Communities Development, LLC, a Delaware limited liability company ("LandSource"), in which the California Public Employees' Retirement System ("CalPers") invested in 2007 ("Complaint"). LandSource filed for bankruptcy on June 8, 2008 ("LandSource Bankruptcy Matter"), and a plan for reorganization was approved by the bankruptcy court on July 20, 2009. (In re: LandSource Communities Development LLC, et al, Case No. 08-11111, United States Bankruptcy Court, District of Delaware.) The Complaint, which is filed as a qui tam action by a newly created limited liability company, makes a number of claims related to Lennar Corporation's actions regarding LandSource and the related bankruptcy and seeks injunctive relief and damages (including statutory and treble) relating to CalPers' alleged $970 million loss. Lennar Corporation filed a petition to remove the Complaint to federal court (Citizens Against Corporate Crime ("CACC") v. Lennar Corporation (9th Circuit, California Eastern District Court, Case No. 2:2018cv01269). Lennar Corporation also filed a Motion to Reopen the Chapter 11 Bankruptcy Cases for the Limited Purpose of Enforcing the Injunction and Release in the Debtors' Joint Chapter 11 Plan and Confirmation Order. Lennar Corporation contended that in addition to the Complaint being barred by the release and injunction in the LandSource Bankruptcy Matter, the Complaint was meritless and barred by applicable statutes of limitation and other defenses. On July 17, 2018, the Bankruptcy Court granted that motion, allowing Lennar Corporation to proceed with filing its proposed enforcement motion. After a hearing on October 25, 2018, the Bankruptcy Court granted the enforcement motion and found that CACC and its member Nicolas Marsch III ("Marsch") filed the Complaint in violation of the injunction and release in the Chapter 11 Plan and Confirmation Order and barred CACC, Marsch and their agents from prosecuting the Complaint. Further, the Bankruptcy Court enjoined CACC, Marsch and their agents from continuing to pursue released and enjoined claims and causes of action against Lennar Corporation in further violation of the Chapter 11 Plan and Confirmation Order. The California federal district court dismissed the Complaint by minute order issued November 16, 2018. CACC also filed a Notice of Appeal and Statement of Election with the Delaware District Court ("District Court") to appeal the Bankruptcy Court's November 1, 2018 order granting the enforcement motion. In January 2020, the District Court issued its opinion denying CACC's request for oral argument, and rejecting each of CACC's arguments in the appeal. Later in January 2020, CACC filed a notice of appeal to the Third Circuit Court of Appeals (the "Appellate Court"). On December 3, 2020, the Appellate Court affirmed the District Court's opinion, finding in favor of Lennar Corporation. On December 17, 2020, CACC filed a Petition for Rehearing with the Appellate Court.

Lennar Homes was not a party to the Complaint. Lennar Homes believes that even if, in the unlikely event, the appeal and the underlying claims are successful against Lennar Corporation, Lennar Homes will be able to complete the development and sale of its project within Improvement Area No. 1 as described in this Official Statement and pay Special Tax and ad valorem tax obligations on the property that it owns within Improvement Area No. 1 prior to delinquency during Lennar Homes' period of ownership.

SPECIAL RISK FACTORS

The purchase of the Bonds involves significant risks that are not appropriate investments for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. The Bonds have not been rated by a rating agency. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed below could adversely affect the ability or willingness of property owners in Improvement Area No. 1 to pay the Special Tax on their property when due. Such failures to pay the Special Tax could result in the inability of the City to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed below could adversely affect the value of the property in Improvement Area No. 1. See "— Property Values" and "— Limited Secondary Market."

Risks of Real Estate Secured Investments Generally

The Bond owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of Improvement Area No. 1, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, fires and floods), which may result in uninsured losses.

No assurance can be given that the Developer, Lennar Homes, any future developers or any future homeowners within Improvement Area No. 1 will pay the Special Tax on their property in the future or that they will be able to pay the Special Tax on a timely basis. See "— Bankruptcy and Foreclosure" below, for a discussion of certain limitations on the City's ability to pursue judicial proceedings with respect to delinquent parcels.

Concentration of Ownership

As of the date of this Official Statement, the property within Improvement Area No. 1 is owned by the Developer and Lennar Homes. Until a substantial number of homes are conveyed to individual homeowners or future developers, the property within Improvement Area No. 1 will be primarily owned by the Developer and Lennar Homes. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1" and "PROPERTY OWNERSHIP" above.

Failure of the Developer, Lennar Homes or any future developers within Improvement Area No. 1, or any of their successor(s) to pay the Special Tax when due could result in a draw on the Bond Reserve Fund, and ultimately a default in payments of the principal of, and interest on, the Bonds, when due. No assurance can be given that Developer, Lennar Homes or any future developers within Improvement Area No. 1, or their successors, will complete the remaining intended construction and development in Improvement Area No. 1. See "— Failure to Develop Properties."

The City expects to levy the Special Tax on Developed Property, Undeveloped Property, and Final Map Property within Improvement Area No. 1 in Fiscal Year 2021-22, which as of the date of this Official Statement, is owned by Developer and Lennar Homes. In the event that Developer and/or Lennar Homes fail to complete the intended construction and development in Improvement Area No. 1, the Special Tax will continue to be levied on Undeveloped Property and Final Map Property owned by the Developer and/or Lennar Homes. No assurance can be given that the Developer, Lennar Homes or any future developers that purchase property within Improvement Area No. 1 will pay the Special Tax in the future or that they will be able to pay such Special Tax on a timely basis. See "— Bankruptcy and Foreclosure" for a discussion of certain limitations on the City's ability to pursue judicial proceedings with respect to delinquent parcels.

Failure to Develop Properties

Development of property within Improvement Area No. 1 may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the Developer, Lennar Homes, any future developers, or any property owner to pay the Special Tax when due. Land development is subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. There is always the possibility that such approvals will not be obtained or, if obtained, will not be obtained on a timely basis. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1." Failure to obtain any such agency approval or satisfy such governmental requirements would adversely affect planned land development. Development of land in Improvement Area No. 1 is also subject to the availability of water. Finally, development of land is subject to economic considerations.

As of the date of this Official Statement, the property owned by the Developer and Lennar Homes ranged from homes under construction to mass-graded land. No assurance can be given that the remaining proposed development will be partially or fully completed; and for purposes of evaluating the investment quality of the Bonds, prospective purchasers should consider the possibility that such parcels will remain unimproved.

Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Holders should it be necessary for the City to foreclose on the property due to the nonpayment of the Special Tax. The failure to complete development in Improvement Area No. 1 as planned, or substantial delays in the completion of the development due to litigation or other causes may reduce the value of the property within Improvement Area No. 1 and increase the length of time during which the Special Tax will be payable from undeveloped property, and may affect the willingness and ability of the owners of property within Improvement Area No. 1 to pay the Special Tax when due.

There can be no assurance that land development operations within Improvement Area No. 1 will not be adversely affected by future deterioration of the real estate market and economic conditions or future local, State and federal governmental policies relating to real estate development, an increase in mortgage interest rates, the income tax treatment of real property ownership, or the national economy. A slowdown of the development process and the absorption rate could adversely affect land values and reduce the ability or desire of the property owners to pay the Special Tax. In that event, there could be a default in the payment of principal of, and interest on, the Bonds when due.

Holders of Bonds should assume that any event that significantly impacts the ability to develop land in Improvement Area No. 1 would cause the property values within Improvement Area No. 1 to decrease substantially from those estimated by the Appraiser and could affect the willingness and ability of the owners of land within Improvement Area No. 1 to pay the Special Tax when due.

The City expects to levy the Special Tax on Developed Property, Undeveloped Property, and Final Map Property in Fiscal Year 2021-22 and in future fiscal years until the Special Tax levied on Developed

Property is sufficient to fund the Special Tax Requirement. Undeveloped property is less valuable per unit of area than property with improvements thereon, especially if there are no plans to develop such land or if there are severe restrictions on the development of such land. Undeveloped property also provides less security to the Holders should it be necessary for the City to foreclose on such undeveloped property due to the nonpayment of the Special Tax. Furthermore, an inability to develop the land within Improvement Area No. 1 as currently proposed will make the Holders dependent upon timely payment of the Special Tax levied on Undeveloped Property. A slowdown or stoppage in the continued development of Improvement Area No. 1 could reduce the willingness and ability of the Developer and Lennar Homes to make Special Tax payments on undeveloped property that they own and could greatly reduce the value of such property in the event it has to be foreclosed upon. See "— Property Values."

Tax Cuts and Jobs Act

H.R. 1 of the 115th U.S. Congress, known as the "Tax Cuts and Jobs Act," was enacted into law on December 22, 2017 (the "Tax Act"). The Tax Act makes significant changes to many aspects of the Code. For example, the Tax Act reduces the amount of mortgage interest expense and state and local income tax and property tax expense that individuals may deduct from their gross income for federal income tax purposes. These changes could increase the cost of home ownership within Improvement Area No. 1 and could slow the pace of home sales by Lennar Homes or any future builder or result in price reductions from the current expected levels. However, the City cannot predict the effect that the Tax Act may have on the cost of home ownership or the price of homes in Improvement Area No. 1, the pace at which homes in Improvement Area No. 1 are sold to individual homeowners by the current or future homebuilders, or the ability or willingness of homeowners to pay the Special Tax or property taxes.

Limited Obligations

The Bonds are not payable from the general funds of the City. Except with respect to the Special Tax, neither the faith and credit nor the taxing power of the City is pledged for the payment of the Bonds or related interest, and, except as provided in the Indenture, no owner of the Bonds may compel the exercise of any taxing power by the City or force the forfeiture of any City property. The principal of, premium, if any, and interest on the Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property or upon any of the City's income, receipts or revenues, except the Special Tax and other amounts pledged under the Indenture.

Insufficiency of Special Tax

Under the Amended and Restated Rate and Method, the annual amount of Special Tax to be levied on Taxable Property in Improvement Area No. 1 will generally be based on the land use category of such parcels. See APPENDIX A — "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" and "SOURCES OF PAYMENT FOR THE BONDS — Special Tax — *Amended and Restated Rate and Method of Apportionment of Special Tax.*"

In order to pay debt service on the Bonds, it is necessary that the Special Tax be paid in a timely manner. The City will establish and fund upon the issuance of the Bonds a Bond Reserve Fund in an amount equal to the Required Bond Reserve to pay debt service on the Bonds to the extent other funds are not available. See "SOURCES OF PAYMENT FOR THE BONDS — Bond Reserve Fund." The City will covenant in the Indenture to maintain in the Bond Reserve Fund an amount equal to the Required Bond Reserve, subject, however, to the limitation that the City may not levy the Special Tax in Improvement Area No. 1 in any fiscal year at a rate in excess of the maximum amounts permitted under the Amended and Restated Rate and Method. In addition, pursuant to the Act, under no circumstances will the Special Tax levied in any Fiscal Year against property within Improvement Area No. 1 for which an occupancy permit for private residential use has been issued be increased as a consequence of delinquency or default by the owner of any other property within Improvement Area No. 1 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. As a result, if a significant number of delinquencies occur, the City could be unable to replenish the Bond Reserve Fund to the Required Bond Reserve due to the limitations on the maximum Special Tax. If such defaults were to continue in successive years, the Bond Reserve Fund could be depleted and a default on the Bonds could occur.

The City will covenant in the Indenture that, under certain conditions, it will institute foreclosure proceedings to sell any property with a delinquent Special Tax in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. See "SOURCES OF PAYMENT FOR THE BONDS — Special Tax —*Foreclosure Covenant*" for provisions which apply in the event of such foreclosure and which the City is required to follow in the event of delinquencies in the payment of the Special Tax.

In the event that sales or foreclosures of property are instituted, there could be a delay in payments to owners of the Bonds (if the Bond Reserve Fund has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the City of the proceeds of sale. The City may adjust the future Special Tax levied on Taxable Property in Improvement Area No. 1, subject to the limitation on the maximum Special Tax, to provide an amount required to pay interest on, principal of, and redemption premiums, if any, on the Bonds, and the amount, if any, necessary to replenish the Bond Reserve Fund to an amount equal to the Required Bond Reserve and to pay all current expenses. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against Taxable Property in Improvement Area No. 1 will be at all times sufficient to pay the amounts required to be paid by the Indenture, even if the Special Tax is levied at the maximum Special Tax rates. See "—Bankruptcy and Foreclosure" for a discussion of potential delays in foreclosure actions.

The Amended and Restated Rate and Method governing the levy of the Special Tax provides that no Special Tax shall be levied on Exempt Property (as defined in the Amended and Restated Rate and Method). See APPENDIX A — "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." If for any reason property within Improvement Area No. 1 becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government or another public agency, subject to the limitations of the maximum authorized rates, the Special Tax will be reallocated to the remaining taxable properties within Improvement Area No. 1. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the ability and willingness of the owners of such property to pay the Special Tax when due.

The Act provides that, if any property within Improvement Area No. 1 not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts. Due to problems of collecting taxes from public agencies, if a substantial portion of land within Improvement Area No. 1 was to become owned by public agencies, collection of the Special Tax might become more difficult and could result in collections of the Special Tax which might not be sufficient to pay principal of and interest on the Bonds when due and a default could occur with respect to the payment of such principal and interest.

Teeter Plan Termination

The County has implemented its Teeter Plan as an alternate procedure for the distribution of certain property tax and assessment levies on the secured roll. Pursuant to its Teeter Plan, the County has elected to provide local agencies and taxing areas, including Improvement Area No. 1, with full tax and assessment levies instead of actual tax and assessment collections. In return, the County is entitled to retain all delinquent tax and assessment payments, penalties and interest. Thus, the County's Teeter Plan may protect the Holders of the Bonds from the risk of delinquencies in the payment of the Special Tax. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies and taxing areas covered thereby. A termination of the Teeter Plan with respect to Improvement Area No. 1 would eliminate such protection afforded to Holders of the Bonds from the risk of delinquencies in the payment of the Special Tax. See "SOURCES OF PAYMENT FOR THE BONDS – Teeter Plan."

COVID-19 (Coronavirus) Pandemic

The spread of the novel strain of coronavirus called COVID-19 is having significant negative impacts throughout the world, including in the State and County. The World Health Organization declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the County, State and the United States. The purposes behind these declarations are to coordinate and formalize emergency actions across federal, state and local governmental agencies, and to proactively prepare for a wider spread of the virus. There have been confirmed cases of COVID-19 in the County and related deaths, and confirmed cases of COVID-19 and deaths are growing throughout the State. Health officials are expecting the number of confirmed cases and deaths to continue to grow.

In response to the outbreak of COVID-19, in March 2020, the California State Public Health Officer and Director of the California Department of Public Health ordered all individuals living in the State to stay home or at their place of residence ("Stay Home Order"), except as needed to maintain continuity of operation of the critical infrastructure sectors, critical government services, schools, and construction, including housing construction. The Stay Home Order has been revised over time, allowing for certain non-essential businesses to reopen. The impact of COVID-19 and the Stay Home Order is likely to continue to evolve over time, which could adversely impact the completion of the development in Improvement Area No. 1, including, but not limited to, one or more of the following ways: (i) potential supply chain slowdowns or shutdowns resulting from the unavailability of workers in locations producing construction materials; (ii) slowdowns or shutdowns by local governmental agencies in providing governmental permits, inspections, title and document recordation, and other services and activities associated with real estate development; (iii) delays in construction where one or more members of the workforce becomes infected with COVID-19; (iv) fluctuations in financial markets and contraction in available liquidity; (v) extensive job losses and declines in business activity across important sectors of the economy; (vi) declines in business and consumer confidence that negatively impact economic conditions or cause the current economic recession triggered by COVID-19 to be prolonged; and (vii) the failure of government measures such as fiscal stimulus to counteract the economic impact of the pandemic. The ultimate effects of the COVID-19 outbreak could have a material adverse effect on the ability to complete the remaining development in Improvement Area No. 1 as planned. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1."

In response to the COVID-19 pandemic, the City closed certain City offices and functions and may take additional actions in response to the coronavirus concerns, which may or may not include limiting or eliminating services required to complete the development within Improvement Area No. 1 as described in this Official Statement. Furthermore, other public agencies serving the property within Improvement Area No. 1 may take similar actions. Such actions may affect the ability to complete the planned development in the time period and within the cost estimates described in this Official Statement under the caption "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1."

In addition, due to the COVID-19 pandemic, the Governor issued an executive order waiving penalties and interest on taxes on property on the secured or unsecured roll through May 6, 2021 under certain conditions. See "SOURCES OF PAYMENT FOR THE BONDS — Collection of Special Tax; Suspension of Penalties and Interest."

Natural Disasters

The market value of the property within Improvement Area No. 1 can be adversely affected by a variety of factors that may affect public and private improvements. Those additional factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements) and climatic conditions (such as droughts, fire hazard, and floods). The property within Improvement Area No. 1 is not located within an Alquist-Priolo Earthquake Fault Zone.

With respect to geologic conditions, building codes require that some of these factors be taken into account in the design of private improvements of the parcels, and the City has adopted the Uniform Building Code standards with regard to seismic standards. Design criteria are established upon the basis of a variety of considerations and may change, leaving previously designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria reflect a balance at the time of establishment between the present costs of protection and the future costs of lack of protection, based in part upon a present perception of the probability that the condition will occur and the seriousness of the condition should it occur. Consequently, neither the absence of, nor the establishment of, design criteria with respect to any particular condition means that the applicable governmental agency has evaluated the condition and has established design criteria in the situations in which the criteria are needed to preserve value, or has established the criteria at levels that will preserve value. To the contrary, the City expects that one or more of such conditions may occur and may result in damage to improvements of varying seriousness; that the damage may entail significant repair or replacement costs; and that repair or replacement may never occur because of the cost, because repair or replacement will not facilitate habitability or other use, or because other considerations preclude repair or replacement. Under any of these circumstances, the actual value of the parcels might depreciate or disappear, notwithstanding the establishment of design criteria for any such condition.

Improvement Area No. 1 is located within the Natomas Basin, which is currently designated as Zone A99, meaning that, among other things, at least 50% of the improvements required to achieve 100-year flood protection have been completed. See “THE DISTRICT AND IMPROVEMENT AREA NO. 1 — De Facto Building Moratorium from 2008 to 2015” and “—Flood Hazard.” The area within the Natomas Basin has experienced flood events. For instance, in 1986, flooding caused seepage in the levees within the proximity of the Sacramento International Airport. As described in this Official Statement, completion of the Levee Project does not eliminate the risk of flood-related property damage within the Natomas Basin (including Improvement Area No. 1).

In recent years, wildfires have caused extensive damage throughout the State. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances entire neighborhoods have been destroyed. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Additionally, property located adjacent to burn areas can be subject to mudslides and flooding, which can cause significant damage and destruction to property. Improvement Area No. 1 is not located in an area which the Department of Forestry and Fire Protection of the State of California has designated as a high fire hazard severity zone.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel 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, but California laws with regard to hazardous substances are also stringent and similar. 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 taxed parcels be affected 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 the owner, will become obligated to remedy the condition just as is the seller.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels 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 such substance. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency and the willingness or ability of the owner of any parcel to pay the Special Tax installments.

The value of the taxable property within Improvement Area No. 1, as set forth in the various tables and elsewhere in this Official Statement, does not reflect the presence of any hazardous substance or the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the property. The City has not independently determined whether any owner (or operator) of any of the parcels within Improvement Area No. 1 has such a current liability with respect to any such parcel; nor is the City aware of any owner (or operator) who has such a liability. However, it is possible that such liabilities do currently exist and that the City is not aware of them. It is possible that future events relating to hazardous substances or environmental issues could impact the development within Improvement Area No. 1.

Payment of the Special Tax is not a Personal Obligation of the Property Owners

An owner of a Taxable Parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the Taxable Property. If the value of a Taxable Parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Special Tax, the City has no recourse against the property owner.

Property Values

The value of the property within Improvement Area No. 1 is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of the Special Tax, the City's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Tax. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Tax. In addition, the property in Improvement Area No. 1 is located approximately four miles from the Sacramento International Airport and no assurances can be made that such proximity to the airport will not have an impact on property values within Improvement Area No. 1 in the future. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 — Projected Special Tax Levy and Value-To-Lien Ratios."

The Appraisal Report does not reflect any possible negative impact which could occur by reason of future slow or no growth voter initiatives, an economic downturn, any potential limitations on development occurring due to time delays, an inability of any landowner to obtain any needed development approval or permit, the presence of hazardous substances or other adverse soil conditions within Improvement Area No. 1, the listing of endangered species or the determination that habitat for endangered or threatened species exists within Improvement Area No. 1, or other similar situations.

Prospective purchasers of the Bonds should not assume that the land and improvements within Improvement Area No. 1 could be sold for the amount stated in the Appraisal Report at a foreclosure sale as a result of delinquencies in the Special Tax. In arriving at the estimate of market value of the Taxable Property within Improvement Area No. 1, the Appraiser assumes that any sale will be sold in a competitive market after a reasonable exposure time; the Appraiser also assumes that neither the buyer or seller is under duress, which is not always true in a foreclosure sale. See APPENDIX B — "APPRAISAL REPORT" for a description of other assumptions made by the Appraiser and for the definitions and limiting conditions used by the Appraiser. Any event which causes any of the Appraiser's assumptions to be untrue could result in a reduction of the value of the land within Improvement Area No. 1 below that which was estimated by the Appraiser.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, adjusted annually by an amount determined by the County Assessor, generally not to exceed an increase of more than 2% per fiscal year. No assurance can be given that a parcel could actually be sold for its assessed value.

No assurance can be given that any bid will be received for a parcel with delinquencies in the Special Tax offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquencies in the Special Tax. See "SOURCES OF PAYMENT FOR THE BONDS — Special Tax — *Foreclosure Covenant*."

Parity Taxes and Special Assessments

Property within Improvement Area No. 1 is subject to taxes and assessments imposed by other public agencies also having jurisdiction over the land within Improvement Area No. 1. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 — Direct and Overlapping Indebtedness." Individual property owners may also place assessment liens on their property under the Property Assessed Clean Energy (PACE) program to finance certain renewable energy systems, energy efficiency and water conservation improvement.

The Special Tax and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Tax has priority over all existing and future private liens imposed on the property except, possibly, for liens or security interests held by the Federal Deposit Insurance Corporation. See "— Bankruptcy and Foreclosure."

The City has no control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within Improvement Area No. 1. In addition, the landowners within Improvement Area No. 1 may, without the consent or knowledge of the City, petition other public agencies to issue public indebtedness secured by special taxes and *ad valorem* taxes or assessments. Any such special taxes or assessments may have a lien on such property on a parity with the Special Tax and could reduce the estimated value-to-lien ratios for the property within Improvement Area No. 1 described herein. See "SOURCES OF PAYMENT FOR THE BONDS" and "THE DISTRICT AND IMPROVEMENT AREA NO. 1 — Direct and Overlapping Indebtedness" and "—Projected Special Tax Levy and Value-To-Lien Ratios."

Disclosures to Future Purchasers

The willingness or ability of an owner of Taxable Property to pay the Special Tax may be affected by whether the owner (1) was given due notice of the Special Tax authorization when the owner purchased the property; (2) was informed of the amount of the Special Tax on the property should the Special Tax be levied at the maximum tax rate, and the risk of such a levy; and (3) has the ability at the time of such a levy to pay it as well as pay other expenses and obligations. The City has caused a notice of the Special Tax to be recorded in the Office of the Recorder for the County against the Taxable Property. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a property within Improvement Area No. 1 or lending of money thereon.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a special tax under the Act of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Collections

The Special Tax will be billed to the properties within Improvement Area No. 1 on the regular *ad valorem* property tax bills sent to owners of such properties by the County Tax Collector. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments. As noted in this Official Statement, due to the COVID-19 pandemic, the Governor issued an executive order waiving penalties and interest on taxes on property on the secured or unsecured roll through May 6, 2021 under certain conditions. See "SOURCES OF PAYMENT FOR THE BONDS – Collection of Special Tax; Suspension of Penalties and Interest."

See "SOURCES OF PAYMENT FOR THE BONDS — Special Tax — *Foreclosure Covenant*" for a discussion of the provisions which apply, and procedures which the City is obligated to follow under the Indenture, in the event of delinquencies in the payment of the Special Tax. See "— Bankruptcy and Foreclosure" for a discussion of the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes and assessment and limitations on the City's ability to foreclosure on the lien of the Special Tax in certain circumstances.

FDIC/Federal Government Interests in Properties

General. The ability of the City 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.

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 the Special Tax within Improvement Area No. 1 but does not pay taxes and assessments levied on the parcel (including the Special Tax), 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 City wishes to foreclose on the parcel as a result of delinquencies in the payment of the Special Tax, 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 a parity with the Special Tax 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.

The City has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Tax within Improvement Area No. 1, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. If any financial institution making any loan which is secured by real property within Improvement Area No. 1 is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the City to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid amounts of the Special Tax may be limited. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-*ad valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. The special taxes imposed under the Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit has issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes under the Act.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of the Special Tax on a parcel within Improvement Area No. 1 in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Tax to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Bond Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Bankruptcy and Foreclosure

Bankruptcy, insolvency and other laws generally affecting creditors' rights could adversely impact the interests of owners of the Bonds. The payment of property owners' taxes and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "SOURCES OF PAYMENT FOR THE BONDS—Special Tax—*Foreclosure Covenant*." In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

Although a bankruptcy proceeding would not cause the Special Tax to become extinguished, the amount of any Special Tax lien could be modified if the value of the property falls below the value of the lien.

If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in prosecuting Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of delinquent Special Tax installments and the possibility of delinquent Special Tax installments not being paid in full.

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 the property. Although the court upheld the priority of unpaid taxes imposed before the bankruptcy petition, unpaid taxes imposed after the filing of the bankruptcy petition were declared to be "administrative expenses" of the bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was able to foreclose on the property and retain all the proceeds of the sale except the amount of the pre-petition taxes.

The Bankruptcy Reform Act of 1994 (the "Bankruptcy Reform Act") included a provision which 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]." This amendment effectively makes the *Glasply* holding inoperative as it relates to *ad valorem* real property taxes. However, it is possible that the original rationale of the *Glasply* ruling could 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.

According to the court's ruling, as administrative expenses, post-petition taxes would be paid, assuming that the debtor had sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise), it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Tax is secured by a continuing lien which is subject to the same lien priority in the case of delinquency as *ad valorem* taxes. No case law exists with respect to how a bankruptcy court would treat the lien for the Special Tax levied after the filing of a petition in bankruptcy court. *Glasply* is controlling precedent on bankruptcy courts in the State. If the *Glasply* precedent was applied to the levy of the Special Tax, the amount of the Special Tax received from parcels whose owners declare bankruptcy could be reduced.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture or in the event interest on the Bonds becomes included in gross income for federal income tax purposes. Pursuant to the Indenture, the Trustee is given the right for the equal benefit and protection of all Holders of the Bonds similarly situated to pursue certain remedies described in APPENDIX E — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Events of Default and Remedies."

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," interest on the Bonds could be included in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Indenture with respect to compliance with certain provisions of the Internal Revenue Code of 1986. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed under the redemption provisions contained in the Indenture.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the City has committed to provide certain statutorily required financial and operating information, there can be no assurance that such information will be available to Holders on a timely basis. See "CONTINUING DISCLOSURE." Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Proposition 218

An initiative measure commonly referred to as the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIIIC and Article XIIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The provisions of the Initiative as they may relate to community facilities district are subject to interpretation by the courts. The Initiative could potentially impact the Special Tax available to the City to pay the principal of and interest on the Bonds as described below.

Among other things, Section 3 of Article XIIIC states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

> "Section 3 of Article XIIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution."

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Tax if such reduction would interfere with the timely retirement of the Bonds.

It may be possible, however, for voters or the City Council to reduce the Special Tax in a manner which does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of the Special Tax that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Tax in amounts greater than the amount necessary for the timely retirement of the Bonds. Therefore, no assurance can be given with respect to the levy of the Special Tax for Expenses.

The interpretation and application of Article XIII C and Article XIII D will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See "SPECIAL RISK FACTORS — Limitations on Remedies."

Litigation with Respect to Community Facilities Districts

Shapiro. The California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro* (2014) 228 Cal.App.4th 756 (the "San Diego Decision"). The case involved a Convention Center Facilities District (the "CCFD") established by the City of San Diego ("San Diego"). The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

The election authorizing the special tax was limited to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was modeled after Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIIIA, Section 4 thereof and Article XIIIC, Section 2 thereof require that the electors in such an election be the registered voters within the district.

Horizon. The Sacramento County Superior Court had issued a tentative ruling in *Horizon Capital Investments, LLC v. City of Sacramento et al*. (Case No. 34-2017-80002661). That ruling subsequently became the court's final order. As described below, this case involved an election to approve the levy of a special tax within a community facilities district ("CFD") formed under the Act.

In 2017, the City initiated proceedings to form a CFD to finance certain costs to operate and maintain a streetcar line. As permitted by the Act, the proposed district included non-contiguous parcels of non-residential property. Because there were fewer than 12 registered voters residing within the territory of the proposed CFD, the City Council submitted the special tax proposed to be levied within the proposed CFD to the owners of land within the proposed CFD, as required by the Act. The proposed special tax received the requisite two-thirds vote in the landowner election.

Petitioners Horizon Capital Investments, LLC et al. filed a writ of mandate and complaint for reverse validation and declaratory relief. Petitioners argued, and the superior court agreed in its final ruling, that under section 4(a) of article XIII A of the California Constitution (which provides that "Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district [sic], may impose special taxes on such district…") the phrase "qualified electors" means the registered voters of the entire City and not just the owners of the property within the boundaries of the proposed CFD. Citing the San Diego Decision, the ruling states that the phrase "qualified electors of the district" refers to the registered voters of the entity imposing the special tax, which in this case was the City. Because the vote within the proposed CFD was by landowners only and not by all registered voters in the City, the final ruling states that the special tax is invalid.

The superior court's final ruling is not binding upon other courts within the State and does not directly apply to Improvement Area No. 1, the Special Tax, or the Bonds. Although the City disagrees with the final ruling on a number of grounds, the City decided not to appeal.

The Special Tax Elections in Improvement Area No. 1. With respect to the San Diego Decision, the facts of such case show that there were thousands of registered voters within the CCFD (*viz.*, all of the registered voters in San Diego). At the time of the elections to authorize the Special Tax for Improvement Area No. 1 pursuant to the Original Rate and Method and pursuant to the Amended and Restated Rate and Method, respectively, there were fewer than 12 registered voters within Improvement Area No. 1, and the voting, in each case, was by the Developer, as the sole qualified landowner elector in Improvement Area No. 1. In the San Diego Decision, the court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the court's holding in the San Diego Decision does not apply to the Special Tax election in Improvement Area No. 1. Moreover, Section 53341 of the Act provides that any "action or proceeding to attack, review, set aside, void or annul the levy of a special tax…shall be commenced within 30 days after the special tax is approved by the voters." Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds. The petitioners in *Horizon* filed the writ of mandate within 30 days of the landowner election. Landowners in Improvement Area No. 1 approved the Special Tax pursuant to the Amended and Restated Rate and Method on November 24, 2020. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings, and court decisions, the City believes that no successful challenge to the Special Tax being levied in accordance with the Amended and Restated Rate and Method may now be brought.

Ballot Initiatives

Articles XIII A, XIII B, XIII C and XIII D were adopted pursuant to measures qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995, in the case of *Rossi v. Brown*, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, or local districts to increase revenues or to increase appropriations or on the ability of the Developer, Lennar Homes and any future builders to complete the remaining proposed development within Improvement Area No. 1.

Limitations on Remedies

Remedies available to the owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion and by limitations on remedies against public agencies in the State of California. The Bonds are not subject to acceleration. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners.

Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds

The Developer, Lennar Homes and any future individual property owner, are permitted to prepay the Special Tax obligation on their property at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping 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 Indenture 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. See the caption "THE BONDS—Redemption—*Special Mandatory Redemption from Special Tax Prepayments*."

Cyber Security

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. 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 efforts of the City 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 administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of Special Tax and the Trustee. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

CONTINUING DISCLOSURE

City Continuing Disclosure

The City will execute a continuing disclosure certificate (the "Continuing Disclosure Certificate") for the benefit of the Holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to Improvement Area No. 1 and to provide notices of the occurrence of certain enumerated events (the "Listed Events"). The City, as the initial dissemination agent under the Continuing Disclosure Certificate, will file the City Reports and notices of Listed Events with EMMA. The specific nature of the information to be included in the City Reports and the notices of Listed Events is set forth in APPENDIX F — "FORM OF CITY CONTINUING DISCLOSURE CERTIFICATE." The City will sign and deliver to the Underwriter the Continuing Disclosure Certificate to assist the Underwriter in complying with the Rule. The City will file the City Reports with EMMA no later than nine months after the end of the City's fiscal year, which is currently June 30. The first Annual Report that will be due on March 31, 2021 will consist of this Official Statement and the City's audited financial statements.

The City has previously entered into a number of continuing disclosure undertakings under the Rule in connection with the issuance of long-term obligations and has provided annual financial information and event notices in accordance with those undertakings. Certain continuing disclosure filings during the past five years were made after the required filing date, such as the City's annual reports for one of the past five fiscal years with respect to a certain prior issue, and certain required information supplementing the City's annual reports for certain prior issues (including the actuarial valuation reports for the Sacramento City Employees' Retirement System and the City's Public Employees' Retirement System plans for two prior issues). The City did not file notices of late filings in the past five years. On two occasions, the City filed annual reports with tables determined later not to be entirely accurate. The City subsequently filed corrected tables.

The City believes it has established processes to ensure that in the future it will make its continuing disclosure filings as required.

The City is required to file certain financial statements with the City Reports. This requirement has been included in the Continuing Disclosure Certificate solely to satisfy the requirements of the Rule. The inclusion of this information does not mean that the Bonds are secured by any resources or property of the City other than as described in this Official Statement. See "SOURCES OF PAYMENT FOR THE BONDS" and "SPECIAL RISK FACTORS." The list of significant events the City has agreed to report includes items that have absolutely no application whatsoever to the Bonds. These items have been included in the list solely to satisfy the requirements of the Rule. Thus, any implication from the inclusion of these items in the list to the contrary notwithstanding, there are no credit enhancements applicable to the Bonds and there are no credit or liquidity providers with respect to the Bonds.

Developer and Lennar Homes Continuing Disclosure

To provide updated information with respect to the development within Improvement Area No. 1, the Developer and Lennar Homes will each execute a Continuing Disclosure Certificate (each a "Property Owner Continuing Disclosure Certificate"), and will covenant to provide the Developer Reports semi-annually not later than March 31 and September 30 of each year beginning September 30, 2021, until satisfaction of certain conditions set forth in its Property Owner Continuing Disclosure Certificate. The Developer Reports provided by the Developer and Lennar Homes will contain updates regarding the development of the property that they each own within Improvement Area No. 1 as outlined in Section 4 of each Property Owner Continuing Disclosure Certificate attached as Appendix G. In addition to the Developer Reports, the Developer and Lennar Homes will agree to provide notices of certain events set forth in the Property Owner Continuing Disclosure Certificates.

Developer Continuing Disclosure Compliance. The Developer has not entered into any prior continuing disclosure obligations in connection with the issuance of municipal bonds. It is expected that individuals with Integral Communities will be responsible for preparing and filing the Developer Reports and event notices required by the Developer's Property Owner Continuing Disclosure Certificate. Integral Communities and its affiliates have entered into previous continuing disclosure undertakings in connection with the issuance of municipal bonds in the last five years. To the actual knowledge of the Developer, Integral Communities and its affiliates have not failed in any material respect to comply with any previous undertaking to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California within the past five years.

Lennar Homes Continuing Disclosure Compliance. Other than set forth in the next two sentences, Lennar Homes represents that, to the actual knowledge of Lennar Homes, Lennar Homes has not failed in any material respect to comply with any previous undertaking by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California within the past five years. In connection with a continuing disclosure obligation entered into with respect to the $12,850,000 County of El Dorado Community Facilities District No. 2014-1 (Carson Creek) Special Tax Bonds Series 2016, Lennar Homes was late in filing the periodic reports due on April 1, 2017 and October 1, 2017. The oversight was discovered in late January, 2018, and Lennar Homes promptly filed a curative report on February 1, 2018.

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 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.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. 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.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 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 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 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 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the 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 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the 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 Bond premium is not deductible for federal income tax purposes. Owners of premium 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 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 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 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 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 Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the 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 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 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 Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the City and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the City or the Beneficial Owners to incur significant expense.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Jones Hall, A Professional Law Corporation, Bond Counsel to the City. A complete copy of the proposed form of Bond Counsel opinion is attached hereto as Appendix C. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the City by the Office of the City Attorney.

Stradling Yocca Carlson & Rauth, a Professional Corporation, is serving as Disclosure Counsel to the City.

ABSENCE OF LITIGATION

In connection with the issuance of the Bonds, the Office of the City Attorney will deliver an opinion to the effect that, to its actual knowledge as of the date of delivery of the Bonds, the City has not been served with process in, and has not been overtly threatened with, any action, suit, proceeding, inquiry or investigation before or by any court, public board or body (a) that contests in any way the completeness or accuracy of this Official Statement; (b) that seeks to contest the validity of the Special Tax or to restrain or enjoin the collection of the Special Tax; (c) in which an unfavorable decision, ruling or finding is likely to have a material adverse effect on the City's ability to complete the transactions contemplated by the Bonds, the Indenture or this Official Statement; or (d) in which an unfavorable decision, ruling or finding is likely to have a material adverse effect on the validity or enforceability of the Bonds or the Indenture.

MUNICIPAL ADVISOR

The City has retained Fieldman, Rolapp & Associates, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. Although the Municipal Advisor has assisted in the review of this Official Statement, the Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement or any of the other legal documents, and further the Municipal Advisor does not assume any responsibility for the information, covenants and representations with respect to the federal income tax status of the Bonds, or the possible impact of any current, pending or future actions taken by any legislative or judicial bodies or rating agencies.

NO RATING

The City has not made and does not contemplate making application to any rating agency for the assignment of a rating to the Bonds.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co. The Underwriter has agreed to purchase the Bonds at a price of $47,668,708.02, being $43,470,000.00 aggregate principal amount thereof, plus original issue premium of $4,571,173.35 and less Underwriter's discount of $372,465.33. The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel, the Trustee and Underwriter's Counsel are contingent upon the issuance and delivery of the Bonds. The fees being paid to the Appraiser, the Market Absorption Consultant, the Municipal Advisor, and the Special Tax Consultant are not contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel and Disclosure Counsel represent the Underwriter on matters unrelated to the Bonds and Underwriter's Counsel represents the City on matters unrelated to the Bonds.

PENDING LEGISLATION

The City is not aware of any significant pending legislation which would have material adverse consequences on the Bonds or the ability of the City to pay the principal of and interest on the Bonds when due.

ADDITIONAL INFORMATION

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth therein. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the Holders of the Bonds.

The summaries of certain provisions of the Bonds, statutes and other documents or agreements referred to in this Official Statement do not purport to be complete, and reference is made to each of them for a complete statement of their provisions. Copies are available for review by making requests to the City.

The appendices are an integral part of this Official Statement and must be read together with all other parts of this Official Statement.

The distribution of this Official Statement has been authorized by the City.

CITY OF SACRAMENTO

By: /s/ John P. Colville Jr.
City Treasurer

The distribution of this Official Statement has been authorized by the City.

CITY OF SACRAMENTO

By: John P Colville Jr (Feb 22, 2021 15:50 PST)

City Treasurer

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APPENDIX A

IMPROVEMENT AREA NO. 1 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 and applicable to each Assessor's Parcel in Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) will be levied and collected according to the tax liability the City determines through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 1, unless exempted by law or by Section G below, will be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

"**Acre**" means 43,560 square feet of 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 map recorded at the County Recorder's Office.

"**Act**" means the Mello-Roos Community Facilities Act of 1982, as amended, set forth at California Government Code § 53311 through 53368.3.

"**Administrative Expenses**" means the actual or reasonably estimated costs related to administration of the CFD and Improvement Area No. 1, including but not limited to the following:

- Costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or its designee or both).
- Costs of collecting, auditing, dispersing, and accounting for the Special Tax (whether by the County, the City, or otherwise).
- Costs of remitting the Special Tax to the Trustee.
- Costs of the Trustee (including its legal counsel) in discharging its duties under the Indenture.
- Costs to the City or its designee of complying with arbitrage-rebate requirements relating to Improvement Area No. 1.
- Costs to the City or its designee of complying with its or any obligated person's disclosure requirements relating to any Bonds.
- Costs associated with preparing disclosure statements relating to Improvement Area No. 1.
- Costs incurred in responding to public inquiries regarding the Special Tax.
- Costs to the City or its designee related to any appeal of the Special Tax.

- Costs associated with the release of funds from any escrow account relating to Improvement Area No. 1.

- Costs to the City of issuing Bonds through Improvement Area No. 1 if not recovered from proceeds of the Bonds.

- Amounts estimated to be advanced for any other administrative purposes, including but not limited to attorney's fees and other costs related to collection of the Special Tax or to commencing and pursuing to completion any foreclosure in Improvement Area No. 1.

"**Administrator**" means the City's Special Districts Manager, his/her designee, or such other person or department as the City may designate to serve as Administrator of the CFD.

"**Airspace Parcel**" means a parcel with an assigned Assessor's Parcel Number that constitutes vertical space of the underlying land.

"**Anticipated Park/School Site Property**" means any Assessor's Parcel that is expected to be dedicated in its entirety to the City or a public school district for use as a park or school, as identified in Attachment 3 hereto. If a park or school site is expected on a portion of an Assessor's Parcel that will be further subdivided to create the Assessor's Parcel that will be dedicated for a park or school site, no portion of the master Assessor's Parcel that will be further subdivided shall be designated as Anticipated Park/School Site Property unless and until the subdivision occurs and a separate Assessor's Parcel is created for the park or school. If an Assessor's Parcel that was anticipated to be a park or school site, as shown in Attachment 3, is no longer expected to be dedicated to be used for a park or school, and the Administrator is made aware of the change in the Assessor's Parcel's expected land use, such Assessor's Parcel shall no longer be categorized as Anticipated Park/School Site Property. Once an Assessor's Parcel of Anticipated Park/School Site Property has been dedicated to the City, school district, or other public agency, it shall thereafter be categorized as Public Property for purposes of this RMA.

"**Assessor's Parcel**" means a lot or parcel (including an Airspace Parcel) that is shown on an Assessor's Parcel Map and has an assigned Assessor's Parcel Number.

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

"**Assessor's Parcel Number**" means the number assigned to an Assessor's Parcel by the County Assessor for purposes of identification.

"**Authorized Facilities**" means the facilities and fees authorized to be funded through the CFD.

"**Base Special Tax**" means, for Residential Units within each Village and for Other Property, the applicable Special Tax initially identified in Table 1 in Section C, as may be adjusted pursuant to Section D.

"**Bonds**" means any debt (as defined in the Act) that is related to Authorized Facilities and is issued, insured, or assumed through Improvement Area No. 1, whether in one or more series.

"**Building Permit**" means a single permit or set of permits required to construct a residential or non-residential structure. If a permit is issued for a foundation, parking, landscaping, or other similar facility or amenity but a building permit has not yet been issued for the structure to be served by the facility or amenity, then the permit for the facility or amenity will not be considered a "Building Permit" for purposes of levying the Special Tax.

"**Capitalized Interest**" means funds in any capitalized interest account available to pay debt service on Bonds.

"**CFD**" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

"**CFD Update**" means the date on which the Resolution of Change approving this RMA was adopted by the City Council.

"**City**" means the City of Sacramento, California.

"**City Council**" means the Sacramento City Council.

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

"**Developed Property**" means, in any Fiscal Year, all Taxable Property, excluding Taxable HOA Property, Taxable Multi-Family Property and Taxable Public Property, for which a Building Permit was issued before June 1 of the preceding Fiscal Year.

"**Development Class**" means, individually, Developed Property, Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

"**Exempt Property**" means any of the following:

- Public Property, except as otherwise authorized by § 53317.3 or § 53317.5 of the Act and other than Taxable Public Property.
- HOA Property, other than Taxable HOA Property.
- Multi-Family Property, other than Taxable Multi-Family Property.
- Assessor's Parcels that are owned by a public utility and developed with an unoccupied facility.
- Assessor's Parcels that are subject to an easement or other instrument that precludes any use other than the use set forth in the easement.

"**Expected Land Uses**" means the number of Residential Units expected within Improvement Area No. 1 as of the CFD Update, as identified in Attachment 1 and as amended from time to time as set forth in this RMA.

"**Expected Maximum Special Tax Revenues**" means the amount of annual revenue that would be available in Improvement Area No. 1 if the Maximum Special Tax was levied on the Expected Land Uses. The Expected Maximum Special Tax Revenues are shown in Attachment 1 of this RMA and may be changed due to prepayments in future Fiscal Years and/or pursuant to Section D below.

"**Final Map**" means a final map or portion of a final map, approved by the City under the Subdivision Map Act (California Government Code § 66410 *et seq*.), that creates lots that do not need to be further subdivided prior to issuance of a Building Permit for a residential structure. "Final Map" does not include any large-lot subdivision map, Assessor's Parcel Map, or subdivision map, or any portion of such a map, that does not create lots that are in their final configuration.

"**Final Map Property**" means, in any Fiscal Year, all Assessor's Parcels of Taxable Property for which a Final Map had recorded prior to June 1 of the preceding Fiscal Year and which have not yet become Developed Property, excluding Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

"**First Bond Sale**" means issuance of the first series of Bonds secured, in whole or in part, by Special Taxes levied and collected from Assessor's Parcels in Improvement Area No. 1.

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

"**HOA Property**" means any property within the boundaries of Improvement Area No. 1 that is owned in fee or by easement by the Homeowners Association, not including any such property that is located directly under a residential structure.

"**Homeowners Association**" means the homeowners association (including any master or sub-association) that provides services to, and collects dues, fees, or charges from, owners of property within Improvement Area No. 1.

"**Improvement Area No. 1**" means Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

"**Indenture**" means the bond indenture, fiscal-agent agreement, trust agreement, resolution, or other instrument under which Bonds are issued, as amended or supplemented from time to time, and any instrument replacing, amending, or supplementing the same.

"**Land Use Change**" means a proposed or approved change to the Expected Land Uses within Improvement Area No. 1 after the CFD Update.

"**Maximum Special Tax**" means the Maximum Special Tax, determined in accordance with Sections C and D below, that can be levied in any Fiscal Year on any Assessor's Parcel.

"**Multi-Family Property**" means any property within the boundaries of Improvement Area No. 1 for which Building Permits were issued for construction of a residential structure with five or more residential units that are offered for rent to the general public and cannot be purchased by individual homebuyers.

"**Other Property**" means, in any Fiscal Year, all Assessor's Parcels of Developed Property within Improvement Area No. 1 that are not Single Family Residential Property.

"**Prepayment Parcel**" means an Assessor's Parcel for which the Prepayment Amount determined under Section H below has been partially or fully prepaid.

"**Proportionately**" means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels assigned to the Development Class.

"**Public Property**" means any property within Improvement Area No. 1 that is owned by the City, the County, the State of California, the federal government, or other public agency, except that any property leased by a public agency to a private entity and subject to taxation under § 53340.1 of the Act will be taxed and classified in accordance with its use. Privately owned property will be considered Public Property if its development is otherwise constrained by public use and necessity through an easement, a lease, or a license.

"**Required Coverage**" means the amount by which the Expected Maximum Special Tax Revenues must exceed debt service for the Bonds and required Administrative Expenses, as set forth in the Indenture, Certificate of Special Tax Consultant, or other CFD Update document or bond document that identifies the minimum required debt service coverage.

"**Residential Unit**" means a for-sale single-family-detached unit or an attached individual for-sale unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, or live/work structure. A second unit (granny flat) that shares an Assessor's Parcel with a single-family-detached unit is not a Residential Unit for purposes of levying the Special Tax.

"**RMA**" means this Amended and Restated Rate and Method of Apportionment of Special Tax.

"**SFD Lot**" means an individual residential lot, identified and numbered on a recorded Final Map, on which a Building Permit has been or is permitted to be issued for construction of a Residential Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to the Final Map.

"**Single Family Residential Property**" means, in any Fiscal Year, all Assessor's Parcels of Developed Property for which a Building Permit was issued for construction of one or more Residential Units.

"**Special Tax**" means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.

"**Special Tax Requirement**" means the amount necessary in any Fiscal Year: (1) to pay principal and interest on Bonds due in the calendar year that begins in the Fiscal Year; (2) to create or replenish reserve funds to the extent replenishment has not been included in the computation of Special Tax Requirement in a previous Fiscal Year; (3) to cure any delinquencies in the payment of principal or interest on Bonds that has occurred in the prior Fiscal Year; (4) to pay Administrative Expenses; and (5) to pay the costs of Authorized Facilities not funded by Bonds, as allowed by the City, so long as such levy under this clause (5) does not increase the Special Tax levied on Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, or Taxable Public Property. The Special Tax Requirement may include reductions in the calculation in any Fiscal Year by interest earnings on, or surplus balances in, funds and accounts for the Bonds to the extent that the earnings or balances are available to apply against debt service in accordance with the Indenture or other relevant document; by proceeds from the collection of penalties associated with delinquent Special Taxes; and by any other revenues available to pay debt service on the Bonds, as determined by the Administrator.

"**Taxable HOA Property**" means, in any Fiscal Year after the First Bond Sale, any Assessor's Parcel of HOA Property that satisfies all three of the following conditions: (1) the Assessor's Parcel had not been HOA Property on the date of the First Bond Sale; (2) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D.1 below), the Assessor's Parcel was not anticipated to be HOA Property based on the Expected Land Uses, as determined by the Administrator; and (3) if the Assessor's Parcel were to be exempt from the Special Tax because it has become HOA Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

"**Taxable Multi-Family Property**" means, in any Fiscal Year after the First Bond Sale, any Assessor's Parcel of Multi-Family Property that satisfies all three of the following conditions: (1) the Assessor's Parcel had not been Multi-Family Property on the date of the First Bond Sale; (2) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D.1 below), the Assessor's Parcel was not anticipated to be Multi-Family Property based on the Expected Land Uses, as determined by the Administrator; and (3) if the Assessor's Parcel were to be exempt from the Special Tax because it has become Multi-Family Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

"**Taxable Property**" means all property within Improvement Area No. 1 that is not exempt from the Special Tax pursuant to law or Section G below.

"**Taxable Public Property**" means, in any Fiscal Year after the First Bond Sale, any Assessor's Parcel of Public Property that satisfies all three of the following conditions: (1) the Assessor's Parcel had not been Public Property on the date of the First Bond Sale; (2) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D.1 below), the Assessor's Parcel was not anticipated to be Public Property based on the Expected Land Uses, as determined by the Administrator; and (3) if the Assessor's Parcel were to be exempt from the Special Tax because it has become Public Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

"**Tentative Map**" means the tentative map for Greenbriar Phase 1, as shown in Attachment 2 of this RMA, including any adjustments or amendments thereto.

"**Trustee**" means the trustee or fiscal agent under the Indenture.

"**Undeveloped Property**" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Map Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

"**Village**" means a specific geographic area within Improvement Area No. 1 that: (1) is identified by an assigned number on the Tentative Map; (2) is expected to have SFD Lots that are all of a similar size; and (3) is assigned Expected Maximum Special Tax Revenues in Attachment 1 based on the Expected Land Uses for that Village.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the Special Tax Requirement for the Fiscal Year. The Administrator shall also determine the following for each Assessor's Parcel: (1) the current Assessor's Parcel Number for the Assessor's Parcel; (2) whether it is Developed Property, Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, Taxable Public Property, or Exempt Property; (3) for Developed Property, whether an Assessor's Parcel is Single Family Residential Property or Other Property; and (4) for Single Family Residential Property, within which Village each Assessor's Parcel is located and the number of Residential Units on the Assessor's Parcel. In addition, the Administrator shall, on an ongoing basis, monitor Tentative Map revisions, Final Maps, and condominium plans to determine if there are any proposed changes to the Expected Land Uses that would reduce the Expected Maximum Special Tax Revenues for a Village. If the Expected Maximum Special Tax Revenues will be reduced pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D.1 below.

In any Fiscal Year, if the Administrator determines—

- that a Final Map or other map for an Assessor's Parcel within Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or on any other date after which the County Assessor will not incorporate the newly created parcels into the then-current tax roll);

- that because of the date the map was recorded, the County Assessor does not yet recognize the new parcels created by the map; and

- that one or more of the newly created parcels is in a different Development Class from other parcels created by the map,

then the Administrator shall calculate the Special Tax for the property affected by recordation of the map by determining the Special Tax that applies separately to the property within each Development Class and then applying the sum of the individual Special Taxes to the Assessor's Parcel that was subdivided by recordation of the map.

C. MAXIMUM SPECIAL TAX

1. Developed Property and Final Map Property

The Maximum Special Tax for an Assessor's Parcel of Developed Property or Final Map Property is the greater of (i) the Base Special Tax set forth in Table 1 below, or, (ii) the Maximum Special Tax determined pursuant to Section D.

Table 1
Base Special Tax for
Developed Property and Final Map Property

Land Use	Base Special Tax (Fiscal Year 2020-21)*
Single Family Residential Property	
Village 1	$2,100 per Residential Unit or SFD Lot
Village 2A	$2,560 per Residential Unit or SFD Lot
Village 2B	$2,560 per Residential Unit or SFD Lot
Village 3A	$2,461 per Residential Unit or SFD Lot
Village 3B	$2,461 per Residential Unit or SFD Lot
Village 4A	$2,100 per Residential Unit or SFD Lot
Village 4B	$2,100 per Residential Unit or SFD Lot
Village 5A	$1,809 per Residential Unit or SFD Lot
Village 5B	$1,809 per Residential Unit or SFD Lot
Village 5C	$1,809 per Residential Unit or SFD Lot
Village 6	$1,807 per Residential Unit or SFD Lot
Village 7A	$1,918 per Residential Unit or SFD Lot
Village 7B	$1,918 per Residential Unit or SFD Lot
Village 8	$1,523 per Residential Unit or SFD Lot
Village 9	$1,523 per Residential Unit or SFD Lot
Village 10A	$1,333 per Residential Unit or SFD Lot
Village 10B	$1,333 per Residential Unit or SFD Lot
Village 11	$1,807 per Residential Unit or SFD Lot
Village 12A	$2,100 per Residential Unit or SFD Lot
Village 12B	$2,100 per Residential Unit or SFD Lot
Other Property	$21,000 per Acre

***On July 1, 2021, and on each July 1 thereafter, the Base Special Taxes shown above will be increased by 2% of the amount in effect in the previous Fiscal Year.**

2. Undeveloped Property, Anticipated Park/School Site Property, Taxable Multi-Family Property, Taxable HOA Property and Taxable Public Property

The Maximum Special Tax for Undeveloped Property, Anticipated Park/School Site Property, Taxable Multi-Family Property, Taxable HOA Property, and Taxable Public Property is $21,000 per Acre for Fiscal Year 2020-21, which amount shall increase on July 1, 2021 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

D. CHANGES TO MAXIMUM SPECIAL TAX

The Expected Maximum Special Tax Revenues were calculated based on the Expected Land Uses at the CFD Update. Attachment 1 is subject to modification upon the occurrence of Land Use Changes, as described below. The Administrator shall review Final Maps, Tentative Map revisions, and other changes to land uses proposed within Improvement Area No. 1 and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Special Tax Revenues.

1. Land Use Changes

Prior to the First Bond Sale, if a Land Use Change is proposed or identified that will result in a change in the Expected Maximum Special Tax Revenues, no action will be needed pursuant to this Section D.1. Upon approval of the Land Use Change, the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues.

After the First Bond Sale, if a Land Use Change is proposed or identified, Steps 1 through 3 must be applied:

Step 1: By reference to Attachment 1 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D.1 or a partial prepayment has been made), the Administrator shall identify the Expected Maximum Special Tax Revenues prior to the Land Use Change.

Step 2: The Administrator shall calculate the Expected Maximum Special Tax Revenues that could be collected from Taxable Property in Improvement Area No. 1 after the Land Use Change.

Step 3: If the revenues calculated in Step 2 are (i) higher than that determined in Step 1 or (ii) less than those calculated in Step 1, but the reduction in Expected Maximum Special Tax Revenues does not reduce debt service coverage on outstanding Bonds below Required Coverage, no further action is needed, and the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues.

If the revenues calculated in Step 2 are less than those calculated in Step 1, and the Administrator determines that the reduction in Expected Maximum Special Tax Revenues would reduce debt service coverage on outstanding Bonds below the Required Coverage, one of the following shall occur:

3.a. The landowner requesting the Land Use Change (the "Requesting Landowner") may make a prepayment in an amount that will ensure that the reduced Expected Maximum Special Tax Revenues are sufficient to provide Required Coverage, as determined pursuant to Section H below. If the Requesting Landowner notifies the Administrator that he/she would like to remedy the reduction by making a prepayment, such prepayment must be made by the earlier of (i) 30 days from the date of delivery of the prepayment estimate or (ii) the date of issuance of any Building Permits for any Assessor's Parcel owned by the Requesting Landowner that was Final Map Property or Undeveloped Property at the time the Administrator prepared the prepayment estimate, or

3.b. If a prepayment is not received, the Base Special Tax for each Assessor's Parcel of Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues for the area affected by the Land Use Change is the same as it was prior to the Land Use Change.

If multiple Land Use Changes are proposed simultaneously by a single land owner (which may include approval of multiple Final Maps at one time), the Administrator may consider the combined effect of all the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction, the Administrator shall increase the Maximum Special Tax proportionately in all of the Final Maps being proposed by the landowner until the aggregate amount that can be levied within the Final Maps is equal to the amount that could have been levied prior to the proposed Land Use Changes. If Land Use Changes are proposed simultaneously by multiple landowners, the Administrator shall consider the proposed Land Use Changes individually.

Notwithstanding the foregoing, once a certificate of occupancy has been issued for a Residential Unit on an Assessor's Parcel, the Maximum Special Tax for the Assessor's Parcel cannot be increased because of subsequent Land Use Changes that may occur within the area in which the Assessor's Parcel is located.

The duties imposed on the Administrator pursuant to this Section D.1 to review Land Use Changes, and to review Final Maps and make certain calculations, are intended only to facilitate the administration of the Special Tax and to better assure the sufficiency of tax capacity to pay debt service on Bonds. Such duties are not intended to give any developer, subdivider, or owner of property the right to receive notice of the potential impact of Land Use Changes on the Special Tax applicable to an Assessor's Parcel; and each developer, subdivider, or owner of property whose property is the subject of a Land Use Change shall be responsible for understanding the impact thereof on the Special Tax applicable to such property.

2. Transfer of Expected Maximum Special Tax Revenues from One Village to Another

The Expected Maximum Special Tax Revenues were determined for each Village based on the Expected Land Uses within that Village. If the expected number of Residential Units is transferred from one Village to another, the City may, in its sole discretion, allow for a corresponding transfer of Expected Maximum Special Tax Revenues between the Villages. Such a transfer shall only be allowed if: (1) all adjustments are agreed to in writing by the affected property owners and the City; and (2) there is no reduction in the total Expected Maximum Special Tax Revenues as a result of the transfer.

If, in any Fiscal Year, an Assessor's Parcel of Public Property is converted to private use, such Assessor's Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Assessor's Parcel shall be determined based on consideration of the Maximum Special Taxes for Assessor's Parcels with similar land use designations, as determined by the Administrator.

E. METHOD OF LEVY OF SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. The City shall then levy the Special Tax according to the following steps:

Step 1. The Special Tax will be levied Proportionately on Developed Property up to 100% of the Maximum Special Tax for each Assessor's Parcel until the amount levied is equal to the Special Tax Requirement before applying Capitalized Interest that is available under the Indenture.

Step 2. If additional revenue is needed after Step 1 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Final Map Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Final Map Property.

Step 3. If additional revenue is needed after Step 2 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Undeveloped Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Undeveloped Property.

Step 4. If additional revenue is needed after Step 3 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Anticipated Park/School Site Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Anticipated Park/School Site Property.

Step 5. If additional revenue is needed after Step 4 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable Multi-Family Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable Multi-Family Property.

Step 6. If additional revenue is needed after Step 5 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable HOA Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable HOA Property.

Step 7. If additional revenue is needed after Step 6 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable Public Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax levied on any Single Family Residential Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other property in Improvement Area No. 1.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, except that: (1) prepayments are permitted as set forth in Section H below; and (2) the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax will be levied and collected until principal and interest on all Bonds have been repaid and the Authorized Facilities to be constructed directly from Special Tax proceeds have been completed. But in no event will the Special Tax be levied after Fiscal Year 2059-60.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, the Special Tax will not be levied in any Fiscal Year on: (1) Exempt Property, except Taxable Public Property, Taxable Multi-Family Property, and Taxable HOA Property; or (2) Prepayment Parcels that have fully prepaid the Special Tax obligation. Notwithstanding the foregoing, if a Special Tax has been levied on an Assessor's Parcel in any Fiscal Year, and the entire Assessor's Parcel subsequently meets the criteria to be categorized as Exempt Property, the Assessor's Parcel shall remain subject to the Special Tax levy, unless the First Bond Sale has yet to occur, in which case such property shall be categorized as Public Property, HOA Property, or Multi-Family Property, as the case may be, and the Administrator shall recalculate the Expected Maximum Special Tax Revenues based on the corresponding change in revenues.

H. PREPAYMENTS

1. Definitions

The following definitions apply only to this Section H:

"**Construction Fund**" means the account (regardless of its name) identified in the Indenture to hold funds that are currently available to acquire or construct Authorized Facilities.

"**Optional Prepayment**" means a prepayment of the Special Tax, other than a mandatory prepayment under Section D.1, that is calculated using the formula in this Section H.

"**Outstanding Bonds**" means all Previously Issued Bonds that remain outstanding, with the following exception: if a Special Tax has been levied against, or has already been paid for, an Assessor's Parcel for which a prepayment is to be made, and if a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), then the next principal payment will be subtracted from the total principal of Bonds that remains outstanding, and the difference will be used as the amount of Outstanding Bonds for purposes of calculating the Prepayment Amount.

"**Previously Issued Bonds**" means all Bonds that have been issued before the date of prepayment.

"**Public Facilities Requirement**" means either: (a) $32.4 million in 2020 dollars, increased 2% annually on each July 1 beginning July 1, 2021; or (b) such other number as the City determines in its sole discretion to be sufficient both to fund the Authorized Facilities projected to be funded by Improvement Area No. 1 and to treat all owners of Taxable Property within Improvement Area No. 1 fairly and equitably.

"**Remaining Facilities Costs**" means the Public Facilities Requirement minus public-facility costs funded by Previously Issued Bonds or by Special Taxes.

2. Full Prepayment

The Special Tax obligation applicable to an Assessor's Parcel may be prepaid and the obligation of the Assessor's Parcel for the Special Tax permanently satisfied as described in this Section H.2, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to the Assessor's Parcel at the time of prepayment. An owner of a Assessor's Parcel intending to prepay the Special Tax obligation must provide the City with written notice of intent to prepay. Within 30 days after receipt of a written notice of intent to prepay, the City or its designee shall notify the owner of the amount required to fully prepay the Special Tax obligation for the Assessor's Parcel (the "**Prepayment Amount**"). Prepayment must be made not less than 75 days before any redemption date for Bonds to be redeemed with the proceeds of the prepaid Special Taxes unless otherwise permitted by the City. Under no circumstance will a prepayment be allowed that would reduce debt-service coverage below the Required Coverage. The Prepayment Amount will be calculated as follows (capitalized terms as defined above or below):

The Bond Redemption Amount

- *plus* the Remaining Facilities Amount
- *plus* the Redemption Premium (if applicable)
- *plus* the Defeasance Requirement
- *plus* the Administrative Fees and Expenses
- *less* the Proportionate Reserve Fund Credit

equals the Prepayment Amount

As of the proposed date of prepayment, the Administrator shall calculate the Prepayment Amount by applying the following steps:

Step 1. Calculate the Maximum Special Tax to be prepaid for the Assessor's Parcel based on the Expected Land Uses for the Assessor's Parcel. If this Section H is being applied to calculate a prepayment under Section D.1 above, then use, for purposes of this Step 1, the amount by which the Maximum Special Tax revenues have been reduced below the amount needed to maintain Required Coverage due to the Land Use Change that necessitated the prepayment.

Step 2. Divide the Maximum Special Tax calculated under Step 1 by the Maximum Special Tax revenues that could be generated at buildout of all property in Improvement Area No. 1 based on the Expected Land Uses at the time the prepayment is calculated.

Step 3. Multiply the quotient calculated under Step 2 by the principal amount of the Outstanding Bonds to calculate the amount of Outstanding Bonds to be retired and prepaid (the "**Bond Redemption Amount**").

Step 4. Calculate the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient calculated under Step 2 by the amount calculated under Step 4 to calculate the amount of Remaining Facilities Costs to be prepaid (the "**Remaining Facilities Amount**").

Step 6. Multiply the Bond Redemption Amount calculated under Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "**Redemption Premium**").

Step 7. Calculate the amount needed to pay interest on the Bond Redemption Amount starting with the last Bond interest-payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds. If Bonds are callable at or before the last Bond interest-payment date on which interest has been or will be paid by Special Taxes already levied, then Steps 7, 8, and 9 of this prepayment formula will not apply.

Step 8. Calculate the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest-payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9. Subtract the amount calculated under Step 8 from the amount calculated under Step 7 (the "**Defeasance Requirement**").

Step 10. Calculate the Administrative Expenses associated with the prepayment, including the costs of determining the prepayment, redeeming Bonds, and recording any notices to evidence the prepayment and the redemption (the "**Administrative Fees and Expenses**").

Step 11. If, when the prepayment is determined, the reserve fund is greater than or equal to the reserve requirement, then, to the extent so provided in the Indenture, calculate a proportionate reserve fund credit as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed with the prepayment (the "**Proportionate Reserve Fund Credit**").

Step 12. The Prepayment Amount is equal to the sum of the amounts calculated under Steps 3, 5, 6, 9, and 10 minus the amount calculated under Step 11.

Step 13. From the Prepayment Amount, the amounts calculated under Steps 3, 6, and 9 will be deposited into the appropriate fund as established under the Indenture and will be used to retire Outstanding Bonds or make debt-service payments. The amount calculated under Step 5 will be deposited into the Construction Fund. The amount calculated under Step 10 will be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment has been received, a Notice of Cancellation of Special Tax Lien will be recorded against the affected Assessor's Parcel, except that a Notice of Cancellation of Special Tax Lien will not be recorded until all Special Taxes levied on the affected Assessor's Parcel in the current or prior Fiscal Years have been collected.

3. Partial Prepayment

The Special Tax on an Assessor's Parcel or SFD Lot for which a certificate of occupancy has not yet been issued or a final inspection has not been conducted may be partially prepaid (a "**Partial Prepayment**"). However, a Partial Prepayment must be made in an amount equal to 25%, 50% or 75% of the amount of the full Prepayment Amount calculated under Section H.2 above. In calculating a Partial Prepayment, the Administrator shall round up the amount required for the Partial Prepayment in order to redeem whole bonds, including any redemption premium.

Only one Partial Prepayment is permitted for each Assessor's Parcel or SFD Lot, and a Partial Prepayment will not be accepted for an Assessor's Parcel or SFD Lot after a certificate of occupancy has been issued or a final inspection completed for that Assessor's Parcel or SFD Lot.

The owner of an Assessor's Parcel or SFD Lot who desires to make a Partial Prepayment must notify the Administrator of the percentage of the Special Tax to be prepaid. The Administrator shall provide the owner with a statement of the amount required for the Partial Prepayment within 30 days after receiving the request and may charge a fee for providing this service. With respect to any Special Tax that is partially prepaid on an Assessor's Parcel or SFD Lot, the Administrator shall (a) distribute the remitted prepayment funds according to Section H.2 above and (b) indicate in the records of the CFD that there has been a Partial Prepayment of the Special Tax and that a portion of the Special Tax with respect to the Assessor's Parcel or SFD Lot, equal to the non-prepaid percentage of the Maximum Special Tax, will continue to be levied on the Assessor's Parcel or SFD Lot according to Section E.

Once a Partial Prepayment has been received, an Amendment to Special Tax Lien will be recorded against the affected Assessor's Parcel or SFD Lot. However, an Amendment to Special Tax Lien will not be recorded until all Special Taxes levied on the affected Assessor's Parcel or SFD Lot in the current or prior Fiscal Years have been collected.

4. Prepayment Restrictions

Optional Prepayment of the Special Tax in accordance with this Section H is not permitted if it would reduce debt service coverage below the Required Coverage.

I. RECORDS MAINTAINED FOR THE CFD

As development occurs in the CFD, the Administrator shall maintain a file containing records of the following information for each Assessor's Parcel:

- The current Assessor's Parcel Number
- The current Final Map status for the Assessor's Parcel
- The current Building Permit status for the Assessor's Parcel
- The designated and existing uses for the Assessor's Parcel
- The total number of Residential Units assigned to the Assessor's Parcel
- The Maximum Special Tax assigned to the Assessor's Parcel
- Prepayments, including prepayments for Assessor's Parcels that have fully or partially paid the Special Tax

J. INTERPRETATION OF SPECIAL TAX FORMULA

The City Council may, by resolution, interpret this RMA for purposes of clarifying any vagueness or ambiguity in the Special Tax rates, method of apportionment, classification of properties, and definitions applicable to the CFD. The City Council's interpretation will be conclusive. The Administrator may do the following without the City Council's approval:

(1) Interpret this RMA for purposes of clarifying matters as they relate to the Special Tax rate, the method of apportionment, the classification of properties, or the definitions applicable to the CFD.

(2) Make minor, non-substantive administrative and technical changes to this RMA for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law, but only if the changes do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax.

In addition, the City, upon request of an owner of land that is not Developed Property, may amend this RMA to reallocate the Special Tax applicable to such owner's land in a manner acceptable to the City, without resolution or ordinance of the City Council, upon the affirmative vote of such owner and without the vote of owners of any other land within the CFD, provided such amendment: (i) only affects the owner's land, (ii) does not reduce the Expected Maximum Special Tax Revenues, and (iii) provides for a Special Tax distribution upon development of such land which is reasonably proportional and consistent with Special Tax rates provided for in Section C (including escalations thereto) for similar land uses and is compliant with the tax assessment loan exception contained in U.S. Treasury Regulation Section 1.141-5(d), as determined by the City.

K. APPEALS

A taxpayer who believes that the amount of the Special Tax assigned to the taxpayer's Assessor's Parcel is in error may file a notice with the Administrator, who will then promptly review the appeal and, if necessary, meet with the taxpayer. If the Administrator determines that the Special Tax should be modified, then the Special Tax levy will be corrected and, if applicable, a credit or refund will be granted.

ATTACHMENT 1

IMPROVEMENT AREA NO. 1 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

EXPECTED LAND USES AND EXPECTED MAXIMUM SPECIAL TAX REVENUES

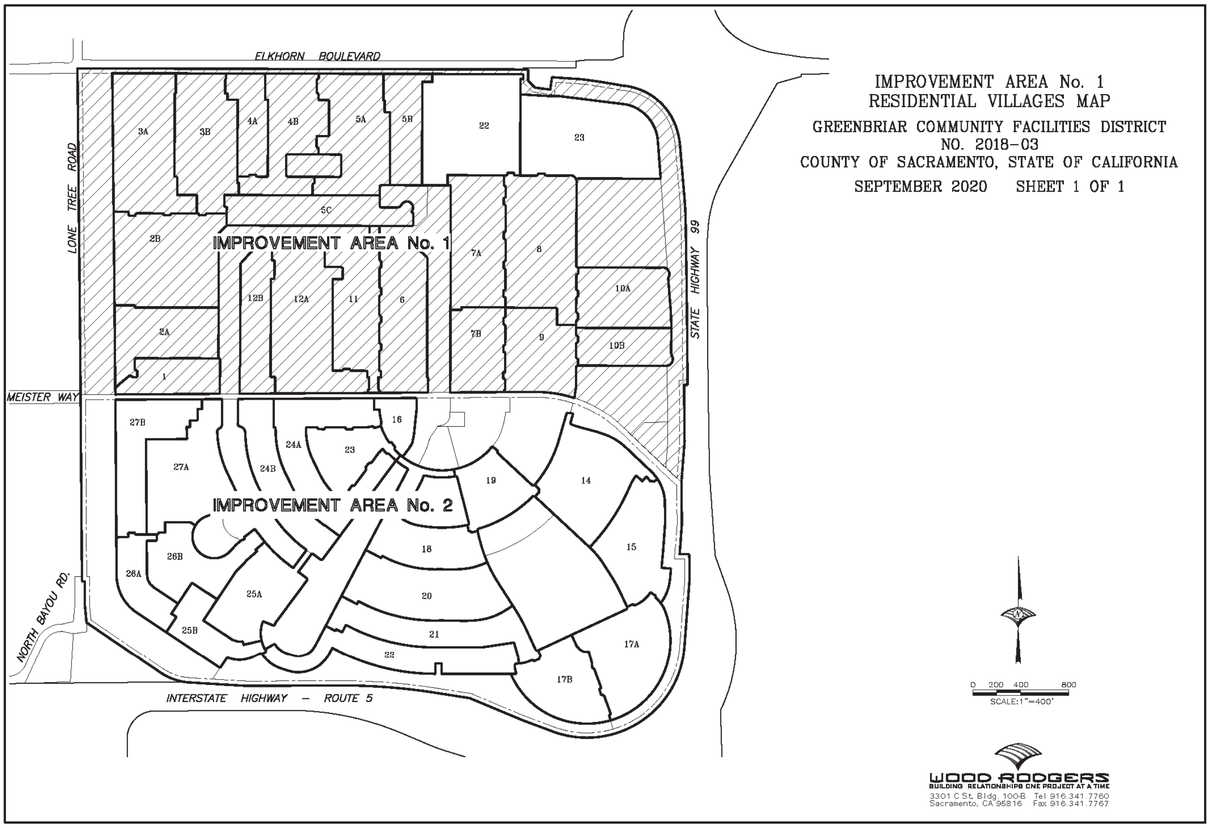
Village	*Expected Land Uses*	*Base Special Tax FY 2020-21* (1)	*Expected Maximum Special Tax Revenues FY 2020-21* (1)
Village 1	23 Residential Units	$2,100 per Residential Unit	$48,300
Village 2A	45 Residential Units	$2,560 per Residential Unit	$115,200
Village 213	71 Residential Units	$2,560 per Residential Unit	$181,760
Village 3A	63 Residential Units	$2,461 per Residential Unit	$155,043
Village 313	73 Residential Units	$2,461 per Residential Unit	$179,653
Village 4A	30 Residential Units	$2,100 per Residential Unit	$63,000
Village 413	49 Residential Units	$2,100 per Residential Unit	$102,900
Village 5A	70 Residential Units	$1,809 per Residential Unit	$126,630
Village 513	34 Residential Units	$1,809 per Residential Unit	$61,506
Village 5C	53 Residential Units	$1,809 per Residential Unit	$95,877
Village 6	67 Residential Units	$1,807 per Residential Unit	$121,069
Village 7A	60 Residential Units	$1,918 per Residential Unit	$115,080
Village 713	42 Residential Units	$1,918 per Residential Unit	$80,556
Village 8	87 Residential Units	$1,523 per Residential Unit	$132,501
Village 9	51 Residential Units	$1,523 per Residential Unit	$77,673
Village 10A	85 Residential Units	$1,333 per Residential Unit	$113,305
Village 1013	51 Residential Units	$1,333 per Residential Unit	$67,983
Village 11	64 Residential Units	$1,807 per Residential Unit	$115,648
Village 12A	77 Residential Units	$2,100 per Residential Unit	$161,700
Village 1213	42 Residential Units	$2,100 per Residential Unit	$88,200
Total	**1,137 Residential Units**	**N/A**	**$2,203,584**

(1) On July 1, 2021 and each July 1 thereafter, the Base Special Taxes and the Expected Maximum Special Tax Revenues shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

ATTACHMENT 2

IMPROVEMENT AREA NO. 1 OF THE CITY OF SACRAMENTO GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)

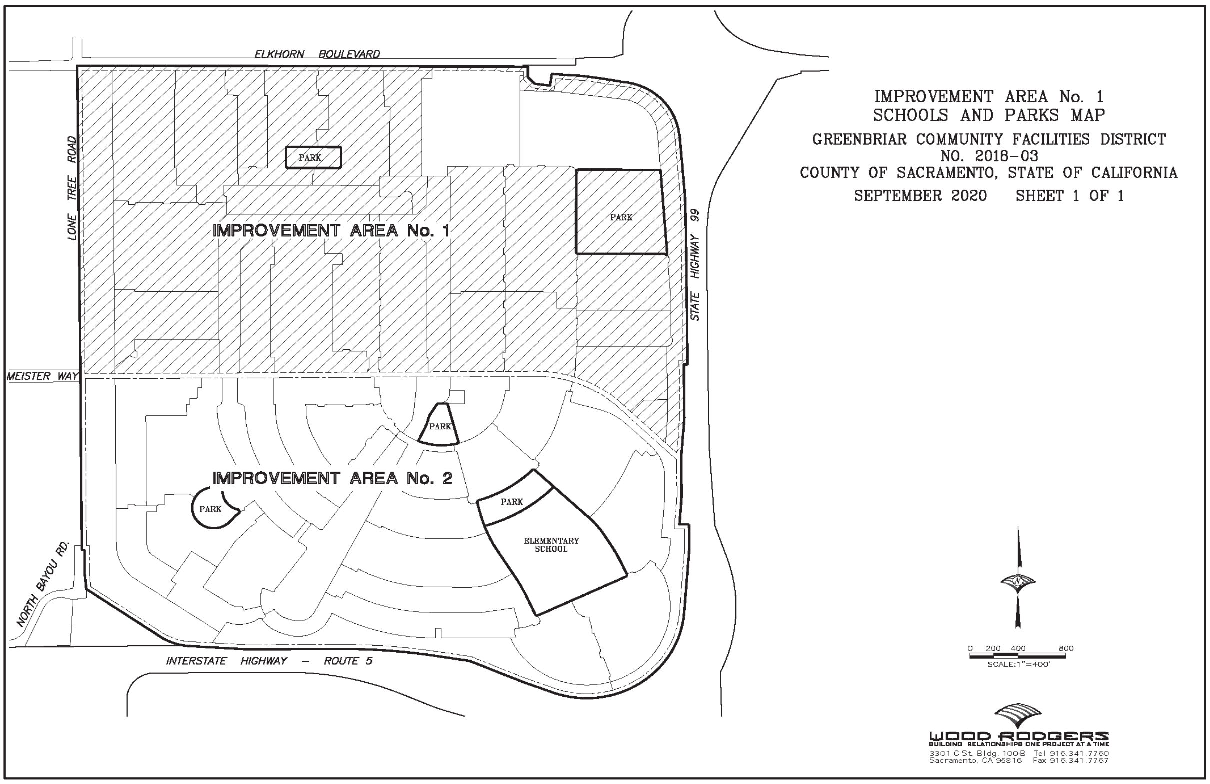
IDENTIFICATION OF VILLAGES



ATTACHMENT 3

IMPROVEMENT AREA NO. 1 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

IDENTIFICATION OF ANTICIPATED PARK/SCHOOL SITE PROPERTY



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APPENDIX B

APPRAISAL REPORT

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SMITH & ASSOCIATES

AN APPRAISAL REPORT OF

Greenbriar Community Facilities District No. 2018-03, Improvement Area #1
SWQ of Elkhorn Boulevard and State Highway 99
Sacramento, CA 95835

East Bay/Corporate Office
140 Town & Country Drive, Suite F
Danville, CA 94526
p: 925 855-4950 / f: 925 855-4951

Sacramento/Central Valley Office
111 Woodmere Road, Suite 140
Folsom, CA 95630
p: 916 357-5860 / f: 916-357-5868

Real Estate Appraisal
and Consulting
www.smithassociatesinc.com

SMITH & ASSOCIATES

January 8, 2021

Mr. Bill Sinclair
Real Property Agent
City of Sacramento, Department of Public Works
915 "I" Street, 2nd Floor
Sacramento, CA 95814

RE: Greenbriar Community Facilities District No. 2018-03, Improvement Area #1
SWQ of Elkhorn Boulevard and State Highway 99
Sacramento, CA 95835

Dear Mr. Sinclair:

This appraisal report for Greenbriar Community Facilities District No. 2018-3, Improvement Area #1 (the "CFD") is written in conformance with the requirements set forth under Standards Rule 2-2(a) of 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). The CFD has been established to create a land-secured funding mechanism for authorized facilities, which may include fees paid for those facilities.

The subject property is generally located along the Southwest Quadrant of Elkhorn Boulevard and State Highway 99 in the Natomas community of the City of Sacramento. This project area encompasses a total land area of 273.4 acres generally allocated among 200.9 acres identified for the development of 1,137 residential lots, as well as 72.5 acres for non-revenue generating parcels. The parcels currently identified by the Sacramento County Assessor's Office within the Amended Boundary Map of Greenbriar Community Facilities District No. 2018-03, Improvement Area #1 include the following:

201-0300-157..177, 180, 181, 182, 184, 185, 186, 187, 188

The revenue generating parcels for this project are comprised of 1,137 residential lots under the ownership identified as The Greenbriar Project Owner, LLC. Site improvements were underway as of the effective date of valuation including construction of Backbone Improvements and In-Tract Improvements. The focal point of this project reflects the approximate 20.39 acre, man-made lake toward the center of this project. Entitlements for the proposed development as described in this report were secured as of the effective date of valuation.

Proposed lots for this project range in lot size with minimum sizes at 2,788 square feet (41' x 68') to 6,600 square feet (60' x 110'). The following table summarizes these lots based on their lot size and project reference.

East Bay/Corporate Office
140 Town & Country Drive, Suite F
Danville, CA 94526
Phone 925 855-4950
Fax 925 855-4951

Sacramento/Central Valley Office
111 Woodmere Road, Suite 140
Folsom, CA 95630
Phone 916 357-5860
Fax 916 357-5868

PROJECT	MINIMUM LOT SIZE (SF)	# LOTS
SHOR	2,788	136
LAKELET	3,690	138
WATERSYDE	4,000 - 4,250	127
WAVMOR	4,500	157
CRESTVUE	4,675	97
BLEAU	5,000	230
DRIFTON	5,500	136
ALTA	6,600	116
PROJECT		**1,137**

The table noted above is a consolidated summary for all the detached residential lots included in this analysis. All of these lots are for detached, market rate homes. Affordable housing requirements are satisfied with the approval of the Mixed-Income Strategy with the City of Sacramento. Essentially, the construction of 189 affordable units for senior residents (APN 201-0300-180) whose income does not exceed 80% of AMI for Sacramento County, fulfills this requirement. The only caveat is that the developer obtains a building permit for this project prior to issuance of 65% of the building permits for 2,425 market rate units (Total Project, Including Phase 2). This equates to 1,576 permits. Since the subject property comprises 1,137 market rate units, this threshold would be applicable to Phase 2 of this project with no influence on the subject property.

Non-revenue generating land uses for this project are excluded from valuation. This includes the following:

APN	LAND AREA	USE
203-0300-177	15.24 AC	Open Space/Habitat Buffer
201-0300-180	8.05 AC	Senior Affordable Housing (Tax Exempt)
201-0300-181	1.74 AC	SMUD Sub-Station
201-0300-182	1.93 AC	Community Center
201-0300-184	12.4 AC	Community Park
201-0300-185	9.72 AC	Man-Made Lake
201-0300-186	10.67 AC	Man-Made Lake
201-0300-187	10.81 AC	Open Space/Habitat Buffer
201-0300-188	1.95 AC	Neighborhood Park

While no specific value is proscribed for the man-made lake, the orientation within the community creates enhancement to the residential lots, especially those with direct frontage.

The purpose of this report is to provide an opinion of market value based on the hypothetical condition that as of the effective date of valuation, the Bonds had just been sold and the properties were encumbered by CFD Bonds supported by Special Taxes as described herein. The market value estimate accounts for the impact of the lien of the Special Tax securing the Bonds.

The intended use of this report is for bond underwriting purposes. The Client is the City of Sacramento. The intended users are the City of Sacramento and its associated finance team. The appraisal is not intended for any other use or user. No party or parties other than the City of Sacramento and its associated finance team may use or rely on the information, opinions, and conclusions contained in this report.

Based on the analysis described in the attached report, in connection with the Assumptions and Limiting Conditions, and the Hypothetical Conditions, as of December 11, 2020, the effective date of valuation, my opinion of value is as follows.

VALUE	INTEREST	OPINION OF VALUE
Hypothetical Market Value	Fee Simple	**$137,800,000** **(Bulk Value)**

The value noted above is presented in conjunction with the **Hypothetical Condition** that as of the effective date of valuation, the Bonds had just been sold and the properties were encumbered by CFD Bonds supported by Special Taxes as described herein. The market value estimates account for the impact of the lien of the Special Tax securing the Bonds.

Please feel free to call if there are any questions regarding this assignment.

Respectfully Submitted,

SMITH & ASSOCIATES, INC.

John E. Carrothers, MAI
Certified General Real Estate Appraiser
AG014187, Expiration 04/11/21

SUBJECT PHOTOGRAPHS

View West along Elkhorn

View East along Elkhorn

Overall View of Project

SUBJECT PHOTOGRAPHS

Overall View of Project

Overall View of Project

Site Improvement in Progress

Backbone Roadway

Backbone Roadway

Man-made Lake

SUBJECT PHOTOGRAPHS

Village West Lots

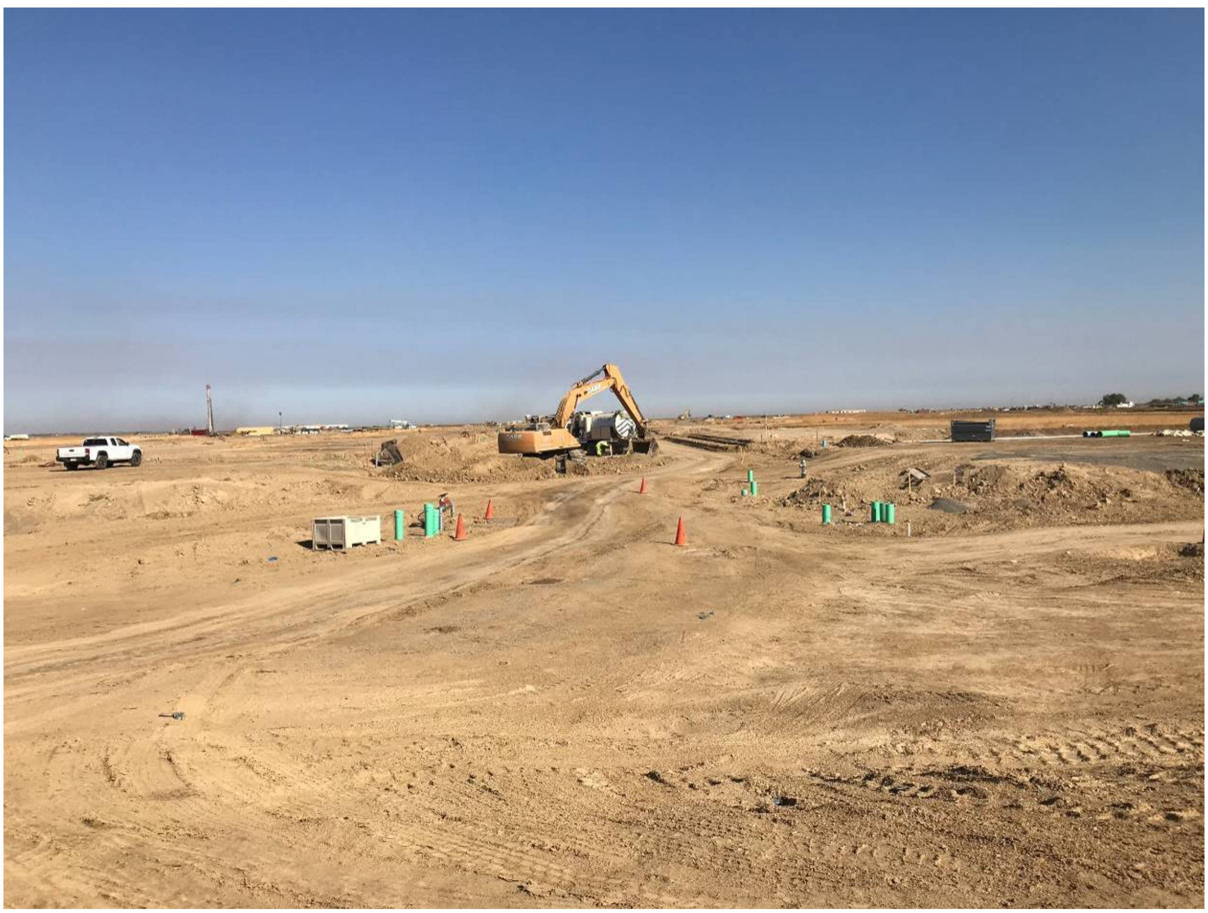
Village West Lots

View North of Project from Southern Boundary

SUBJECT PHOTOGRAPHS

View of Project

Southern Boundary



View of Project

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SUMMARY OF SALIENT FACTS

Property Type: **Greenbriar Community Facilities District No. 2018-03, Improvement Area #1**

Property Address/Location: The subject property is generally located along the western side of State Highway 99, south of Elkhorn Boulevard, east of Lone Tree Road (Private Road) and north of the proposed Meister Way. It is in the City of Sacramento and Zip Code 95835.

APN/Legal Description: The parcels currently identified by the Sacramento County Assessor's Office within the Amended Boundary Map of Greenbriar Community Facilities District No. 2018-03, Improvement Area #1 include the following:

201-0300-157..177, 180, 181, 182, 184, 185, 186, 187, 188

References to the legal description are contained within the Identification of the Subject Property section of this report.

Site Description: This project area encompasses a total land area of 273.4 acres generally allocated among 200.9 acres identified for the development of 1,137 residential lots, as well as 72.5 acres for non-revenue generating parcels. The revenue generating parcels for this project are comprised of 1,137 residential lots under the ownership identified as The Greenbriar Project Owner, LLC. Site improvements were underway as of the effective date of valuation including construction of Backbone Improvements and In-Tract Improvements. The focal point of this project reflects the approximate 20.39 acre, man-made lake toward the center of this project. Entitlements for the proposed development as described in this report were secured as of the effective date of valuation.

Proposed lots for this project range in lot size with minimum sizes at 2,788 square feet (41' x 68') to 6,600 square feet (60' x 110'). The following table summarizes these lots based on their lot size and project reference.

PROJECT	MINIMUM LOT SIZE (SF)	# LOTS
SHOR	2,788	136
LAKELET	3,690	138
WATERSYDE	4,000 - 4,250	127
WAVMOR	4,500	157
CRESTVUE	4,675	97
BLEAU	5,000	230
DRIFTON	5,500	136
ALTA	6,600	116
PROJECT		**1,137**

SUMMARY OF SALIENT FACTS (Continued)

Site Description (Continued):

The table noted above is a consolidated summary for all the detached residential lots included in this analysis. All of these lots are for detached, market rate homes. Affordable housing requirements are satisfied with the approval of the Mixed-Income Strategy with the City of Sacramento. Essentially, the construction of 189 affordable units for senior residents (APN 201-0300-180) whose income does not exceed 80% of AMI for Sacramento County, fulfills this requirement. The only caveat is that the developer obtains a building permit for this project prior to issuance of 65% of the building permits for 2,425 market rate units (Total Project, Including Phase 2). This equates to 1,576 permits. Since the subject property comprises 1,137 market rate units, this threshold would be applicable to Phase 2 of this project with no influence on the subject property.

Non-revenue generating land uses for this project are excluded from valuation. This includes the following:

APN	LAND AREA	USE
203-0300-177	15.24 AC	Open Space/Habitat Buffer
201-0300-180	8.05 AC	Senior Affordable Housing (Tax Exempt)
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201-0300-188	1.95 AC	Neighborhood Park

While no specific value is proscribed for the man-made lake, the orientation within the community creates enhancement to the residential lots, especially those with direct frontage.

Flood Zone:

According to the Federal Emergency Management Agency Flood Insurance Rate Maps (FIRM), Community-Panel Number 06067C-0045J, with an effective date of June 16, 2015, the subject property is identified in Zone A99. In this zone, the base flood elevation is the water-surface elevation of the 1% annual chance flood. The 1% annual chance flood (100-year flood), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. Flood insurance is required.

SUMMARY OF SALIENT FACTS (Continued)

Unusual Seismic Hazards: Special Publication 42 (Interim Revision 2007), Fault Rupture Hazard Zones in California, prepared by the California Department of Conservation, California Geological Survey, describes active faults and fault zones pursuant to the Alquist-Priolo Earthquake Fault Zoning Act. According to Special Publication 42, the subject property is not within or near an Alquist-Priolo special study zone.

Highest and Best Use: The legally permissible uses of the subject are limited to the land uses as currently approved (single-family residential). The Highest and Best use is for near-term single-family residential development.

Effective Date(s) of Valuation: December 11, 2020

VALUE CONCLUSION

VALUE	INTEREST	OPINION OF VALUE
Hypothetical Market Value	Fee Simple	**$137,800,000 (Bulk Value)**

The value noted above is presented in conjunction with the **Hypothetical Condition** that as of the effective date of valuation, the Bonds had just been sold and the properties were encumbered by CFD Bonds supported by Special Taxes as described herein. The market value estimates account for the impact of the lien of the Special Tax securing the Bonds.

The total eligible facilities identified for this project are identified at $46,656,106 including a 15% allowance for soft costs. This is allocated at $36,722,731 toward infrastructure and $9,933,375 toward fees. The total bond proceeds are identified at $38,000,000. These facilities are detailed in the Site Description of this report. This equates to an overall value to lien ratio at 3.63 which is sufficient to accommodate the bond district as of the effective date of valuation.

EXTRAORDINARY ASSUMPTIONS

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, could alter the appraiser's opinions or conclusions if found to be false. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. Extraordinary Assumptions specific to this assignment include the following:

1. According to the City of Sacramento, the master developer (PDC) will receive reimbursement from Greenbriar Community Facilities District No. 2018-03, Improvement Area #1 Bond Proceeds in the amount not to exceed $38,000,000 related to infrastructure costs and fees. A list of authorized facilities is included in the addenda of this report. According to the City of Sacramento, bonding capacity is limited to a 3:1 value-to-lien on the aggregate of the value of the District, by ownership. Based on the opinions of value presented in this Appraisal Report, there is sufficient value to accommodate this bond district and therefore all authorized facilities are assumed paid and in place as of the effective date of valuation.

2. It was identified that the entire property (1,137 Residential Lots) is under contract to be sold to Lennar Homes of California, Inc. A copy of this agreement was not provided for review in preparation of this assignment. An affiliate of Lennar, Len-Land West, LLC, owns a majority interest in the developer of this project (Integral Communities operating as The Greenbriar Project Owner LLC) and significant interest in the property where the developer is using to fund the backbone infrastructure on this property. There is no material impact on value as it reflects a non-arm's length transaction. The buyer for this property reflects a related party to the developer of this project.

HYPOTHETICAL CONDITIONS

A condition, as directly related to a specific assignment, is contrary to what is known by the appraiser to exist on the effective date of the assignment results but used for the purpose of the analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions or trends; or about the integrity of data used in an analysis. Hypothetical Conditions specific to this assignment include the following:

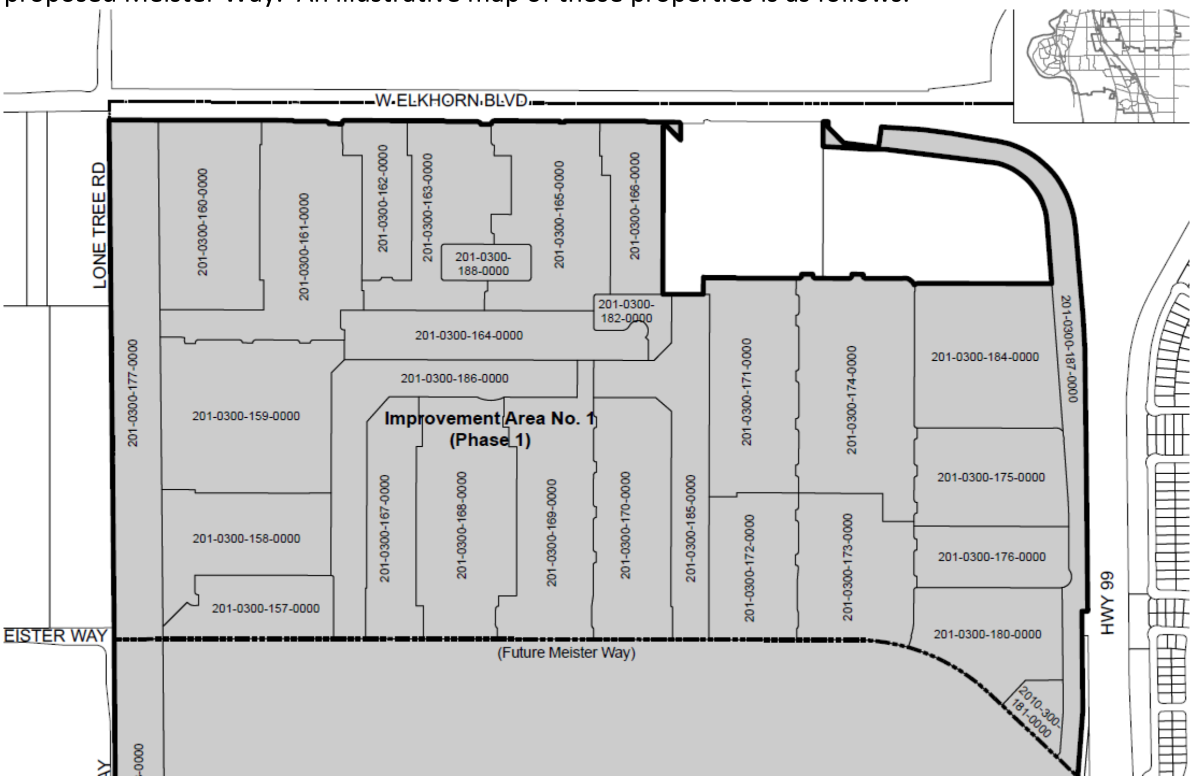
1. The opinion of market value as of the effective date of valuation is based on the hypothetical condition that Bonds for Greenbriar Community Facilities District (CFD) No. 2018-03, Improvement Area #1 had just been sold and the properties were encumbered by CFD Bonds supported by Special Taxes as descried herein. The opinion of market value accounts for the impact of the lien of the Special Tax securing the bond.

It is clearly noted that the use of Extraordinary Assumptions and Hypothetical Conditions might affect the assignment results.

PART 1 – INTRODUCTION

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject properties reflect the parcels identified within the Greenbriar Community Facilities District No 2018-3, Improvement Area #1, Phase 1. It is generally located along the western side of State Highway 99, south of Elkhorn Boulevard, east of Lone Tree Road (Private Road) and north of the proposed Meister Way. An illustrative map of these properties is as follows.



The subject encompasses a total land area of 273.4 acres generally allocated among 200.9 acres identified for the development of 1,137 residential lots, as well as 72.5 acres for non-revenue generating parcels. The parcels currently identified by the Sacramento County Assessor's Office within the Amended Boundary Map of Greenbriar Community Facilities District No. 2018-03, Improvement Area #1 include the following:

201-0300-157..177, 180, 181, 182, 184, 185, 186, 187, 188

The legal description was identified in the Preliminary Title Report prepared by First American Title Company, dated September 23, 2020. This description is lengthy, and a copy of this report is included in the addenda of this report.

The subject property is currently vested for development of the proposed uses identified in this report. This project identified as P11-083 was approved by the City of Sacramento in 2017 including the following:

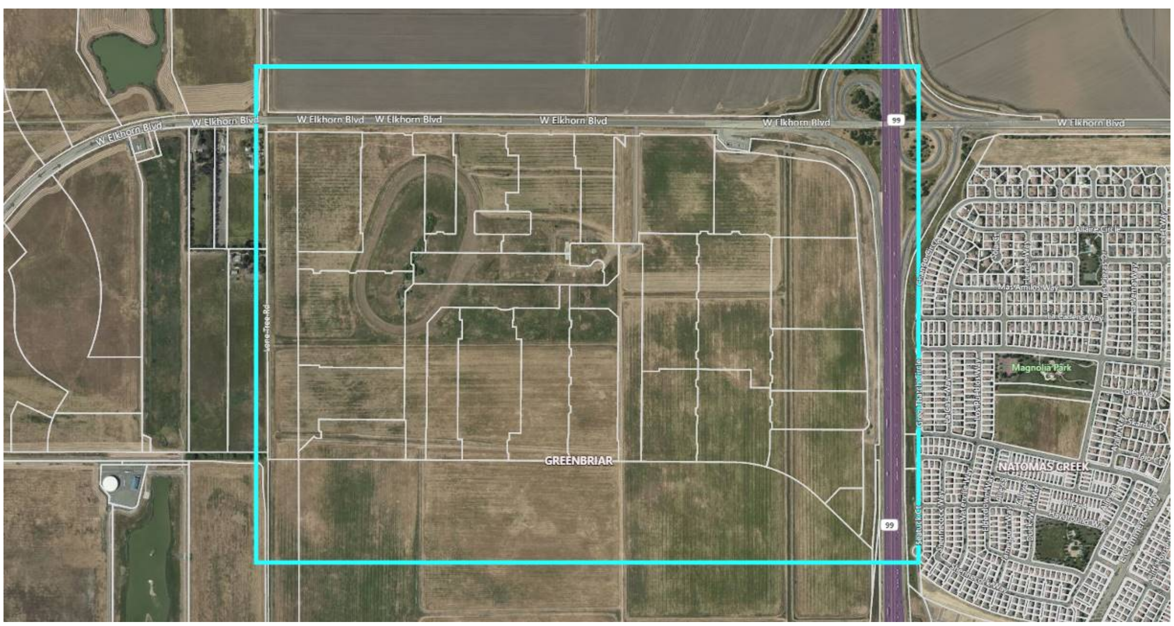
1) Certification of the Environmental Impact Report including adoption of the mitigation monitoring and reporting program;

2) Approval of the Development Agreement;
3) Adoption of the 2017 Greenbriar Financing plan;
4) Resolution Authorizing Building Permits and Multi-Unit Dwellings pursuant to Sacramento City Code Floodplain Management Regulations;
5) Directing the Greenbriar Development Impact Fees to be allocated to the North Natomas Regional Park;
6) Amending the General Plan Land Use and Urban Form Diagram to change land use designations for various parcels consistent with the development project;
7) Amending the zoning of the project;
8) Amending the Planned Unit Development Guidelines;
9) Approving the Mixed-Income Housing Strategy;
10) Approving the tentative map and project design with conditions of approval.

This project is fully vested for development from both a planning and environmental viewpoint. Since the time of this approval, site improvements have commenced on this project and the developer has recorded final maps and bonded for site improvements on the following villages.

Village 2B	Village 3B	Village 4B
Village 5A	Village 5C	Village 7A
Village 9	Village 11	
Village East	Village West	

An aerial depiction of this project is identified as follows.



SCOPE OF WORK

This appraisal report is prepared in conjunction with the 2020-2021 Uniform Standards of Professional Appraisal Practice as well as the Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (2004). Elements inherent with this process include the following:

1. Review of all documents provided to determine the purpose, intended use, and intended user of the appraisal report. Identify the appraisal problem and appropriate approaches to value necessary to provide credible results.

2. Complete a physical inspection of each of the properties from an exterior basis.

3. Research of the neighborhood, city and county factors was based on neighborhood analysis, information from local government sources, and data sources utilized by Smith & Associates, Inc. Through the research of this element along with meetings with city officials, the properties can be accurately described, and a market analysis conducted for each property type.

4. In developing the approaches to value, market data was used and verified. Data sources included in-house data files, brokers and agents, property owners, and other knowledgeable market participants. Further data is generated from the City of Sacramento as to the debt for all existing properties in the analysis.

5. Review and analyze all pertinent data to determine the subject's highest and best use. Steps 1-4 noted above were considered with particular emphasis placed on current market conditions and trends.

6. Assemble and analyze the data outlined above and opinions of value formulated. The sales comparison approach and the extraction method will be utilized to develop the individual value for finished lots for each product type (based on lot size). These revenues are utilized in conjunction with agents of production, including remaining site development costs (inclusive of reimbursements for Greenbriar CFD 2018-03, Improvement Area #1), as well as other expenses in a discounted cash flow to develop the bulk value for 1,137 residential lots.

7. Review the report for content and compliance with 2020-2021 USPAP, California Debt and Investment Advisory Commission (2004) and client requirements.

8. Preparation of an appraisal report with information presented to the client that is adequate to allow for an understanding of the appraisal process and the opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the intended use.

PROPERTY RIGHTS APPRAISED

The property rights appraised reflect the Fee Simple Interest. A definition of the individual property rights appraised is included in the Glossary contained in the Addenda of this appraisal report.

PURPOSE, INTENDED USE, AND INTENDED USER OF THE APPRAISAL

The purpose of this report is to provide an opinion of market value based on the hypothetical condition that as of the effective date of valuation, the Bonds had just been sold and the properties were encumbered by CFD Bonds supported by Special Taxes as described herein. The market value estimate accounts for the impact of the lien of the Special Tax securing the Bonds.

The intended use of this report is for bond underwriting purposes. The Client is the City of Sacramento. The intended users are the City of Sacramento and its associated finance team. The appraisal is not intended for any other use or user. No party or parties other than the City of Sacramento and its associated finance team may use or rely on the information, opinions, and conclusions contained in this report.

Two definitions cited in the Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (2004) are illustrated below as they are pertinent in the analysis of this property.

> **Retail Value** is defined as the price an end user, namely a homeowner or business owner, would pay for a home or completed buildings under the conditions requisite to a fair sale.
>
> **Bulk Sale Value** is the most probable price, in a competitive market, for the sale of all parcels with a tract or development project, to a single purchaser or to multiple buyers, discounted to present value. The bulk sale value reflects the necessary time to sell the land (the absorption period), the cost of developing the land, and the developer’s profit from the project.

DEFINITION OF MARKET VALUE

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States.

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgably, 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:

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

(12 C.F.R. Part 34.42(g); 55 Federal Register 54696, August 24, 1990, as amended at 57 Federal Register 12201, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

OWNERSHIP AND HISTORY OF THE PROPERTY

Title to the subject property is vested in The Greenbriar Project Owner, LLC, a Delaware Limited Liability Company. Upon review of Sacramento County public records, there have been no transfers of ownership for the subject property in the past three years.

In addition, it was identified that the entire property (1,137 Residential Lots) is under contract to be sold to Lennar Homes of California, Inc. A copy of this agreement was not provided for review in preparation of this assignment. An affiliate of Lennar, Len-Land West, LLC, owns a majority interest in the developer of this project (Integral Communities operating as The Greenbriar Project Owner LLC) and significant interest in the property where the developer is using to fund the backbone infrastructure on this property. There is no material impact on value as it reflects a non-arm's length transaction. The buyer for this property reflects a related party to the developer of this project.

Ultimately, this property will transfer to Lennar Homes in takedowns between December 2020 through 2025. This element includes 145 lots in December 2020, with an additional takedown of 84 lots per quarter.

No other sale or transfer of ownership has occurred within the past three years and no other offerings or contracts encumber the individual project areas.

PART 2 – LOCATION AND PROPERTY DESCRIPTIONS

REGIONAL DESCRIPTION

The Sacramento region is comprised of four counties, which include Sacramento, El Dorado, Placer and Yolo Counties. The region encompasses approximately 5,361 square miles from the Sacramento River Delta to the Sierra Nevada Mountain Range. At the center of this region is the City and County of Sacramento that includes approximately 1,105 square miles near the middle of the 400-mile long central valley. The region is the north-central part of California, approximately 382 miles north of Los Angeles, 273 miles south of the Oregon border, and 85 miles northeast of San Francisco.

Geography, Climate, & Seismic Conditions

The topography of the region ranges from relatively flat land along the valley floor to steep mountain terrain. Elevations range from 15 feet below sea level near the Sacramento/San Joaquin River Delta to 10,000 feet above sea level at the summit of the Sierra Nevada Mountains. The American River and the Sacramento River are the two major waterways in the region. The American River flows from the east and travels west along the southern portion of the Sacramento Metropolitan Statistical Area (MSA) and joins the Sacramento River just north of Old Sacramento. The Sacramento River flows from the north and heads south along the west side of the area and marks the western boundary of the region.

The climate of Sacramento is warm and dry in the summer with an average daytime temperature of 91°F, and a cool 58°F at night. During winter months, temperatures range from 36°F to 61°F. Due to the Sierra Nevada Mountains, the region has adequate water supply during summer months and is shielded from snowstorms in the winter. During the rainy season, November through April, an accumulation of 17 to 18 inches is the norm. Besides the relatively mild climate, the area is known for its stable seismic conditions. According to information published by the California Department of Mines and Geology, in accordance with the Alquist-Priolo Special Studies Zone Act of 1972, there are no areas within the Sacramento region identified as a special fault-hazard zone. Unlike the Bay Area and Los Angeles, Sacramento and adjoining cities rank among the lowest in the state for the probability of a major earthquake. This factor has attributed to job growth and expansion into the area.

Transportation

The region's strategic location in Northern California makes it easy to access other Western cities. The metropolitan area includes four major freeways, which converge in Sacramento, including two of the nation's most vital interstate routes. Interstate 5 runs from Canada to Mexico, and Interstate 80 stretches from the Atlantic Ocean in New York City, to the Pacific Ocean in San Francisco. They link up in Sacramento with State Highway 99, which parallels Interstate 5 throughout the length of California, and US Highway 50, which connects the capital with Lake Tahoe, and extends to the east coast.

By rail, intercity commuter rail service is throughout the region, with the hub of freight operations located in Roseville. In 1998, Union Pacific made its western headquarters in Roseville. The Roseville headquarters is among the largest and most modern rail systems in the western United States. Rail service is available near the subject location, however, there are no spurs identified within the immediate vicinity for heavier distribution users.

Sacramento International Airport is served by several commercial airlines. The 30-year-old airport is located just off Interstate 5, about a 15 minute drive northwest of downtown. The total number of passengers has drastically increased since the arrival of Southwest Airlines in 1991 and its discounted fares. Passenger travel peaked in 2007 with 10.7 million passengers but declined to 8.9 million passengers in 2009. A large construction occurred at Sacramento International Airport with the modernization of Terminal B. This project broke ground in June 2008 and was completed in 2011. Sacramento County officials reduced the budget to $1.08 billion from $1.3 billion by eliminating plans for a parking garage and hotel. The project includes an automatic train system and a new central terminal building and concourse that will be more than 670,000 square feet, or three times the size of the current Terminal B. However, airlines abruptly suspended service as traffic was down 90% in April 2020 due to the Covid-19 pandemic.

Sacramento is linked to the Pacific Ocean by a 42-mile deep-water ship channel into San Francisco Bay. The inland Port of West Sacramento is located 79 nautical miles northeast of San Francisco and is centered in one of the richest agricultural and industrial regions in the world.

Population

The Sacramento region experienced growth over the past ten years from 2,149,126 in 2010 to the current 2020 estimate (State of California Department of Finance) of 2,347,008. The following table represents the total population increase in the Sacramento region based on census figures, as well as estimates compiled by the State of California Department of Finance.

COUNTY	2000 (CENSUS)	2010 (CENSUS)	2019 POPULATION (ESTIMATES)	2020 POPULATION (ESTIMATES)	% CHANGE 2019-2020
Yolo	168,660	200,848	220,896	221,705	0.4%
El Dorado	156,299	181,058	190,018	193,227	1.7%
Placer	248,399	348,432	396,978	403,711	2.0%
Sacramento	1,233,499	1,418,788	1,541,301	1,555,365	0.9%
Total Region	**1,806,857**	**2,149,126**	**2,349,193**	**2,374,008**	**1.1%**
State of California	33,873,086	37,253,956	39,695,376	39,782,870	0.2%

Source: State of California Department of Finance

There is continued population growth in the region, albeit at slower rates than identified in the earlier part of the decade. The region has increased by approximately 224,882 residents since the 2010 census or total population growth of 10.5% over this time frame. This is slightly higher than the entire State of California showing a total growth rate of 6.8% over the same period. In addition, population growth was slight for the region over the past year represented by the 1.1% increase noted above the levels identified in the 2019 estimates.

Local Economy/Job Formation

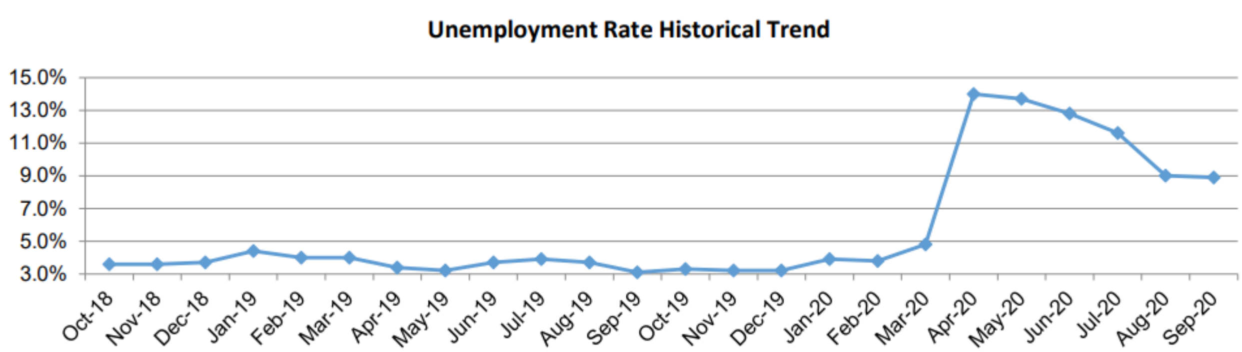
The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 8.9 percent in September 2020, down from a revised 9.0 percent in August 2020, and above the year-ago estimate of 3.1 percent. This compares with an unadjusted unemployment rate of 10.8 percent for California and 7.7 percent for the nation during the same period. The unemployment rate was 7.5 percent in El Dorado County, 7.1 percent in Placer County, 9.8 percent in Sacramento County, and 7.1 percent in Yolo County. Unemployment rates spiked in 2020 due to the Covid-19 pandemic. However, recent trends show decreasing rates of unemployment with recovery in jobs.

The total labor force for the region is currently identified at 1,077,600 workers, with 981,800 currently employed. The following table illustrates historic employment for the entire region since 2000. It is noted that these numbers vary slightly to the previous numbers as they are not seasonally adjusted.

YEAR	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	RATE
2020*	1,077,500	981,800	95,800	8.9%
2019	1,104,600	1,069,600	35,000	3.2%
2018	1,111,000	1,071,600	39,300	3.5%
2017	1,080,900	1,032,000	48,900	4.5%
2016	1,073,600	1,017,300	56,300	5.2%
2015	1,060,200	998,100	62,100	5.9%
2014	1,050,800	976,100	74,700	7.1%
2013	1,049,100	958,200	90,900	8.7%
2012	1,049,500	941,300	108,200	10.3%
2011	1,045,200	921,300	123,600	11.8%
2010	1,049,800	920,100	129,700	12.4%
2009	1,051,200	937,100	114,200	10.9%
2008	1,045,300	971,000	74,200	7.1%
2007	1,036,200	981,000	55,200	5.3%
2006	1,022,800	974,900	47,900	4.7%
2005	1,012,000	962,600	49,400	4.9%
2004	998,300	943,700	54,700	5.5%
2003	983,700	927,200	56,400	5.7%
2002	965,000	911,900	53,100	5.5%
2001	935,300	893,400	41,900	4.5%
2000	910,000	871,000	39,000	4.3%

Source: State of California Employment Development Department. YTD information through September 2020.

Historic changes in the unemployment rate are depicted on the following chart.



The information above identifies changes in the employment market in the Sacramento region, especially noted over the past year. As of September 2020, the total employment was identified at 981,800 jobs. Between March 2020 and April 2020, total job losses were approximately 153,000 jobs. Since this time, jobs are re-absorbed back into the workforce, but not at levels noted by year-end 2019. While total job losses are projected to be short-lived, this element shows the reality of the current market environment due to COVID-19.

Housing

The Sacramento region housing market is showing a strong home market as of the effective date of valuation. The table below shows the median home pricing for the four-county region according to the California Association of Realtors, including comparisons from the past two years.

AREA ALL HOMES	MEDIAN PRICE SEPT. 2018	MEDIAN PRICE SEPT. 2019	MEDIAN PRICE SEPT. 2020	%Δ 18-20	%Δ 19-20
Yolo	$470,000	$453,500	$530,000	12.8%	16.9%
El Dorado	$465,000	$489,900	$588,000	26.5%	20.0%
Placer	$475,000	$495,000	$530,000	11.6%	7.1%
Sacramento	$372,000	$385,000	$439,000	18.0%	14.0%
CALIFORNIA	**$578,420**	**$605,680**	**$712,430**	**23.2%**	**17.6%**

Home prices in California, as well as the Sacramento region have been unaffected by influences from Covid-19. This is noted by gains in pricing over the past year ranging from 7.1% to 20.0% in the four-county region. At the beginning of the Covid-19 pandemic between March 2020 and May 2020, pricing in these regions dropped. However, starting in June 2020, home prices escalated which have resulted in the pricing as of September 2020 as depicted in the table above. Monthly changes in pricing for these counties, as well as California on an overall basis as derived from the California Association of Realtors is noted below.

Mon-Yr	CA	El Dorado	Placer	Sacramento	Yolo
Jan-20	$575,160	$442,120	$493,000	$379,000	$431,240
Feb-20	$579,770	$465,000	$509,000	$398,500	$447,500
Mar-20	$612,440	$507,500	$500,000	$400,000	$463,500
Apr-20	$606,410	$500,000	$510,000	$400,000	$460,820
May-20	$588,070	$535,000	$515,000	$395,000	$443,000
Jun-20	$626,170	$510,000	$515,000	$417,000	$475,000
Jul-20	$666,320	$550,000	$550,000	$422,740	$505,000
Aug-20	$706,900	$570,000	$538,750	$425,000	$525,500
Sep-20	$712,430	$588,000	$530,000	$439,000	$530,000

Despite the recessionary environment and economic shutdown of the economy as a direct cause of Covid-19, the housing market has emerged to levels that are better than before the crisis began in mid-March 2020. Pricing is beginning to increase significantly, and sales have resumed a pattern of robust activity. This is likely attainable for the long-term as the economy rises out of a recession and interest rates remain low.

Current levels of inventory are low, and pricing is trending upward. This element has influenced new home building which is surfacing throughout the region. It also has influenced the resale market. The following table shows the total number of homes sold in each county according to Metrolist since 2014. Home prices are shown in terms of median price.

COUNTY	2014	2015	2016	2017	2018	2019	2020 YTD	ACTIVE
Sacramento	15,807	17,570	20,069	19,672	19,112	18,410	14,125	1,281
Placer	5,766	6,150	6,563	6,573	6,174	6,213	5,342	598
El Dorado	2,548	2,531	2,838	2,909	2,815	2,616	2,675	413
Yolo	1,718	1,680	2,002	1,990	1,757	1,783	1,455	182
Totals	**25,118**	**27,931**	**31,472**	**31,144**	**29,858**	**27,022**	**23,597**	**2,474**
COUNTY	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 YTD**	**ACTIVE**
Sacramento	$265,000	$285,000	$303,000	$329,000	$354,500	$366,975	$400,000	$460,000
Placer	$367,000	$391,250	$419,000	$445,000	$470,000	$489,500	$515,000	$651,400
El Dorado	$365,000	$405,000	$425,000	$457,000	$497,500	$495,000	$520,000	$645,000
Yolo	$325,000	$375,000	$380,000	$409,301	$429,000	$449,000	$470,500	$549,450
MEDIAN SF	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 YTD**	**ACTIVE**
Sacramento	1,512	1,517	1,514	1,494	1,523	1,542	1,557	1,675
Placer	1,925	1,951	2,002	1,983	2,000	2,004	2,026	2,470
El Dorado	1,980	2,021	2,025	2,040	2,048	2,085	2,109	2,329
Yolo	1,616	1,642	1,620	1,643	1,590	1,640	1,710	1,758
MEDIAN $/SF	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 YTD**	**ACTIVE**
Sacramento	$175.26	$187.87	$200.13	$220.21	$232.76	$237.99	$256.90	$274.63
Placer	$190.65	$200.54	$209.29	$224.41	$235.00	$244.26	$254.20	$263.72
El Dorado	$184.34	$190.95	$209.88	$224.02	$242.92	$237.41	$246.56	$279.94
Yolo	$201.11	$228.38	$234.57	$248.97	$269.81	$273.78	$275.15	$312.54

Source: Metrolist, Active information processed as of October 26, 2020.

According to this information, pricing is trending upward. The following table shows changes for each individual county, as well as total inventory of homes.

COUNTY	2019 PRICING (ANNUALIZED)	2020 PRICING (As of 10-26-2020)	% CHANGE	ACTIVE INVENTORY	SALES RATE/ TOTAL INVENTORY
Sacramento	$366,975	$400,000	9.0%	1,281	1,400/Mo. - 0.9 Months
Placer	$489,500	$515,000	5.2%	598	530/Mo. - 1.1 Months
El Dorado	$495,000	$520,000	5.1%	413	260/Mo. - 1.6 Months
Yolo	$449,000	$470,500	4.8%	182	140/Mo. - 1.3 Months
Totals				**2,474**	**2,330/Mo. - 1.1 Months**

Source: Metrolist, Active information processed as of October 26, 2020.

The median home price is trending upward in all four counties noted above. All areas are above 2019 annualized indicators ranging from 4.8% to 9.0%. Inventory levels in the resale market are stable with 2,330 homes on the market as of October 26, 2020 representing approximately 1.1 months of inventory. This is a positive element, especially for the addition of new housing units.

The average price of a new home ranges from $350,829 (Sutter County) to $696,713 (El Dorado County) in the Sacramento region by the end of 3rd Quarter 2020. According to the Gregory Group (New Housing Trends), 3rd Quarter 2020, the historic average pricing for the Sacramento region are identified on the following table. Sutter and Yuba counties are included for the purpose of this analysis as defined by the Gregory Group.

COUNTY	3Q 2018	3Q 2019	3Q 2020	%Δ 18-20	%Δ 19-20
El Dorado County	$712,003	$689,529	$696,713	-2.1%	1.0%
Placer County	$546,323	$561,823	$561,708	2.8%	N/A
Sacramento County	$480,772	$490,542	$510,907	6.3%	4.2%
Yolo County	$587,331	$536,563	$600,934	2.3%	12.0%
Sutter County	$343,743	$304,000	$350,829	2.1%	15.4%
Yuba County	$349,078	$356,152	$389,559	11.6%	9.4%
REGIONWIDE	**$530,625**	**$522,595**	**$541,243**	**2.0%**	**3.6%**

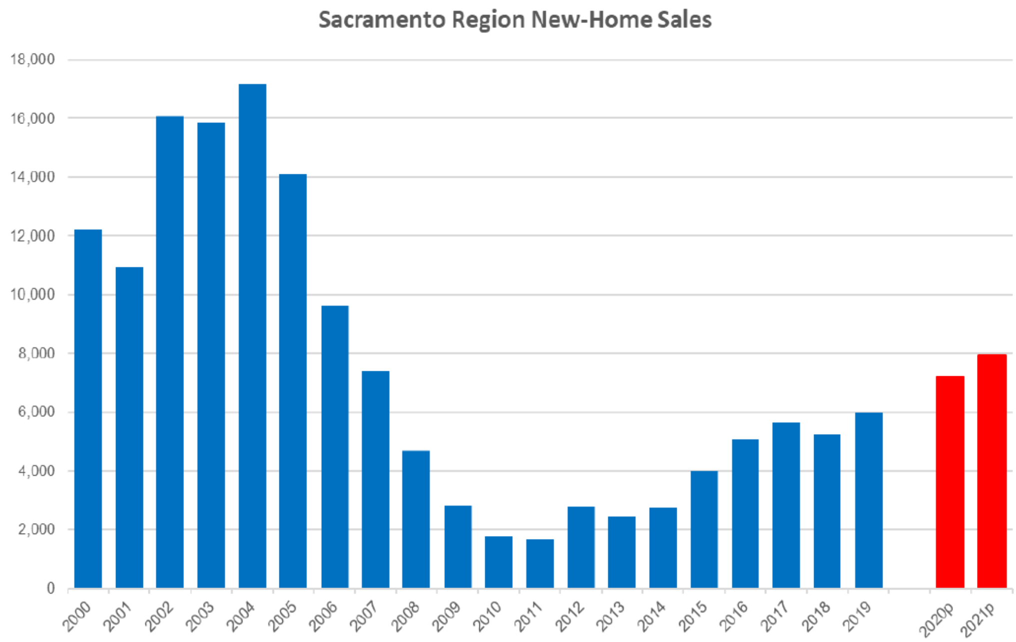
Pricing changes from 2018 to 2020 (3rd quarter), as well as changes over the past year are identified on the table above. This information shows that pricing has increased in the entire region by 2.0% since the 2nd Quarter of 2018 through the 2nd Quarter of 2020. The region appears to be stable in terms of pricing as indicated by the year-over-year change in new home pricing at 3.6% on an overall basis. Altogether, there were 2,739 new homes sold in the Sacramento region during 2014. This element has slowly increased 2017 sales. To date, total sales in the region is identified at 5,422 sales, on pace to meet or exceed total sales noted in 2019. Total sales in 3Q 2020 was identified at 2,243 sales following 1Q 2020 sales at 1,846 total sales and 2Q sales at 1,333 total sales.

COUNTY	2014	2015	2016	2017	2018	2019	2020 (3Q)
El Dorado County	183	351	559	637	328	259	293
Placer County	1,048	1,503	1,643	1,866	1,676	1,592	1,647
Sacramento County	1,258	1,793	2,327	2,540	2,674	3,220	2,646
Sutter County	8	13	27	92	109	92	79
Yolo County	169	199	409	464	278	505	437
Yuba County	73	127	122	54	169	328	320
REGIONWIDE	**2,739**	**3,986**	**5,087**	**5,653**	**5,234**	**5,996**	**5,422**

Source: The Gregory Group, 3rd Quarter 2020

The subject property is located in the Sacramento County market area which has seen an increase of over 100% in terms of total sales since 2014. Total sales through the end of 2019 were at high points with 5,422 total sales noted through the Q3 2020. New home sales are stable as of the effective date of valuation and are well on pace to reflect the highest levels in the past ten years.

According to the Absorption Study dated October 2020 as prepared by the Gregory Group, total sales are on pace to reach 7,229 total sales for 2020 and projected at 7,951 for 2021. These elements are depicted on the following chart.



Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
New-Home Sales:	1,776	1,668	2,782	2,458	2,739	3,986	5,087	5,663	5,234	5,995	7,229	7,951
Percent Change:	-37.5%	-6.1%	66.8%	-11.6%	11.4%	45.5%	27.6%	11.3%	-7.6%	14.5%	20.6%	10.0%

Leisure Activities

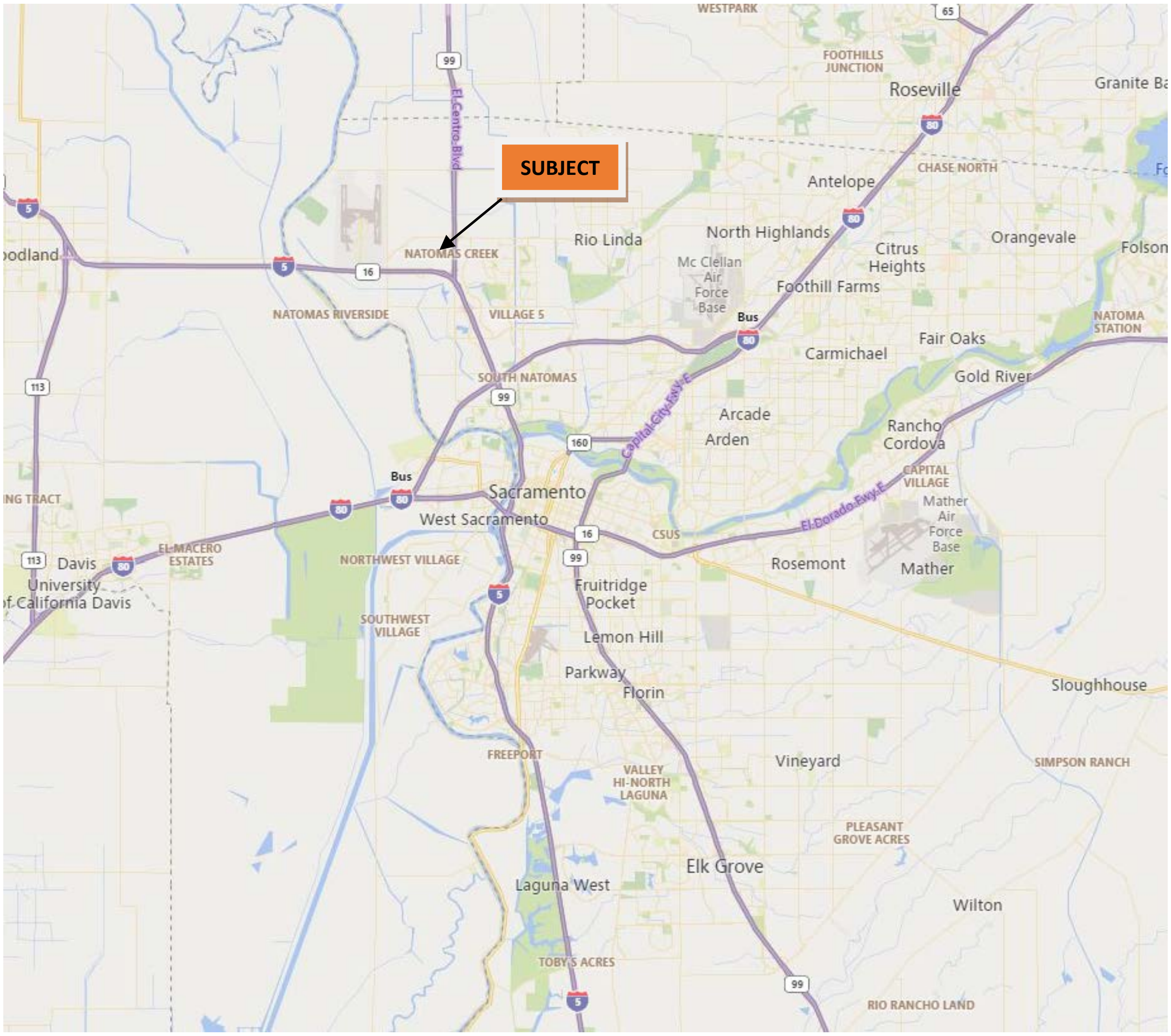
For leisure activities, Sacramento's best asset is its location. The city makes a good base camp to sample the sights of Northern California. San Francisco, Lake Tahoe, Yosemite National Park, the Napa Valley, Monterey Bay, and historic towns of the gold rush era are all within a few hours by car. In Sacramento itself there are the Kings of the National Basketball Association, professional opera and ballet companies, a symphony orchestra and the West's oldest public art museum. Mild weather makes most outdoor sports available year-round, including tennis, golf, boating and bicycling. With picturesque Gold Rush-era towns dotting the foothills east of Sacramento, and with the majestic Sierra Nevada beckoning skiers, backpackers, boaters, and anglers, it is easy to understand the Sacramento appeal to tourists. About 20 percent of Sacramento's visitors came to town while vacationing, 17 percent were visiting friends and relatives, and 20 percent were passing through. The construction and subsequent opening of the Golden One Center in Downtown Sacramento in 2016 has had a positive impact on tourism in the region.

Still, with COVID-19 implications, many of the leisure activities are on pause. Outdoor activities are ongoing, but retail tourism and indoor activities are operating at less than capacity.

Conclusion

The Sacramento region enjoys a favorable location, central within California and the West Coast. All forms of transportation are well developed and easily accessible. The work force is relatively stable, educational facilities are abundant, and the generally favorable government attitude allows the area to be attractive to both individuals and corporations. Still the overall impact of COVID-19 on the overall economy is influencing this region as of the effective date of valuation. The economy contracted quickly and is in a recessionary period, primarily based on job losses. Still, this is projected to be short-lived as businesses were opening and many workers returning back to their jobs. However, the economy just like real estate markets are more volatile in this current climate and may change more rapidly and significantly compared to more normalized market conditions.

REGIONAL MAP



AREA DESCRIPTION

The subject property is located in the northern portion of the City of Sacramento in the Natomas area. It is a part of a development project which includes mixed-use residential and commercial development centered on common lake/detention basin northwest of the interchange of Interstate 5 and State Route 70/99 in the North Natomas Area of Sacramento. It is generally north of the North Natomas Community plan area and east of Sacramento International Airport and Metro Air Park.

The immediate area lies at the northernmost border of the City of Sacramento. Land uses north of the subject property as well as to the west are under Sacramento County jurisdiction including the airport and Metro Air Park. This region just west of the subject is a growth area for industrial development in the region based on proximity to the airport. It was approved in 1993 to allow development of approximately 1,893 acres for light manufacturing, distribution, airport related, high-tech/R&D, office, hotel, and limited support retail development along with land to accommodate drainage and wildlife concerns. Development in this region was subject to more than one economic cycle but has emerged with larger development patterns in the past few years. Amazon emerged in 2016 and occupied an 855,000 square foot distribution center in late 2017. Other development includes 128 acres sold to NorthPoint Development LLC to move into the region, and plans are underway for a 97-room Candlewood Suites. Furthermore, a building permit was approved for a 1.15 million-square foot distribution center in 2019 for a building believed to be for Walmart (Sacramento Business Journal, May 7, 2020). The expansion and ongoing construction of a freeway offramp serving this facility should further enhance the overall desirability of this facility. Development provides demand generators for the subject property based on the overall location with the addition of jobs to the region.

North Natomas is a major employment center for the Sacramento region with multiple office and light industrial employment centers. The majority of North Natomas jobs are either in office or industrial sectors. Northgate Industrial Park, located in the south portion of the Panhandle, provides light industrial and manufacturing jobs for North Natomas and regional employees. There is a cluster of office parks along Interstate 5 and Arena Boulevard that provide jobs for North Natomas and regional employees. Unlike other area of Sacramento that have large federal and state employment centers, only a small amount of North Natomas jobs are in the public sector. The jobs-to-housing ratio is relatively balanced with 1.2 jobs for every housing unit in the incorporated area. The Downtown-Natomas-Airport (DNA line) will eventually link the employment centers and the airport to the greater Sacramento area.

In 2018, Centene, a health insurer and Fortune 100 member, signed a lease with Houston-based Hines Securities for a new five-building, 1.25-million-SF campus; Phase I is under construction. The approximately 70-acre site is located between Interstate 5 and E Commerce Way, adjacent to Sleep Train Arena. To lure St. Louis-based Centene, the City of Sacramento approved a $13.5 million incentive package, based on the company creating 5,000 jobs and 1,500 net new jobs. Other development in the region includes the recent completion of the Amazon fulfillment center in the Metro Air Park employing approximately 1,500 workers. Other major employers in the Natomas area include the corporate headquarters for Sutter Health, the California Farm Bureau, and multiple agencies of the State of California. At present, there is a total of 6.8 million square feet of office space in the combined north and south Natomas areas housing 25,000 office workers.

North Natomas has local-serving retail plazas, the regional-scale retail center, Natomas Marketplace, and the Promenade located at the corner of Truxel Road and Interstate 80, which serves the retail goods and services needs of North Natomas, South Natomas, and North Sacramento, as well as the region.

Other key features in the area include the Sleep Train Arena Sports complex, former home to the NBA's Sacramento Kings and is the site of other sports, cultural, and entertainment events. This facility has remained vacant since the Kings relocated to Downtown Sacramento in 2016 and is viewed as a "large-scale" redevelopment project.

Residential development flourished in this area starting with the development of Natomas Park. Over 5,000 homes have been constructed in this master planned community, to the point where vacant land for residential uses is diminishing in this area. However, this area in not immune from the contraction in the housing market, which has impacted resale pricing as well as the new home markets.

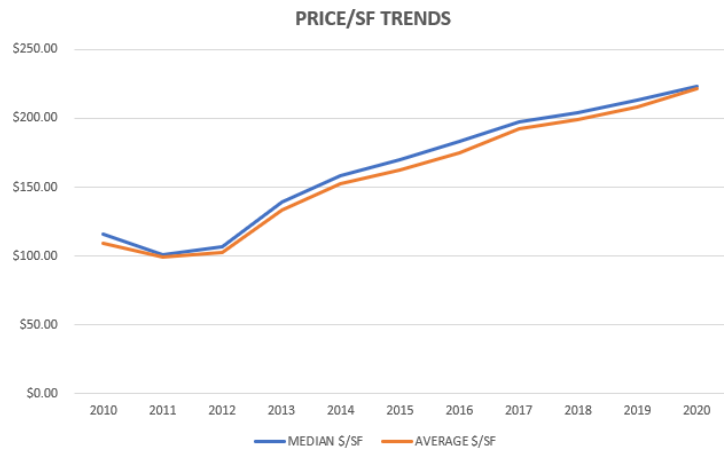
Another variable that influenced building in the region was the decertification of the flood areas in North Natomas in December 2008. At this time, the Federal Emergency Management Agency (FEMA) issued new flood risk maps for the Natomas region. These maps moved Natomas from a moderate risk "X" flood zone to a higher risk "AE" flood zone – a change that triggered the federal flood insurance requirement. This change was in response to a major levee upgrade for the region at a total estimated cost of $618 million. This created a de-facto building moratorium. More specifically, if residential projects in the area did not pull building permits (prior to December 2008), they would not be issued. FEMA changed the flood boundaries for this property to A99, within the 100-year flood with the map issued in June 2015. Development of residential and commercial properties generally started up again in 2016.

These flood elements were not necessarily bad news with respect to home development. At this time, the market was entering a recession as new home prices were driven downward as demand disappeared. Foreclosures entered the market, to the point of an over-supply from 2009-2011, but it appears that these additional inventory units have been absorbed.

The housing market in the local area is also trending upward. The North Natomas region has re-emerged as an entry-level and first move-up housing market. Local sales trends are examined for this property with the use of Metrolist. Information on the table below is predicated on information for Zip Codes 95834 and 95835. Sales trends are examined for this region since 2010 and noted on the following table.

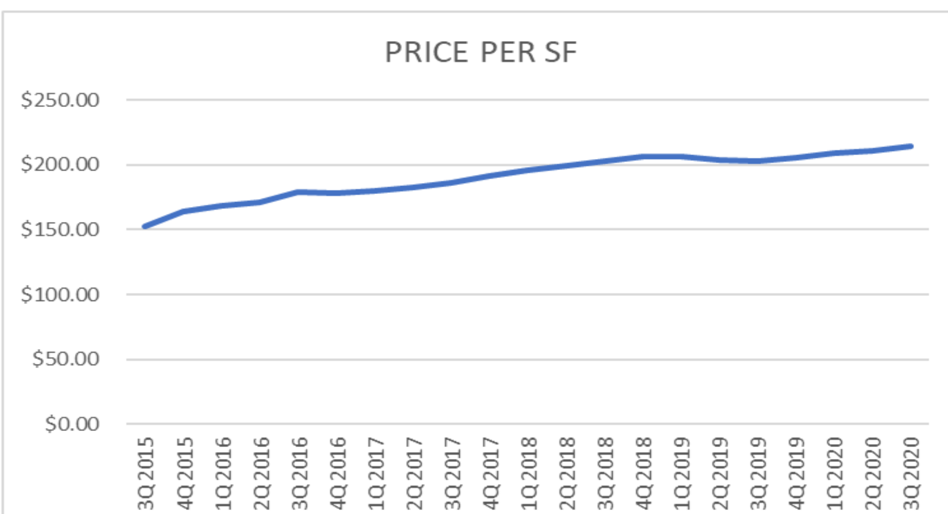
YEAR	#	MEDIAN PRICE	MEDIAN SF	MEDIAN $/SF	% CHANGE	AVG. PRICE	AVG. SF	AVG. $/SF	% CHANGE
2010	1,324	$210,000	1,815	$115.70	--	$210,849	1,931	$109.19	--
2011	1,424	$180,000	1,792	$100.45	-13.2%	$187,872	1,901	$98.83	-9.5%
2012	1,427	$200,000	1,871	$106.89	6.4%	$202,946	1,981	$102.45	3.7%
2013	1,104	$250,500	1,796	$139.48	30.5%	$258,082	1,937	$133.24	30.1%
2014	1,041	$285,000	1,800	$158.33	13.5%	$292,407	1,922	$152.14	14.2%
2015	1,094	$304,750	1,796	$169.68	7.2%	$309,738	1,908	$162.34	6.7%
2016	1,178	$325,000	1,769	$183.72	8.3%	$336,130	1,919	$175.16	7.9%
2017	1,132	$355,000	1,800	$197.22	7.3%	$362,919	1,885	$192.53	9.9%
2018	1,320	$381,000	1,869	$203.85	3.4%	$386,525	1,939	$199.34	3.5%
2019	1,168	$385,000	1,802	$213.65	4.8%	$396,317	1,901	$208.48	4.6%
2020 YTD	880	$415,000	1,859	$223.24	4.5%	$427,809	1,932	$221.43	6.2%
Active	44	$423,945	1,721	$246.34		$481,809	1,918	$251.20	

Source: Metrolist. YTD and Active information as of October 26, 2020.



Residential values have escalated in the immediate area. The main jump was from 2012 to 2013 as the median price increased 30.5% and the average price increased 30.1%. The median price has increased from 3.4% to 13.5%, per annum since this time with further increase of 4.5% in 2020 to the current median price of $415,000. The average price has increased from 3.5% to 14.2%, per annum since this time with further increase of 6.2% in 2020 to the current average price of $427,809. Both indicators tend to point to a price per square foot of approximately $221 to $223 per square foot. The current inventory of homes on the market is 44 homes, which reflects 0.5 months of existing supply (the pace of sales to liquidate current inventory) based on the 2020 rate of sales. This is favorable for new development as it is teetering on an under-supply of homes based on demand.

In addition, the North Natomas area includes several new home communities. There are currently 17 new home developments in North Natomas. According to information compiled by The Gregory Group (3Q 2020), these projects demonstrate an average net price of $399,525 with the average square footage identified at 1,866 square feet. The following table shows historic information for North Natomas based on information compiled by The Gregory Group dating back to 3Q 2015. This time frame is most applicable due to the lack of building caused by the flood zone elements discussed above.



Quarter	Number of Projects	Average Lot Size (SF)	Average Home Size (SF)	Average Net Price	Price Per SF	Quarterly Sold	Unsold Inventory	Unoffored Inventory	Abs. Rate Quarterly	Abs. Rate 12-Month
3Q 2015	3	3,533	2,194	$334,120	$152.29	30	11	146	3.1/Mo.	7.7/Mo.
4Q 2015	10	3,597	1,997	$327,724	$164.11	98	72	781	3.0/Mo.	6.2/Mo.
1Q 2016	10	3,442	1,997	$335,853	$168.18	123	40	690	3.8/Mo.	4.5/Mo.
2Q 2016	10	3,597	1,934	$331,005	$171.15	107	48	682	3.3/Mo.	4.3/Mo.
3Q 2016	14	3,382	1,892	$339,602	$179.49	123	71	1,103	2.7/Mo.	3.2/Mo.
4Q 2016	15	3,333	1,913	$340,802	$178.15	156	127	1,174	3.2/Mo.	4.1/Mo.
1Q 2017	16	3,511	1,935	$348,587	$180.15	211	86	1,084	4.0/Mo.	4.1/Mo.
2Q 2017	19	3,604	1,992	$363,310	$182.38	344	74	925	5.6/Mo.	4.5/Mo.
3Q 2017	21	3,857	2,019	$375,039	$185.75	249	185	733	3.6/Mo.	4.3/Mo.
4Q 2017	21	3,792	1,983	$378,995	$191.12	214	113	803	3.1/Mo.	3.9/Mo.
1Q 2018	22	3,757	1,972	$386,736	$196.11	252	102	852	3.5/Mo.	4.1/Mo.
2Q 2018	20	3,435	1,962	$391,823	$199.71	227	99	721	3.5/Mo.	4.2/Mo.
3Q 2018	20	3,356	1,964	$399,011	$203.16	236	104	585	3.6/Mo.	4.1/Mo.
4Q 2018	22	3,439	1,915	$396,024	$206.80	162	168	598	2.3/Mo.	3.8/Mo.
1Q 2019	23	3,421	1,921	$397,492	$206.92	229	186	435	3.1/Mo.	3.7/Mo.
2Q 2019	21	3,491	1,950	$396,855	$203.52	282	132	927	4.1/Mo.	4.1/Mo.
3Q 2019	21	3,071	2,018	$409,411	$202.88	245	144	716	3.6/Mo.	3.8/Mo.
4Q 2019	19	3,067	1,957	$402,341	$205.59	161	136	886	2.6/Mo.	3.4/Mo.
1Q 2020	20	3,154	1,950	$407,195	$208.82	260	147	1,054	4.0/Mo.	3.4/Mo.
2Q 2020	18	3,038	1,898	$400,034	$210.77	170	132	1,044	2.9/Mo.	3.3/Mo.
3Q 2020	17	3,096	1,866	$399,525	$214.11	226	55	955	4.1/Mo.	4.0/Mo.

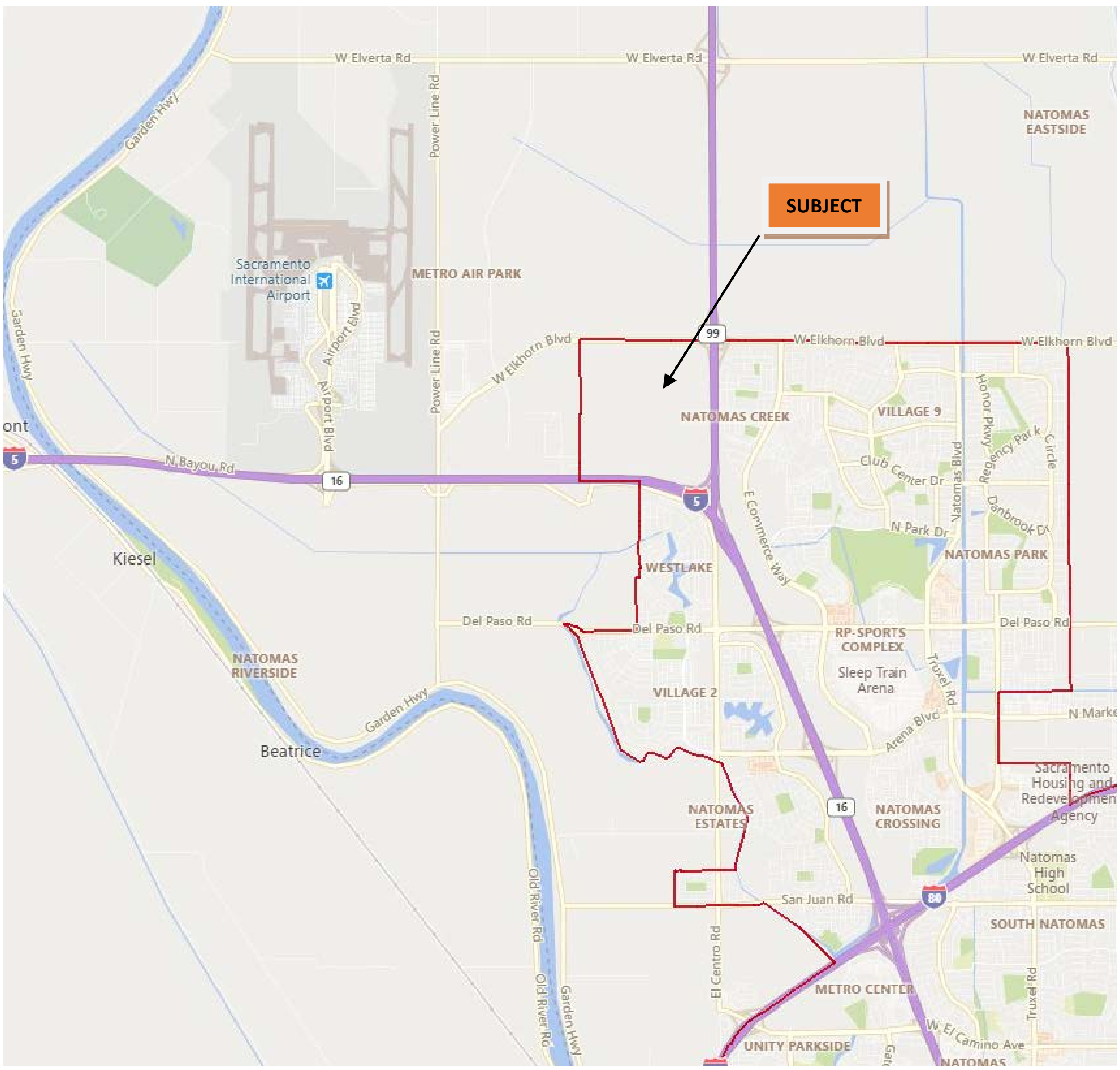
The Natomas submarket has re-emerged as a primary housing area of the Sacramento region. Total sales in this region, measured relative to Sacramento County, as well as the entire region are noted on the following table. This is based on information provided by the Gregory Group.

Quarter	Quarterly Sold (Natomas)	Quarterly Sold (Sacramento County)	Capture %	Quarterly Sold (Sacramento Region)	Capture %
3Q 2015	30	349	8.6%	805	3.7%
4Q 2015	98	494	19.8%	1,049	9.3%
TOTALS	**128**	**843**	**15.2%**	**1,854**	**6.9%**
1Q 2016	123	638	19.3%	1,352	9.1%
2Q 2016	107	555	19.3%	1,329	8.1%
3Q 2016	123	576	21.4%	1,207	10.2%
4Q 2016	156	558	28.0%	1,199	13.0%
TOTALS	**509**	**2,327**	**21.9%**	**5,087**	**10.0%**
1Q 2017	211	667	31.6%	1,541	13.7%
2Q 2017	344	896	38.4%	1,966	17.5%
3Q 2017	249	492	50.6%	1,053	23.6%
4Q 2017	214	485	44.1%	1,103	19.4%
TOTALS	**1,018**	**2,540**	**40.1%**	**5,663**	**18.0%**
1Q 2018	252	697	36.2%	1,448	17.4%
2Q 2018	227	693	32.8%	1,514	15.0%
3Q 2018	236	764	30.9%	1,290	18.3%
4Q 2018	162	520	31.2%	982	16.5%
TOTALS	**877**	**2,674**	**32.8%**	**5,234**	**16.8%**
1Q 2019	229	770	29.7%	1,457	15.7%
2Q 2019	282	960	29.4%	1,698	16.6%
3Q 2019	245	755	32.5%	1,428	17.2%
4Q 2019	161	735	21.9%	1,413	11.4%
TOTALS	**917**	**3,220**	**28.5%**	**5,996**	**15.3%**
1Q 2020	260	944	27.5%	1,846	14.1%
2Q 2020	170	634	26.8%	1,333	12.8%
3Q 2020	226	1,068	21.2%	2,243	10.1%
TOTALS	**656**	**2,646**	**24.8%**	**5,422**	**12.1%**

The Natomas sub-market has shown annualized sales between 509 and 1,018 sales per annum since 2016. Data for 2015 is based on two quarters and reflects the time period when building commenced in the region after several years of no activity. Furthermore, year-to-date sales are noted at 656 sales through the third quarter of 2020. Average annual sales in the Natomas sub-market from 2016 to 2019 equate to 830 sales per annum. This is somewhat skewed with 2016 data as projects were just coming back online. The region tends to support between 800 and 1,000 sales per annum.

Conclusion

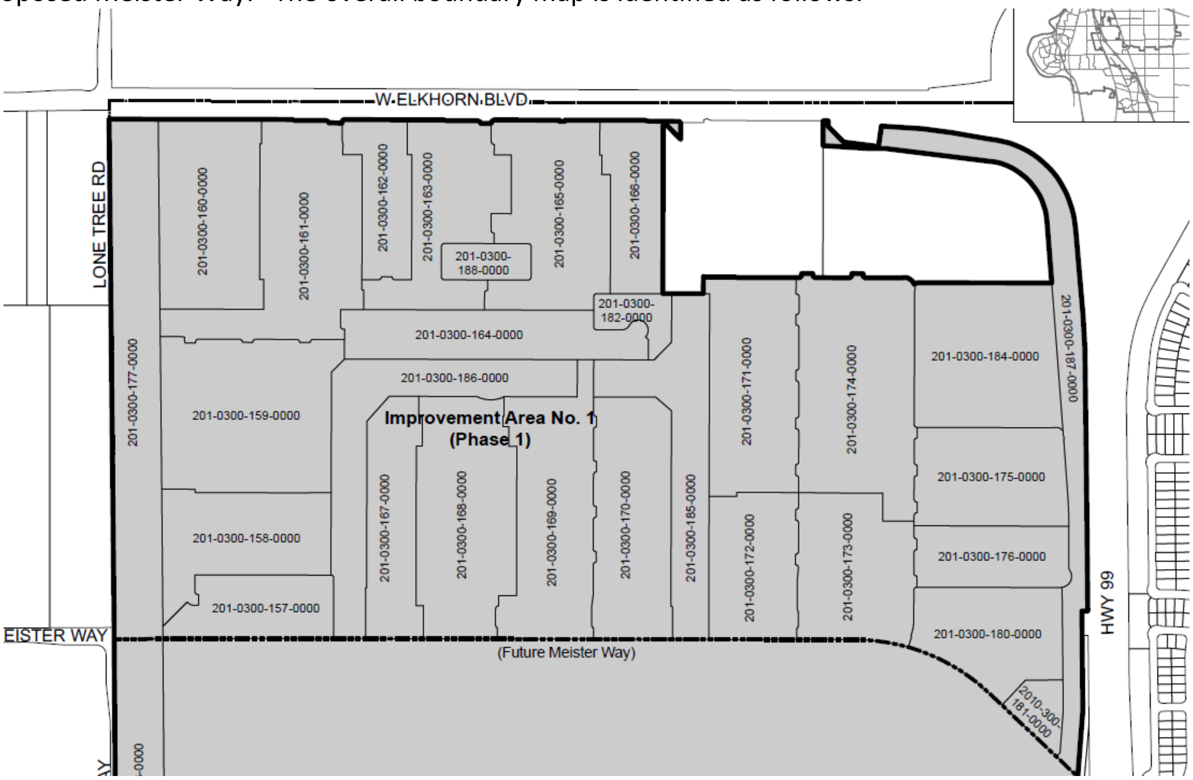
Overall, the immediate area is carefully planned to facilitate long term growth. Now that growth restrictions have been lifted, long-term growth is likely in the region. The addition of Centene to the region, as well as the development of Metro Air Park provide demand generators for housing. The subject site is a premier development site for the Natomas region, as well as the overall region as a whole. The overall rating of this region is growing with a favorable outlook into the foreseeable future.



SITE DESCRIPTION

Location

The subject properties reflect the parcels identified within the Greenbriar Community Facilities District No 2018-3, Improvement Area #1, Phase 1. It is generally located along the western side of State Highway 99, south of Elkhorn Boulevard, east of Lone Tree Road (Private Road) and north of the proposed Meister Way. The overall boundary map is identified as follows.



APN/Legal Description

The subject properties are identified by the Sacramento County Assessor as numerous parcels. The overall descriptions are based on those identified from the Assessor's office, as well as review of the preliminary title report provided by First American Title Company, dated September 23, 2020. The total parcels identified in this project area are generally identified as follows.

201-0300-157..177, 180, 181, 182, 184, 185, 186, 187, 188

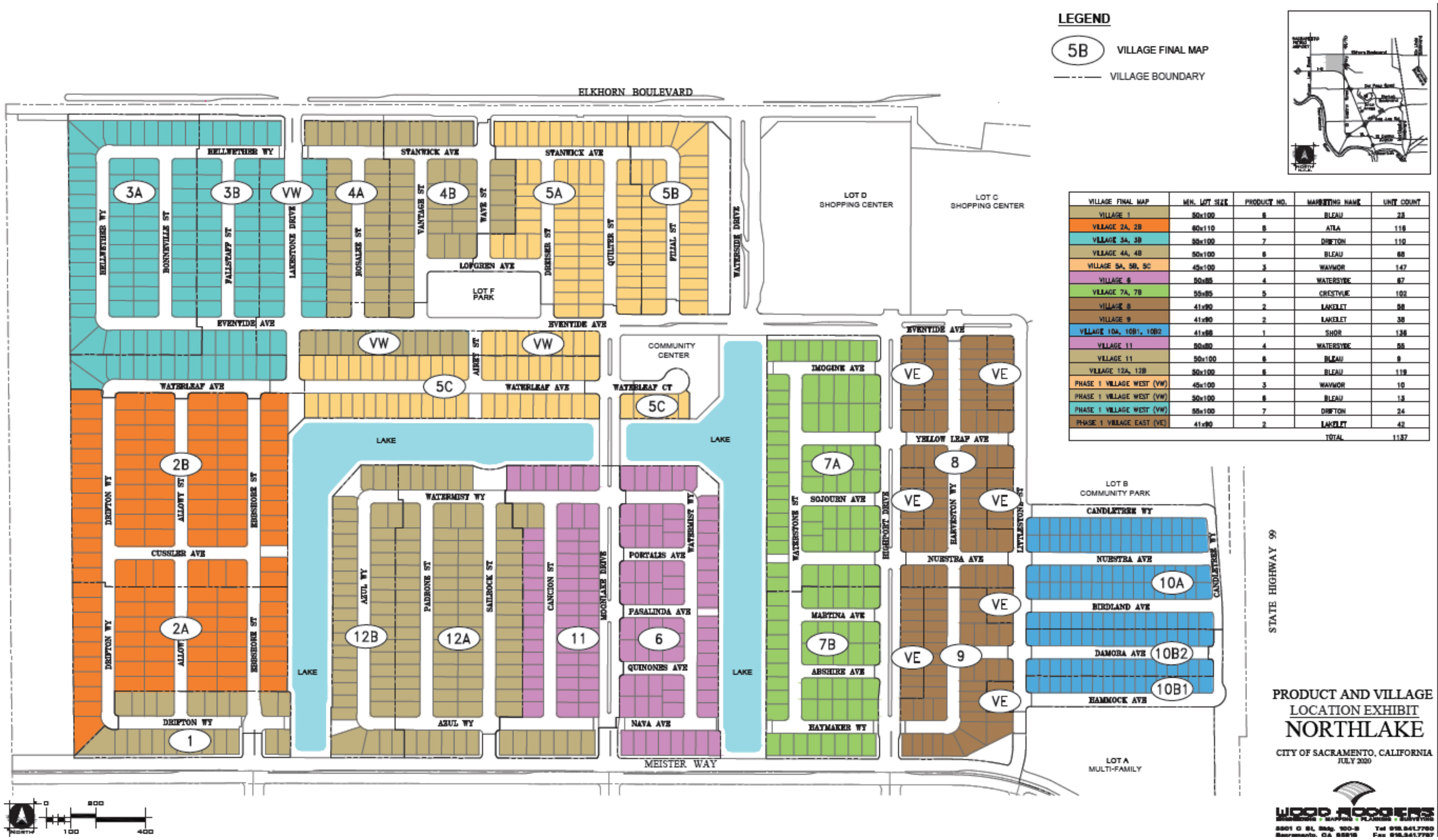
This description includes all of the parcels within the boundaries of the Amended Boundary Map of Greenbriar Community Facilities District No 2018-03, Improvement Area #1, Phase 1 as depicted on the prior page. References to the legal description noted below tie to master parcel map of Greenbriar Phase 1. Granted, some of these villages include recorded final maps, but references to the master parcel map show the overall relationship in this project. This description is identified as follows.

AREA	APN	LEGAL
Village 1	201-0300-157	Parcel 1
Village 2A	201-0300-158	Parcel 2
Village 2B	201-0300-159	Parcel 3
Village 3A	201-0300-160	Parcel 4
Village 3B	201-0300-161	Parcel 5
(Includes Portion of Village West)		
Village 4A	201-0300-162	Parcel 6
Village 4B	201-0300-163	Parcel 7
(Includes Portion of Village West)		
Village 5A	201-0300-165	Parcel 9
(Includes Portion of Village West)		
Village 5B	201-0300-166	Parcel 10
Village 5C	201-0300-164	Parcel 8
Village 6	201-0300-170	Parcel 14
Village 7A	201-0300-171	Parcel 15
Village 7B	201-0300-172	Parcel 16
Village 8	201-0300-174	Parcel 18
(Includes Portion of Village East)		
Village 9	201-0300-173	Parcel 17
(Includes Portion of Village East)		
Village 10A	201-0300-175	Parcel 19
Village 10B1 &2	201-0300-176	Parcel 20
Village 11	201-0300-169	Parcel 13
Village 12A	201-0300-168	Parcel 12
Village 12B	201-0300-167	Parcel 11

The above description provides comprehensive overview of this project. Project areas with final maps, recorded September 2, 2020 include the following:

Village 2B	Village 3B	Village 4B
Village 5A	Village 5C	Village 7A
Village 9	Village 11	
Village East	Village West	

An overall map illustrating these components is as follows.



VILLAGE FINAL MAP	MIN. LOT SIZE	PRODUCT NO.	MARKETING NAME	UNIT COUNT
VILLAGE 1	50x100	6	BLEAU	23
VILLAGE 2A, 2B	60x110	8	ATLA	116
VILLAGE 3A, 3B	55x100	7	DRIFTON	110
VILLAGE 4A, 4B	50x100	6	BLEAU	68
VILLAGE 5A, 5B, 5C	45x100	3	WAVMOR	147
VILLAGE 6	50x85	4	WATERSYDE	67
VILLAGE 7A, 7B	55x85	5	CRESTVUE	102
VILLAGE 8	41x90	2	LAKELET	58
VILLAGE 9	41x90	2	LAKELET	38
VILLAGE 10A, 10B1, 10B2	41x68	1	SHOR	136
VILLAGE 11	50x80	4	WATERSYDE	55
VILLAGE 11	50x100	6	BLEAU	9
VILLAGE 12A, 12B	50x100	6	BLEAU	119
PHASE 1 VILLAGE WEST (VW)	45x100	3	WAVMOR	10
PHASE 1 VILLAGE WEST (VW)	50x100	6	BLEAU	13
PHASE 1 VILLAGE WEST (VW)	55x100	7	DRIFTON	24
PHASE 1 VILLAGE EAST (VE)	41x90	2	LAKELET	42
			TOTAL	1137

It is noted that this map is the best illustration for the overall layout and design for this project. Some of the individual lots have changed with respect to their overall allocaiton of individual product lines and this map is provided for visual representation of the proejct only.

It is noted the project areas identified as Village East and Village West are identified for the inclusion of several project areas. The lots within this map area are along major infrastructure streets and site improvements for the creation of finished lots are installed concurrent with infrastructure improvements.

In addition, several parcels are identified within the district for non-residential uses. These parcels are identified as follows.

201-0300-177 – This parcel reflects a 15.24 AC parcel along the western side of the project. It is designated as an open space/habitat buffer and no value is assigned for this parcel.

201-0300-180 – This parcel reflects an 8.05 AC parcel identified for multi-family residential development. While this project is within the overall project boundaries, it is identified for senior affordable housing. It is tax exempt and no value is assigned for this parcel.

201-0300-181 – This parcel reflects a 1.74 AC parcel as the southeast corner of the project. It is identified for use as a SMUD-substation and no value is assigned for this parcel.

201-0300-182 – This parcel contains a total area of 1.93 AC. It is identified for use as a community center and no value is assigned for this parcel.

201-0300-184 – This parcel contains a total area of 12.4 AC. It is identified for use as a community park and no value is assigned for this parcel within this document.

201-0300-185 – This parcel contains a total area of 9.72 AC. It is identified for use as a man-made lake and no value is proscribed for this parcel within this document. While the lake is an amenity to the residential lots, no individual value is identified for this parcel.

201-0300-186 – This parcel contains a total area of 10.67 AC. It is identified for use as a man-made lake and no value is proscribed for this parcel within this document. While the lake is an amenity to the residential lots, no individual value is identified for this parcel.

201-0300-187 – This parcel reflects a 10.81 AC parcel along the eastern side of the project. It is designated as an open space/habitat buffer and no value is assigned for this parcel.

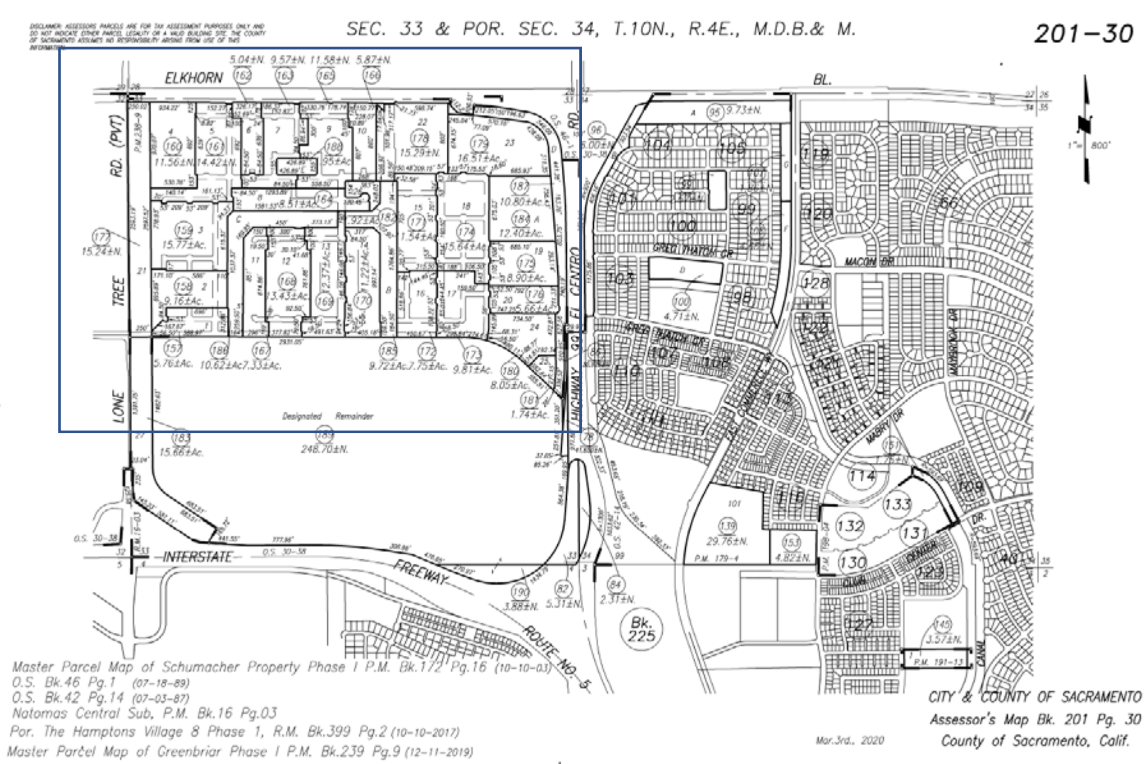
201-0300-188 – This parcel contains a total area of 1.95 AC. It is identified for use as a neighborhood park and no value is assigned for this parcel within this document.

Lot Size (AC)

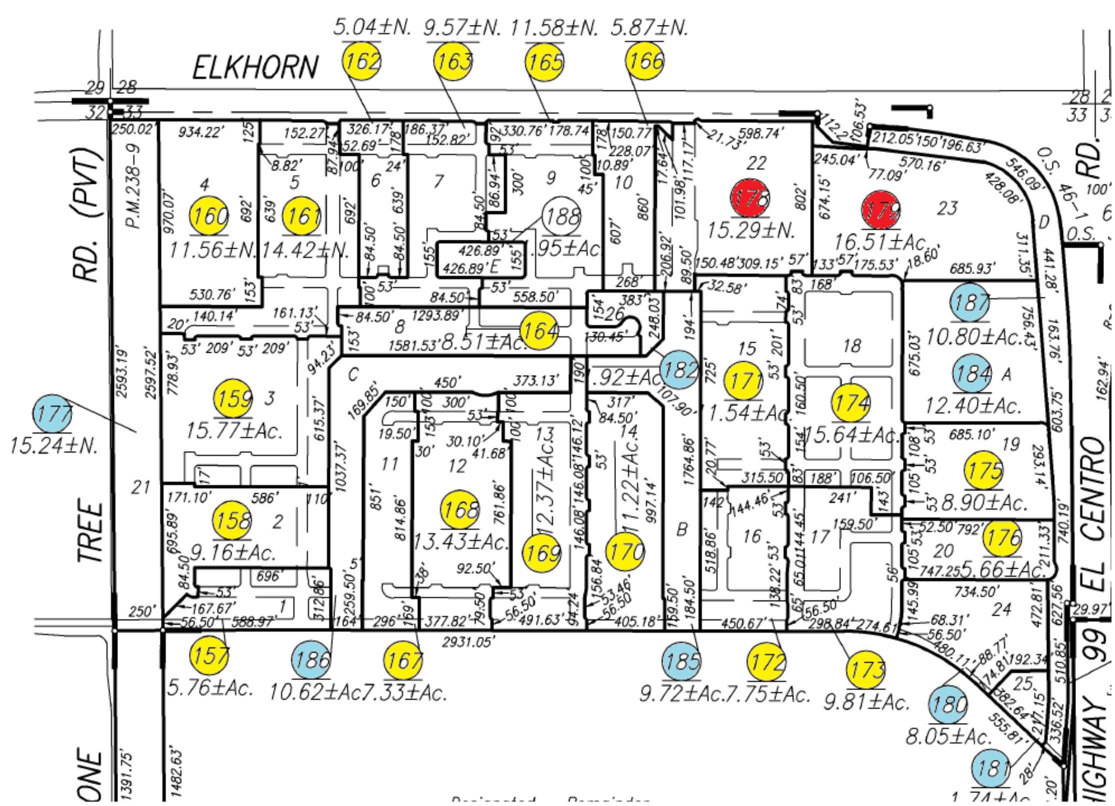
The total acreage for the properties included in this analysis equates to 273.4 acres. This includes 200.9 acres identified for the development of 1,137 residential lots, as well as 72.5 acres for the non-revenue generating parcels as identified above. The total acres for each parcel are based on land areas derived from the Sacramento County Assessor's Office. These calculations are noted as follows.

APN	LEGAL	LOT SIZE (SF)	LOT SIZE (AC)	DESCRIPTION
201-0300-157	Lot 1	250,784	5.76	SFR - Village 1
201-0300-158	Lot 2	399,245	9.17	SFR - Village 2A
201-0300-159	Lot 3	686,963	15.77	SFR - Village 2B
201-0300-160	Lot 4	503,758	11.56	SFR- Village 3A
201-0300-161	Lot 5	628,126	14.42	SFR- Village 3B
201-0300-162	Lot 6	219,677	5.04	SFR- Village 4A
201-0300-163	Lot 7	416,543	9.56	SFR- Village 4B
201-0300-164	Lot 8	370,896	8.51	SFR- Village 5C
201-0300-165	Lot 9	504,373	11.58	SFR- Village 5A
201-0300-166	Lot 10	255,671	5.87	SFR - Village 5B
201-0300-167	Lot 11	319,151	7.33	SFR- Village 12B
201-0300-168	Lot 12	585,255	13.43	SFR - Village 12A
201-0300-169	Lot 13	538,959	12.37	SFR - Village 11
201-0300-170	Lot 14	488,704	11.22	SFR - Village 6
201-0300-171	Lot 15	502,639	11.54	SFR - Village 7A
201-0300-172	Lot 16	337,586	7.75	SFR - Village 7B
201-0300-173	Lot 17	427,480	9.81	SFR - Village 9
201-0300-174	Lot 18	681,226	15.64	SFR - Village 8
201-0300-175	Lot 19	387,880	8.90	SFR - Village 10A
201-0300-176	Lot 20	246,557	5.66	SFR - Village 10B1 & 2
SUB-TOTAL		**8,751,473**	**200.9**	**Residential Lots**
201-0300-177	Lot 21	663,798	15.24	Open Space
201-0300-180	Lot 24	350,789	8.05	Tax Exempt MF
201-0300-181	Lot 25	75,929	1.74	SMUD Sub-Station
201-0300-182	Lot 26	83,862	1.93	Community Center
201-0300-184	Lot A	540,183	12.4	Community Park
201-0300-185	Lot B	423,490	9.72	Man-Made Lake
201-0300-186	Lot C	464,885	10.67	Man-Made Lake
201-0300-187	Lot D	470,823	10.81	Open Space
201-0300-188	Lot E	84,968	1.95	Neighborhood Park
SUB-TOTAL		**3,158,727**	**72.5**	**Non-Revenue Parcels**
PROJECT TOTAL		**11,910,200**	**273.4**	

A copy of the Sacramento County Assessor's Parcel Map is noted as follows. This includes the overall map, as well as an expanded map of the subject property. It is noted that the expanded map is color coded. Parcels highlighted in yellow depict parcels for residential development. Parcels highlighted in blue are part of the project, but non-revenue generating parcels. Parcels highlighted in red are part of the Greenbriar project, but were not identified in the boundary map for Greenbriar Community Facilities District No. 2018-3, Improvement Area #1.



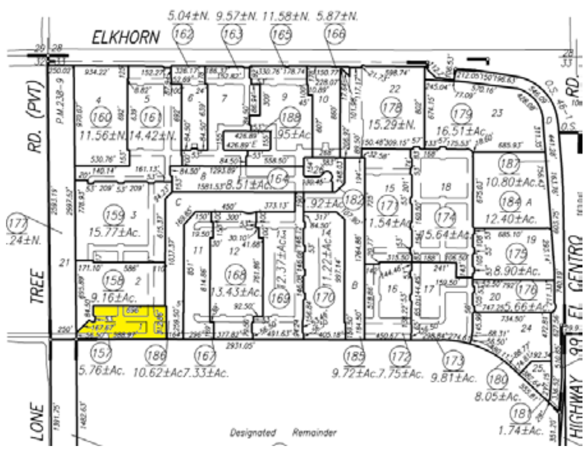
An expanded map area for the subject property is identified below.

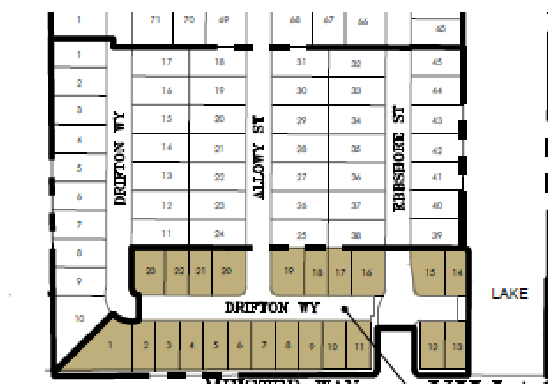


Proposed Development

The land uses for this project are allocated based on the minimum lot size. This project is ultimately identified for development of 1,137 lots allocated among the parcels described in prior sections. This section of the report identifies the individual villages (as identified by the developer). The following descriptions are ordered in terms of Village Reference.

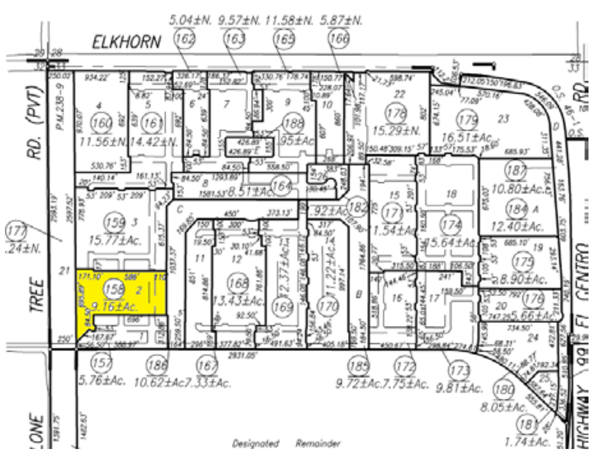
Village 1: This village is identified for the development of 23 lots on 5.76 AC. The overall density is 4.0 units per acre and the minimum lot size is 5,000 square feet (50' x 100'). This village includes 2 lots with lake frontage (Lots 13 and 14). Maps depicting this project area are as follows.

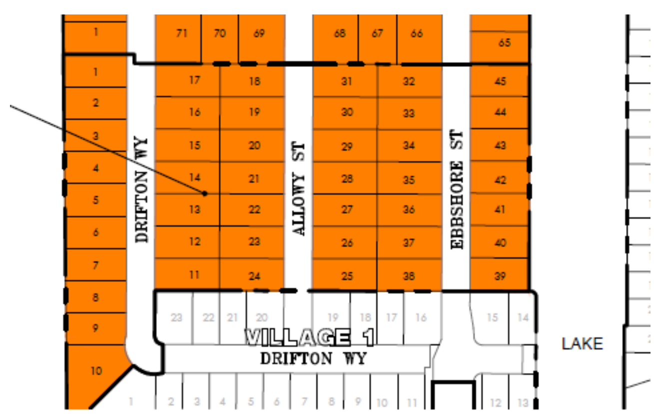




Lots in this project area are identified for construction of homes in the BLEAU project.

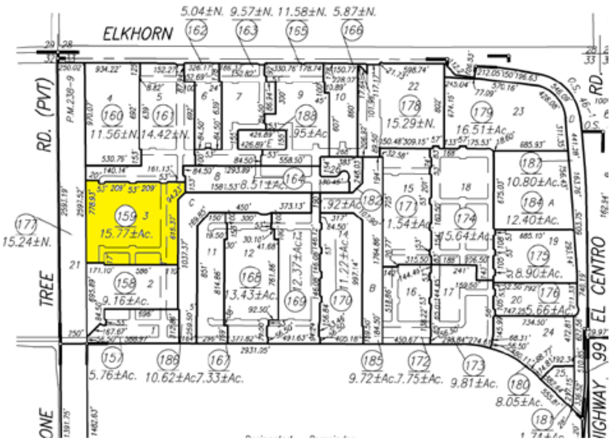
Village 2A: This village is identified for the development of 45 lots on 9.17 AC. The overall density is 4.9 units per acre and the minimum lot size is 6,600 square feet (60' x 110'). This village includes 7 lots with lake frontage (Lots 39-45). Maps depicting this project area are as follows.

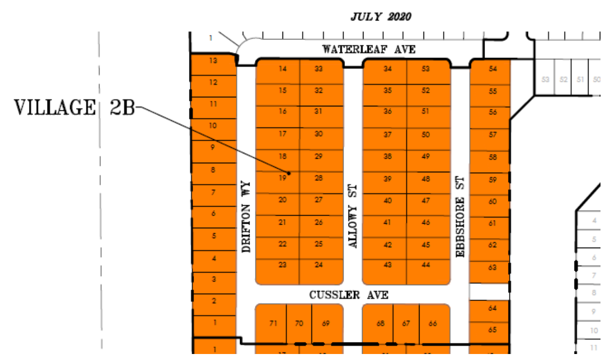




Lots in this project area are identified for construction of homes in the ALTA project.

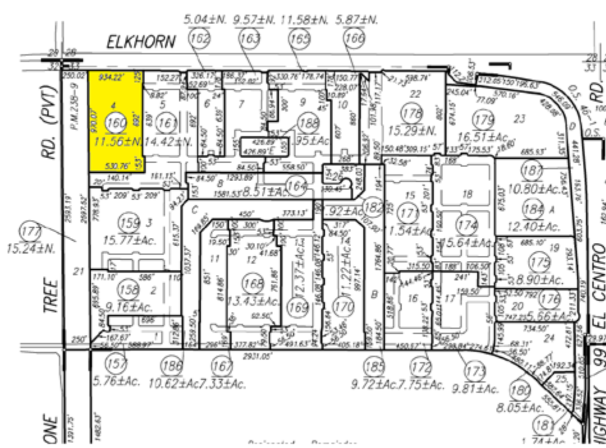
Village 2B: This village is identified for the development of 71 lots on 15.77 AC. The overall density is 4.5 units per acre and the minimum lot size is 6,600 square feet (60' x 110'). This village includes 10 lots with lake frontage (Lots 56-65). Maps depicting this project area are as follows.





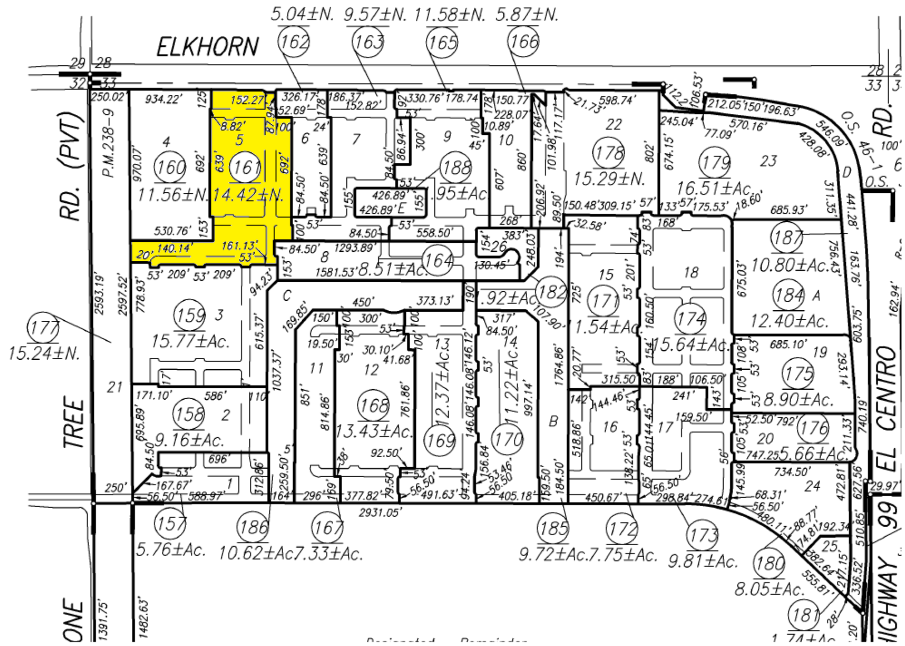
Lots in this project area are identified for construction of homes in the ALTA project.

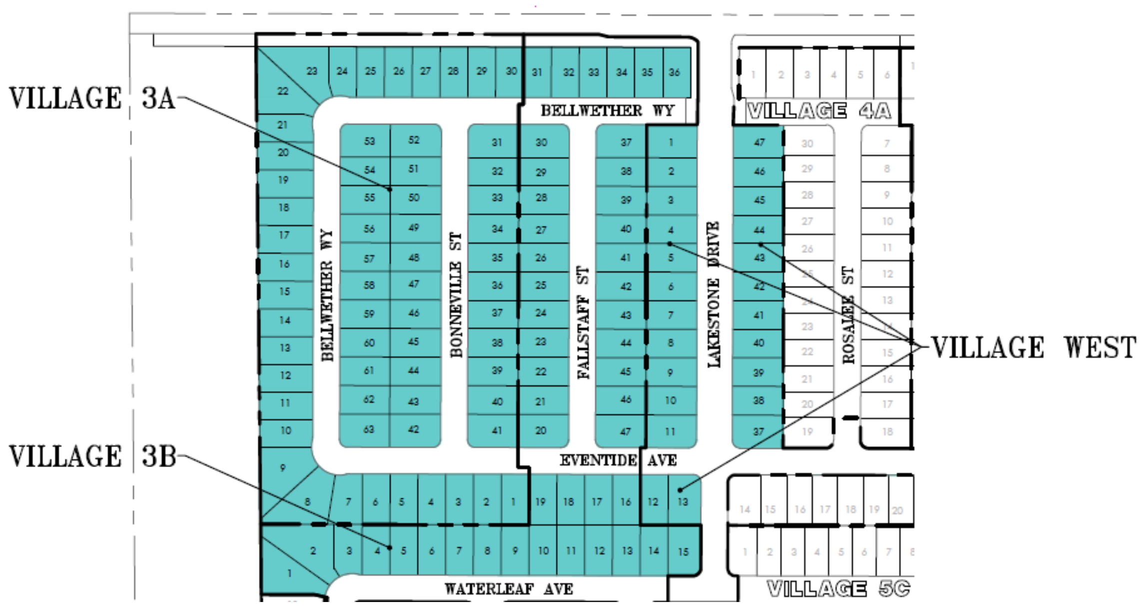
Village 3A: This village is identified for the development of 63 lots on 11.56 AC. The overall density is 5.4 units per acre and the minimum lot size is 5,500 square feet (55' x 100'). There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.



Lots in this project area are identified for construction of homes in the DRIFTON project.

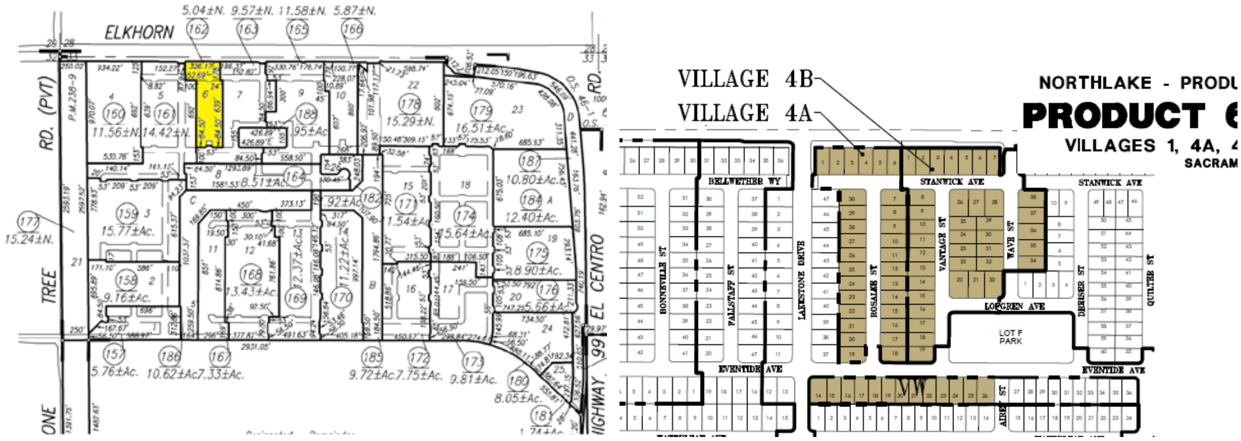
Village 3B/Village West (Por.): This village is identified for the development of 72 lots on 14.42 AC. The overall density is 4.9 units per acre and the minimum lot size is 5,500 square feet (55' x 100'). It is noted that the total land area identified on APN 201-0300-161 includes the land area for the 25 lots identified as a portion of the Village West Final Map. There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.





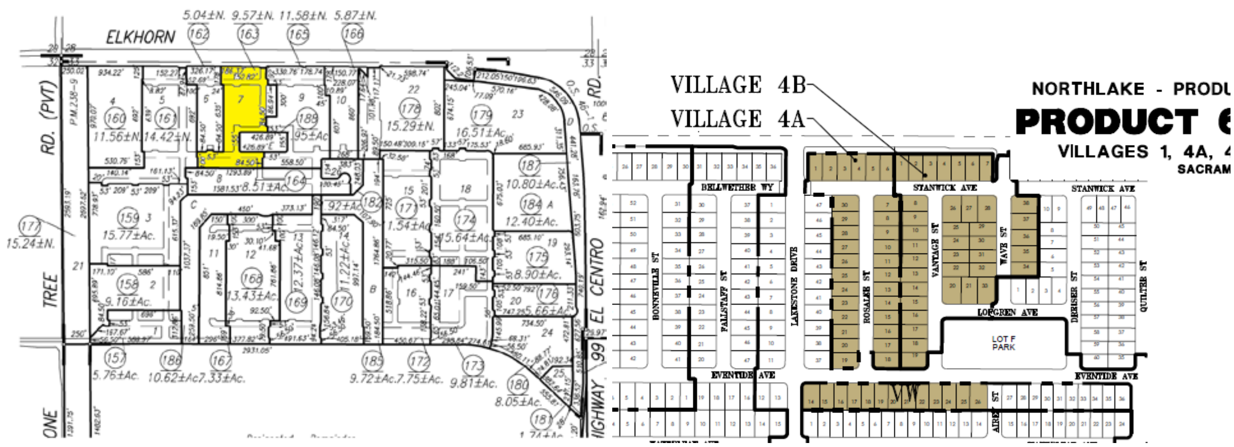
Lots in this project area are identified for construction of homes in the DRIFTON project. It is noted that the total lot count noted for Village West noted above totals 24 lots. The developer identified that Lot 14 noted above will be developed with this product line bringing the total lot count from Village West allocated to DRIFTON to 25 Lots.

Village 4A: This village is identified for the development of 30 lots on 5.04 AC. The overall density is 6.0 units per acre and the minimum lot size is 5,000 square feet (50' x 100'). There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.



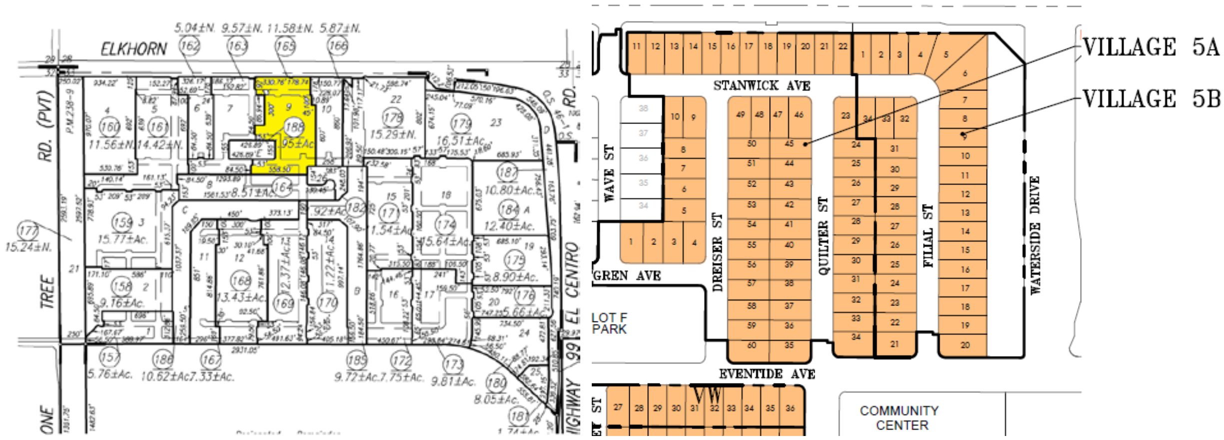
Lots in this project area are identified for construction of homes in the BLEAU project.

Village 4B/Village West (Por.): This village is identified for the development of 51 lots on 9.56 AC. The overall density is 5.3 units per acre and the minimum lot size is 5,000 square feet (50' x 100'). It is noted that the total land area identified on APN 201-0300-163 includes the land area for the 12 lots identified as a portion of the Village West Final Map. There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.



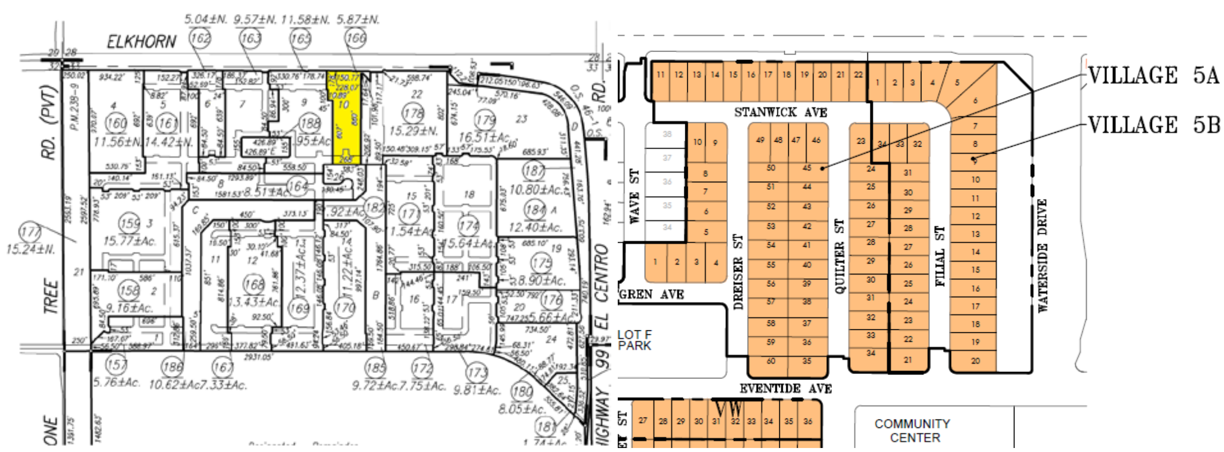
Lots in this project area are identified for construction of homes in the BLEAU project. It is noted that the total lot count noted for Village West noted above totals 13 lots. The developer identified that 2 lots are allocated to other projects bringing the totals allocated to BLEAU at 49 lots.

Village 5A/Village West (Por.): This village is identified for the development of 70 lots on 11.58 AC. The overall density is 6.0 units per acre and the minimum lot size is 4,500 square feet (45' x 100'). It is noted that the total land area identified on APN 201-0300-165 includes the land area for the 10 lots identified as a portion of the Village West Final Map. There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.



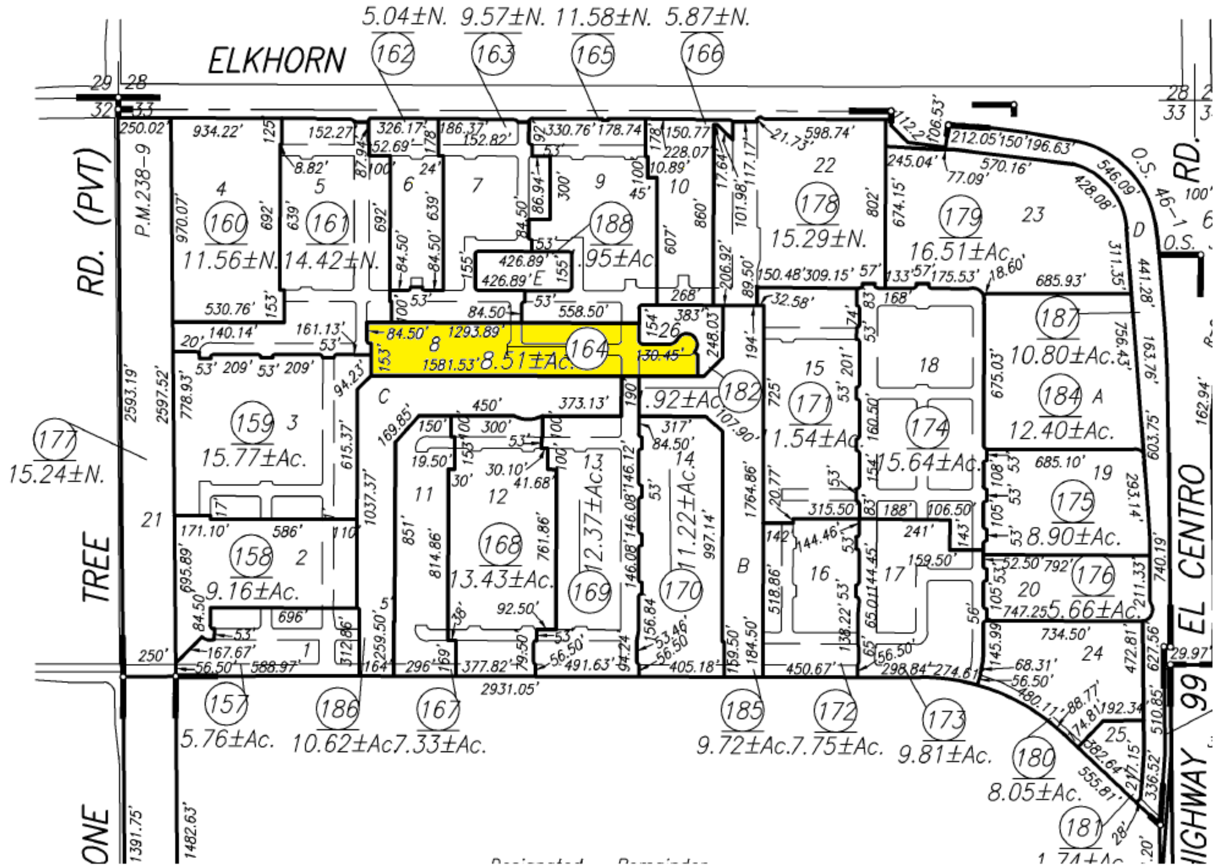
Lots in this project area are identified for construction of homes in the WAVMOR project.

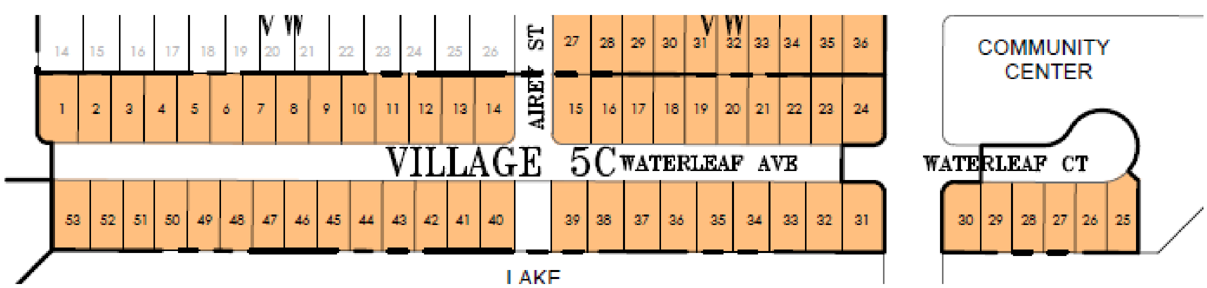
Village 5B: This village is identified for the development of 34 lots on 5.87 AC. The overall density is 5.8 units per acre and the minimum lot size is 4,500 square feet (45' x 100'). There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.



Lots in this project area are identified for construction of homes in the WAVMOR project.

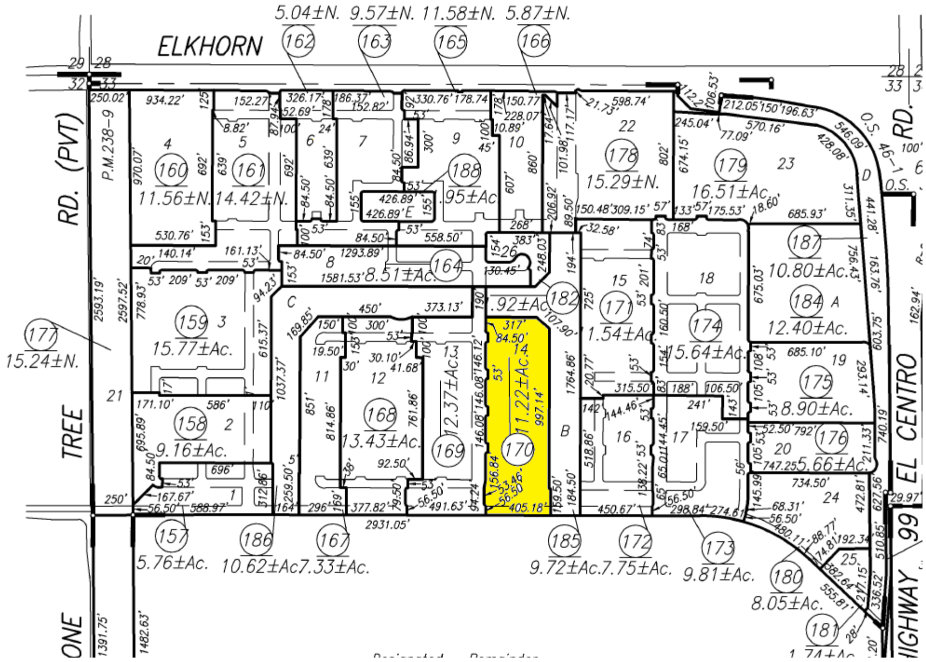
Village 5C: This village is identified for the development of 53 lots on 8.51 AC. The overall density is 6.2 units per acre and the minimum lot size is 4,500 square feet (45' x 100'). This village includes 29 lots with lake frontage (Lots 25-53). Maps depicting this project area are as follows.





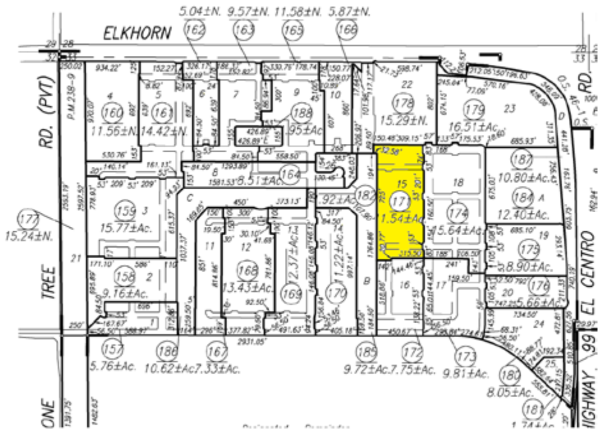
Lots in this project area are identified for construction of homes in the WAVMOR project.

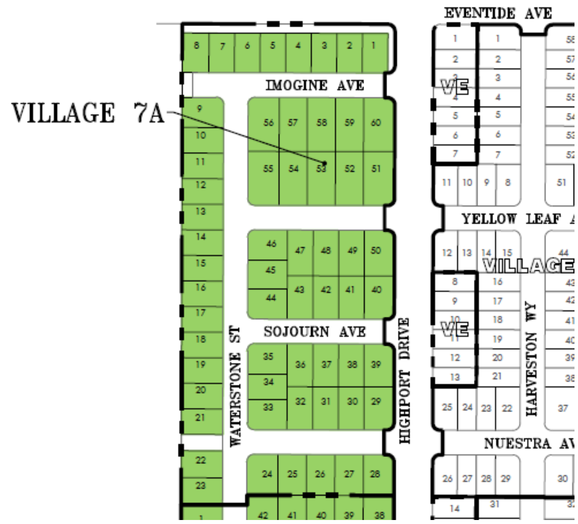
Village 6: This village is identified for the development of 67 lots on 11.22 AC. The overall density is 6.0 units per acre and the minimum lot size is 4,250 square feet (50’ x 85’). This village includes 24 lots with lake frontage (Lots 1-24) according to the map on the following page. Maps depicting this project area are as follows.



Lots in this project area are identified for construction of homes in the WATERSYDE project.

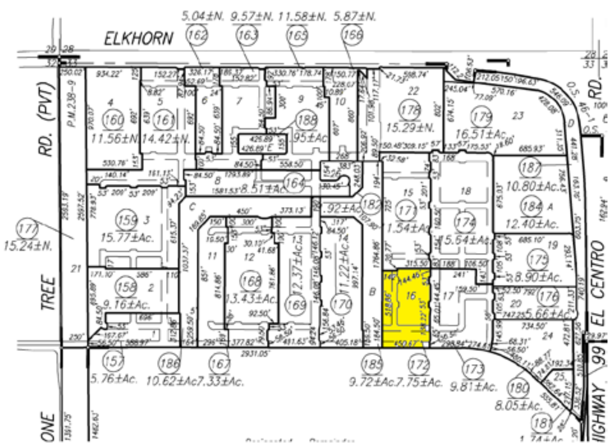
Village 7A: This village is identified for the development of 60 lots on 11.54 AC. The overall density is 5.2 units per acre and the minimum lot size is 4,675 square feet (55' x 85'). This village includes 16 lots with lake frontage (Lots 8-23). Maps depicting this project area are as follows.

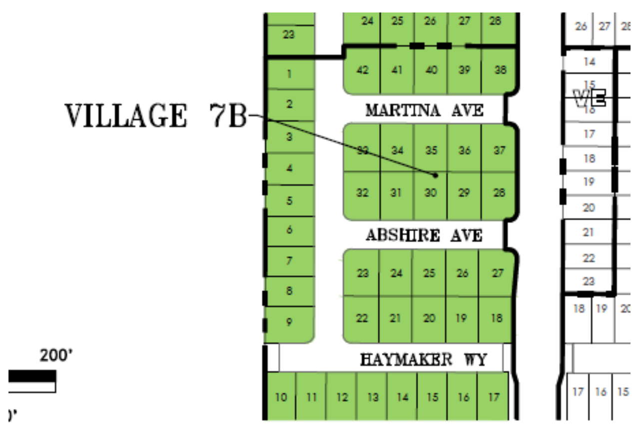




Lots in this project area are identified for construction of homes in the CRESTVUE project. However, it was identified by the developer that Lots 9-13 will be allocated to the WATERSYDE product line. All of these lots include water frontage.

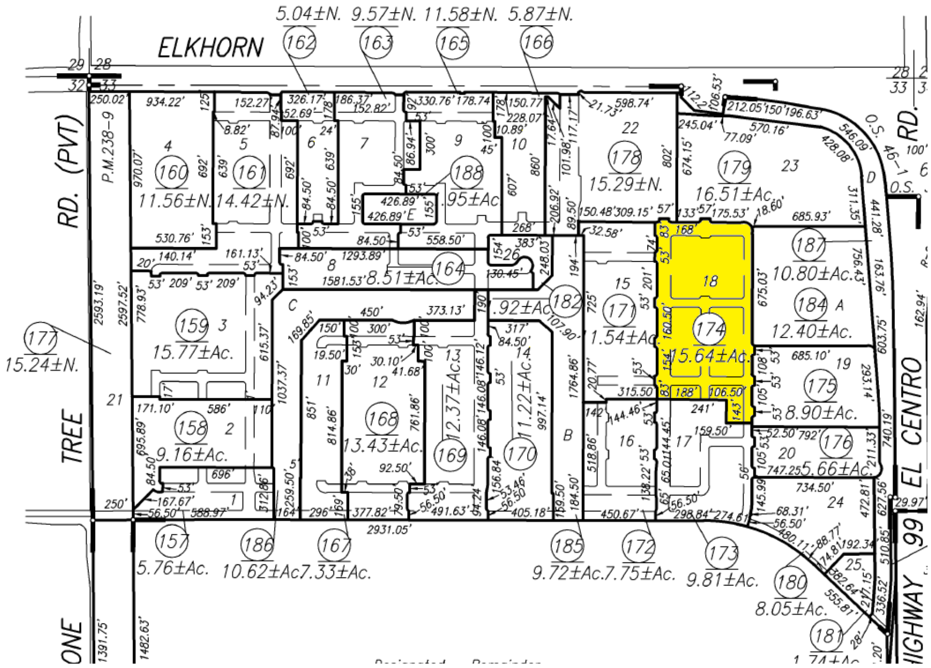
Village 7B: This village is identified for the development of 42 lots on 7.75 AC. The overall density is 5.4 units per acre and the minimum lot size is 4,675 square feet (55’ x 85’). This village includes 10 lots with lake frontage (Lots 1-10). Maps depicting this project area are as follows.

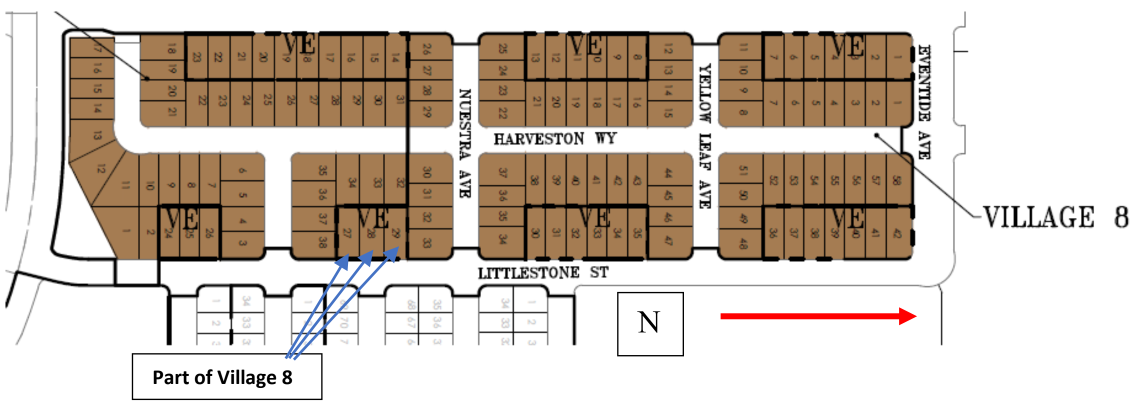




Lots in this project area are identified for construction of homes in the CRESTVUE project.

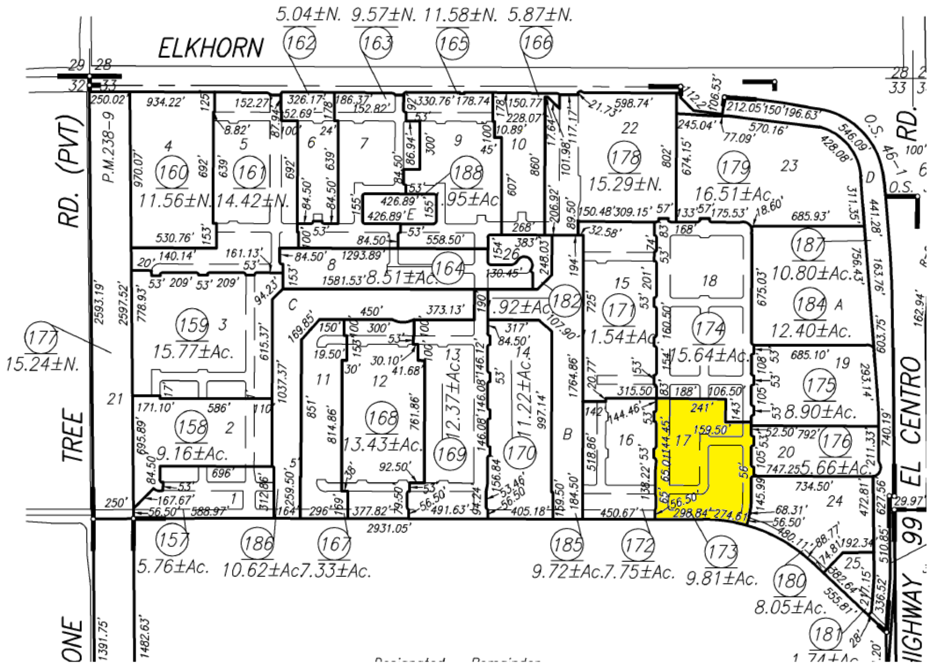
Village 8/Village East (Por.): This village is identified for the development of 83 lots on 15.64 AC. The overall density is 5.3 units per acre and the minimum lot size is 3,690 square feet (41’ x 90’). It is noted that the total land area identified on APN 201-0300-174 includes the land area for the 25 lots identified as a portion of the Village East Final Map. There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.

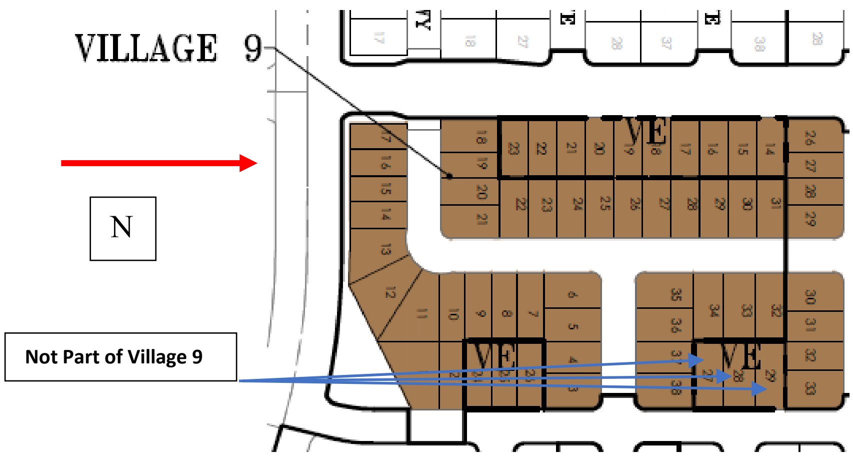




Lots in this project area are identified for construction of homes in the LAKELET project.

Village 9/Village East (Por.): This village is identified for the development of 51 lots on 9.81 AC. The overall density is 5.2 units per acre and the minimum lot size is 3,690 square feet (41' x 90'). It is noted that the total land area identified on APN 201-0300-173 includes the land area for the 13 lots identified as a portion of the Village West Final Map. There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.



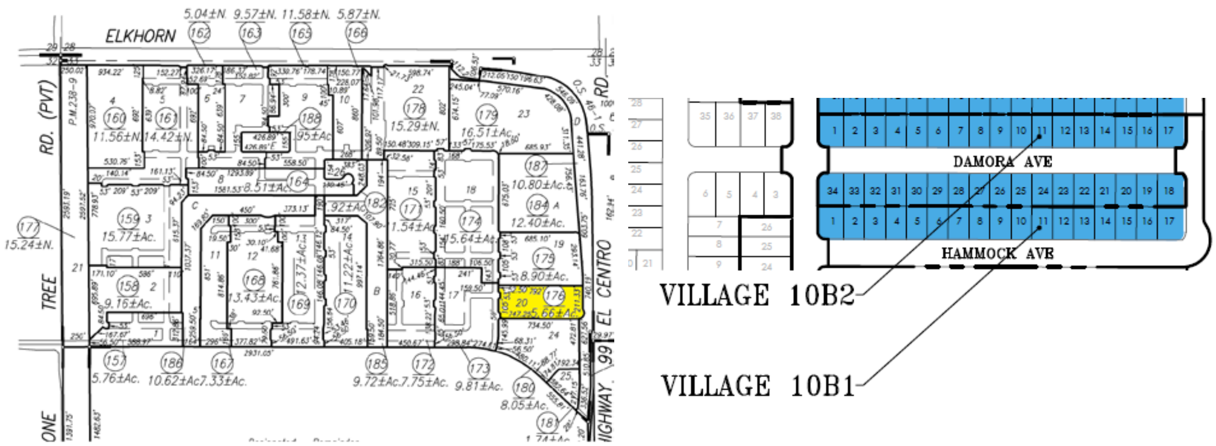


Lots in this project area are identified for construction of homes in the LAKELET project.

Village 10A: This village is identified for the development of 85 lots on 8.9 AC. The overall density is 9.6 units per acre and the minimum lot size is 2,788 square feet (41' x 68'). There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.

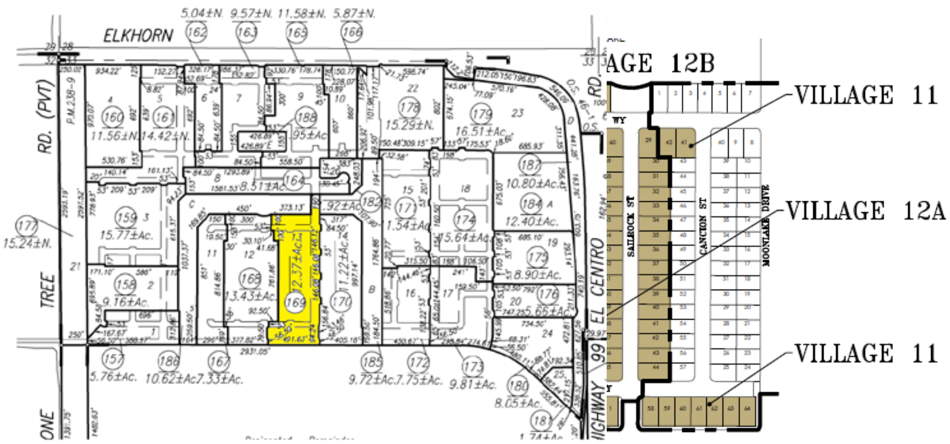
Lots in this project area are identified for construction of homes in the SHOR project.

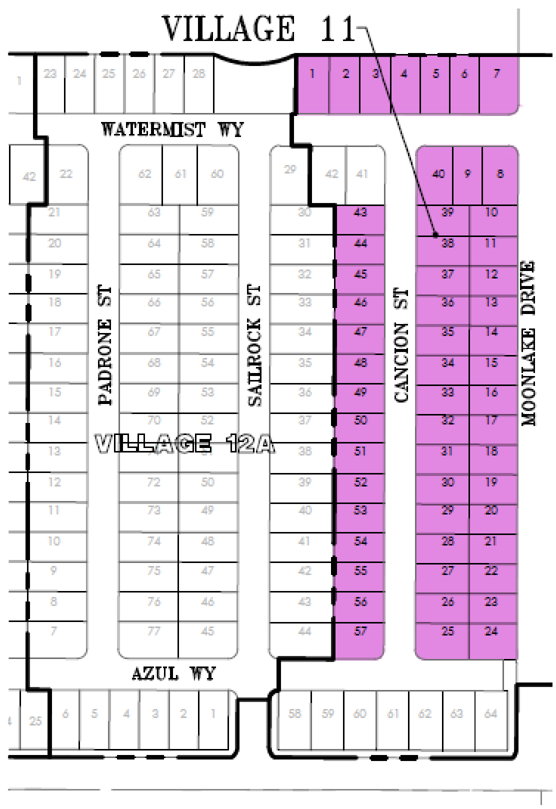
Village 10B1 & 2: This village is identified for the development of 51 lots on 5.66 AC. The overall density is 9.0 units per acre and the minimum lot size is 2,788 square feet (41' x 68'). There are no lots within this village with direct lake frontage. Maps depicting this project area are as follows.



Lots in this project area are identified for construction of homes in the SHOR project. In addition, Lots 1-4 of Village East are identified for this product line.

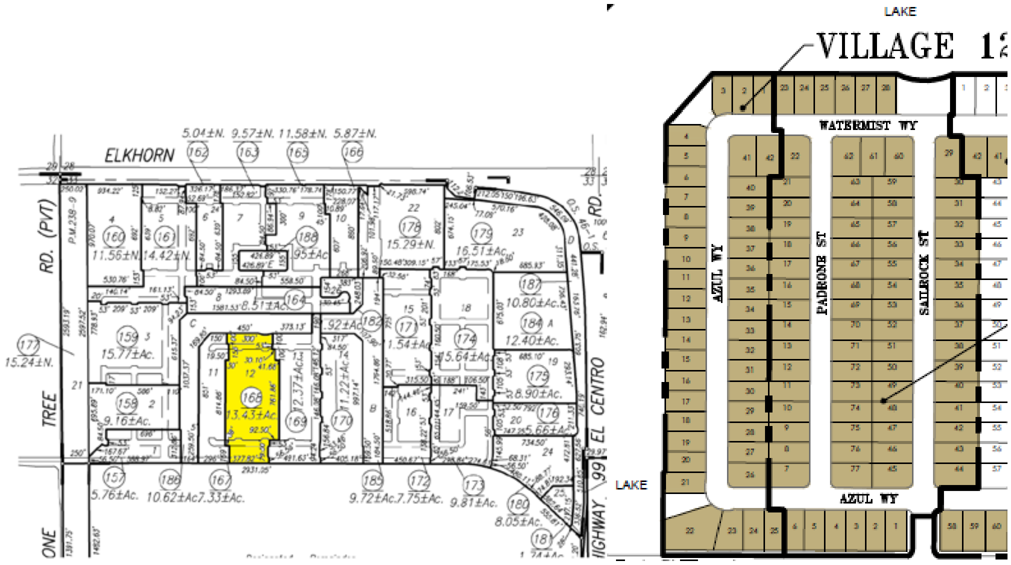
Village 11: This village is identified for the development of 64 lots on 12.37 AC. The overall density is 5.2 units per acre and the minimum lot size ranges from 4,000 square feet (50' x 80') to 5,000 (50' x 100') square feet. This village includes two product lines including 55 lots typically 4,000 square feet and 9 lots typically 5,000 square feet. There are 7 lots with direct lake frontage (Lots 1-7, allocated to 4,000 SF product line). There are no lots with lake frontage for the larger 5,000 SF lots. Maps depicting this project area are as follows.





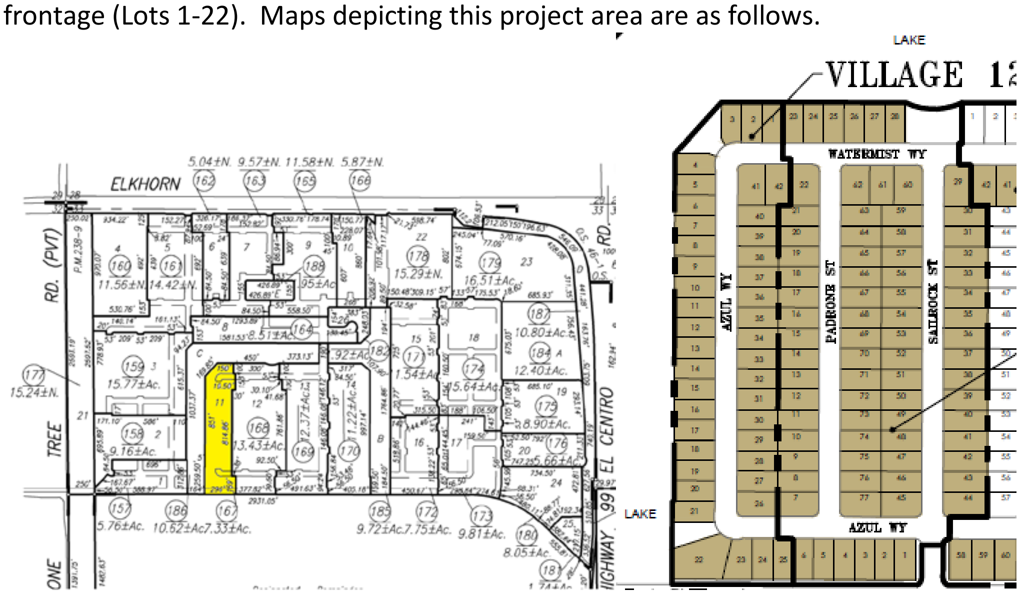
Lots 1-40, 43-57 are allocated to the WATERSYDE project. Lots 41, 42, 58-64 are allocated to the BLEAU project.

Village 12A: This village is identified for the development of 77 lots on 13.44 AC. The overall density is 5.7 units per acre and the minimum lot size is 5,000 square feet (50' x 100'). This village includes 6 lots with lake frontage (Lots 23-28). Maps depicting this project area are as follows.



Lots in this project area are identified for construction of homes in the BLEAU project.

Village 12B: This village is identified for the development of 42 lots on 7.33 AC. The overall density is 5.7 units per acre and the minimum lot size is 5,000 square feet (50' x 100'). This village includes 22 lots with lake frontage (Lots 1-22). Maps depicting this project area are as follows.



Lots in this project area are identified for construction of homes in the BLEAU project.

Overall the typical lot size for this project ranges from 2,788 to 6,600 square feet. The allocation of residential lots for this project are illustrated on the following page.

PROJECT	DIMENSIONS	MINIMUM LOT SIZE (SF)	VILLAGE	# LOTS	LAKE FRONT LOTS	% OF TOTAL
SHOR	41' x 68'	2,788	10A	85	0	0%
	41' x 68'	2,788	10B1 & 2	51	0	0%
TOTALS - SHOR - 2,788 SF (41' x 68')				**136**	**0**	**0%**
LAKELET	41' x 90'	3,690	8/VE	87	0	0%
	41' x 90'	3,690	9/VE	51	0	0%
TOTALS - LAKELET - 3,690 SF (41' x 90')				**138**	**0**	**0%**
WATERSYDE	50' x 85'	4,250	6	67	24	36%
	50' x 80'	4,000	11 (Por.)	55	7	13%
	50' x 80'	4,000	7A (Por.)	5	5	100%
TOTALS - WATERSYDE - 4,000-4,250 SF (50' x 85', 50' x 80')				**127**	**36**	**28%**
WAVMOR	45' x 100'	4,500	5A/VW	70	0	0%
	45' x 100'	4,500	5B	34	0	0%
	45' x 100'	4,500	5C	53	29	55%
TOTALS - WAVMOR - 4,500 SF (45' x 100')				**157**	**29**	**18%**
CRESTVUE	55' x 85'	4,675	7A	55	11	20%
	55' x 85'	4,675	7B	42	10	24%
TOTALS - CRESTVUE - 4,675 SF (55' x 85')				**97**	**21**	**22%**
BLEAU	50' x 100'	5,000	1	23	2	9%
	50' x 100'	5,000	4A	30	0	0%
	50' x 100'	5,000	4B/VW	49	0	0%
	50' x 100'	5,000	11 (Por.)	9	0	0%
	50' x 100'	5,000	12A	77	6	8%
	50' x 100'	5,000	12B	42	22	52%
TOTALS - BLEAU - 5,000 SF (50' x 100')				**230**	**30**	**13%**
DRIFTON	55' x 100'	5,500	3A	63	0	0%
	55' x 100'	5,500	3B/VW	73	0	0%
TOTALS - DRIFTON - 5,500 SF (55' x 100')				**136**	**0**	**0%**
ALTA	60' x 110'	6,600	2A	45	7	16%
	60' x 110'	6,600	2B	71	10	0%
TOTALS - ALTA - 6,600 SF (60' x 110')				**116**	**17**	**15%**
PROJECT TOTALS				**1,137**	**133**	**12%**

The table above shows the overall calculation of the allocation of lots within this project. As noted, 133 lots or approximately 12% of the total lots in this project have frontage directly adjacent to the man-made lake.

Utilities and Municipal Providers / Site Development Costs

Site development was underway as of the effective date of valuation. This project is served by public utilities including the following providers.

Park District:	City of Sacramento
Fire Protection:	City of Sacramento
School District:	Twin Rivers Unified School District
Sewer:	Sacramento Regional Sanitation District
Storm Drain:	City of Sacramento
Water:	City of Sacramento
Electricity:	SMUD
Gas:	PG&E

These improvements are currently under construction at the subject property. The current ownership of this project is in the process of delivering finished lots. According to the purchase and sale agreement for this project, finished lots are defined as follows.

"Finished lots" means rough graded residential building lots which have been completed in accordance with the subdivision improvement plans approved by the City and other applicable agencies and authorities (collectively, the "Applicable Authorities"), the subdivision improvement plans relating thereto and all civil and soils engineering costs related thereto have been fully paid.

Without limiting the foregoing, "Finished Lot" shall refer to a lot:

1. which is graded substantially in accordance with the grading plans approved by the City, with the pad elevations +/- 0.1 feet certified by Seller's civil engineer and compaction certification by Seller's geotechnical engineer in accordance with recommendations of Seller's geotechnical engineer;

2. that has water service installed and stubbed into the Lot from the property line or back of sidewalk with curb markings to indicate the location of the water lateral, with a water meter box and lid set to grade; that includes a curb stop and a sleeve under the sidewalk, marked with a protective barrier and capable of being energized for immediate service upon completion of a single-family residence on the Lot;

3. that has sewer service installed and stubbed into the Lot from the property line or back of sidewalk with curb markings to indicate the location of the sewer lateral and sewer clean-outs set to grade, marked with a protective barrier and capable of being energized for immediate service upon completion of a single-family residence on the Lot;

4. that has all gas, electricity, telephone, and cable television conduits installed and stubbed into the Lot from the property line or back of sidewalk and capable of being energized/pressurized/connected for immediate service upon completion of the single family residence on such Lot;

5. that has all public storm drain systems, public water systems, sanitary sewer systems, curb, gutter, sidewalk, driveway approaches, joint gas/electric/phone/CATV utilities, including all required utility boxes, and street pavement for public access and Lot frontage improvements constructed and installed;

6. that includes PVC conduit sleeving under sidewalks for future irrigation water lines and private lot drainage, on both sides of each lot (two per Lot). Buyer shall be required to install full front yard landscaping and irrigation water lines, including the landscape strip between the back of the curb and sidewalk, for the entire street frontage of each Lot and both street frontages on corner Lots. This lot irrigation system will include a separate exterior lockable controller and be serviced by each individual domestic water meter except where specifically designated by Seller as common area subject to maintenance by the City;

7. that has all property corners staked or pinned by the project engineer and property lines identified on sidewalks, all retaining walls installed around utility boxes and/or property lines(s) as may be required by plans and/or specifications;

8. where streetlights are in place and energized;

9. where all offsite improvements have been constructed, fully paid for, and energized/pressurized/connected for immediate service or bonded for such that building permits and occupancies can be obtained; and

10. where all required masonry walls and entry and roadway landscaping has been constructed and installed or bonded for such that building permits and occupancies can be obtained.

The buyer of this project is responsible for any work related to the vertical construction of the homes on the lots, but not limited to the following:

- engineering survey work to locate home foundations;
- lot finish grading required for home foundations and landscape drainage, front, and rear yard drainage;
- on-lot SWPPP best management practices following Seller's initial installation;
- front yard landscaping and irrigation;
- privacy fencing;
- installation, at its sole cost and expense, of street trees, mow strips and all other improvements not included in this definition of a Finished Lot; and
- side yard and rear yard retaining walls that are not required under the subdivision improvement plans or grading plans approved by Applicable Authorities.

The developer of this project provided the overall costs for site development of this project. This is allocated among Backbone Costs, Amenities, and Intract Costs. Certain additional costs for this project include entitlement costs for Phase 1 and soft costs. These costs are as of October 31, 2020 and include the following:

These costs are considered in the overall valuation of this property.

BACKBONE COSTS

The total backbone costs for this project were identified at $62,177,923 including applicable contingencies. This cost reflects the costs to extend improvements to each individual village identified for this analysis, as well as drainage improvements and roadway costs for this project. These costs are allocated as follows.

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
GRADING AND EARTHWORK	$6,570,123	$6,470,586	$99,537	98.5%
SEWER	$5,842,807	$5,842,807	$0	100.0%
DRAINAGE	$10,695,028	$10,406,783	$288,245	97.3%
WATER	$8,309,730	$7,358,558	$951,172	88.6%
CONCRETE/ROADWAY	$7,687,855	$6,444,531	$1,243,324	83.8%
LANDSCAPING	$6,760,461	$1,866,814	$4,893,647	27.6%
DRY UTILITIES	$5,411,997	$5,202,140	$209,857	96.1%
CONSULTANTS (SOFT COSTS)	$2,323,818	$2,275,099	$48,719	97.9%
PERMITS & FEES	$4,398,693	$2,053,634	$2,345,059	46.7%
PERFORMANCE BONDS	$1,365,266	$569,123	$796,143	41.7%
SUB-TOTAL	**$59,365,778**	**$48,490,075**	**$10,875,703**	**81.7%**
Hard Cost Contingency	$2,812,145	$0	$2,812,145	0.0%
TOTAL BACKBONE COSTS	**$62,177,923**	**$48,490,075**	**$13,687,848**	**78.0%**

The total backbone costs for this project are identified at $62,177,923. This equates to approximately $54,686 per lot. These costs include contingencies at $2,812,145 or approximately 4.7% of total hard costs. Development is ongoing as of the effective date of valuation, as the developer has completed $48,490,075 in costs, or approximately 78.0% of the total hard costs. The remaining costs are identified at $13,687,848 or $12,039 per lot. This element includes hard cost contingencies at $2,812,145 and hard costs at $10,875,703.

AMENITIES

In addition, this project includes public amenities which are being constructed concurrent with backbone improvements. They include costs for the neighborhood and community parks, as well as the community center for this project. These costs are allocated as follows.

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
NEIGHBORHOOD PARK	$970,606	$131,734	$838,872	13.6%
COMMUNITY PARK	$5,117,894	$607,400	$4,510,494	11.9%
COMMUNITY CENTER	$3,223,381	$694,533	$2,528,848	21.5%
SUB-TOTAL	**$9,311,881**	**$1,433,667**	**$7,878,214**	**15.4%**

The total costs for project amenities are identified at $9,311,881. As noted portions of these costs were incurred as of the effective date of valuation as there are $7,878,214 in remaining costs as of the effective date of valuation.

INTRACT IMPROVEMENTS

Intract improvements reflect the overall costs to complete the interior subdivision improvements for each village. Budgets were provided for these costs and the following table summarizes the total costs allocated to intract improvements. It is noted that these costs are based on 1,048 lots. The remaining

89 lots for this project include the lots allocated to Village East and West. The intract improvements for Village East and West are incorporated into backbone costs. Remaining intract improvements are identified as follows.

VILLAGE	# OF LOTS	MINIMUM LOT SIZE (SF)	TOTAL COSTS	TOTAL COSTS/LOT	COSTS INCURRED	% INCURRED	REMAINING COSTS
Village 1	23	5,000 SF (50' x 100')	$1,272,756	$55,337	$83,235	6.5%	$1,189,521
Village 2	45	6,600 SF (60' x 110')	$1,704,533	$37,879	$189,050	11.1%	$1,515,483
Village 2B	71	6,600 SF (60' x 110')	$3,184,641	$44,854	$2,767,585	86.9%	$417,056
Village 3A	63	5,500 SF (55' x 110')	$2,705,709	$42,948	$203,885	7.5%	$2,501,824
Village 3B	47	5,500 SF (55' x 110')	$2,367,815	$50,379	$2,267,110	95.7%	$100,705
Village 4A	30	5,000 SF (50' x 110')	$1,210,369	$40,346	$141,800	11.7%	$1,068,569
Village 4B	38	5,000 SF (50' x 110')	$1,854,319	$48,798	$1,739,491	93.8%	$114,828
Village 5A	60	4,500 SF (45' x 100')	$2,558,376	$42,640	$2,404,733	94.0%	$153,643
Village 5B	34	4,500 SF (45' x 100')	$1,240,284	$36,479	$152,880	12.3%	$1,087,404
Village 5C	53	4,500 SF (45' x 100')	$1,982,066	$37,397	$1,744,610	88.0%	$237,456
Village 6	67	4,250 SF (50' x 85')	$3,106,140	$46,360	$222,050	7.1%	$2,884,090
Village 7A	60	4,675 SF (55' x 85')	$2,712,993	$45,217	$2,371,999	87.4%	$340,994
Village 7B	42	4,675 SF (55' x 85')	$1,921,283	$45,745	$165,990	8.6%	$1,755,293
Village 8	58	3,690 SF (41' x 90')	$2,235,760	$38,548	$190,510	8.5%	$2,045,250
Village 9	38	3,690 SF (41' x 90')	$1,605,314	$42,245	$1,162,748	72.4%	$442,566
Village 10A	85	2,788 SF (41' x 68')	$3,280,315	$38,592	$2,737,280	83.4%	$543,035
Village 10B1&2	51	2,788 SF (41' x 68')	$2,217,877	$43,488	$904,389	40.8%	$1,313,488
Village 11	64	4,000 SF (50' x 80')	$3,740,113	$58,439	$3,894,618	104.1%	-$154,505
Village 12	77	5,000 SF (50' x 100')	$3,683,608	$47,839	$496,978	13.5%	$3,186,630
Village 12B	42	5,000 SF (50' x 100')	$1,762,397	$41,962	$175,990	10.0%	$1,586,407
SUB-TOTAL	**1,048**		**$46,346,668**		**$24,016,931**	**51.8%**	**$22,329,737**

Overall, the total remaining site development costs for this project are identified as follows.

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
Backbone Costs	$62,177,923	$48,490,075	$13,687,848	78.0%
Amenties	$9,311,881	$1,433,667	$7,878,214	15.4%
In-Tract Costs	$46,346,668	$24,016,931	$22,329,737	51.8%
TOTALS	**$117,836,472**	**$73,940,673**	**$43,895,799**	**62.7%**

The remaining site development costs for this project, as of the effective date of valuation equate to $43,895,799 or approximately $38,607 per lot. These costs are prior to CFD Reimbursements identified at $36,722,731. The cumulative schedule is identified as follows. It includes total eligible facilities at $46,656,106 and includes applicable allowances for soft costs.

The Greenbriar Project Owner, LLC
Table 1. Cash Flow (Estimated CFD Eligible Facilities and Fees)_With Soft Costs (15%)

FACILITIES		Estimated Completion Dates												
		9/30/2020	10/31/2020	11/30/2020	12/31/2020	1/31/2021	2/28/2021	3/31/2021	4/30/2021	5/31/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021
West Plans	Village West Sewer						$ 2,191,503							
West Plans	Village West Drainage						$ 1,530,598							
West Plans	Village West Water						$ 1,059,274							
West Plans	Village West T-Main						$ 1,893,772							
West Plans	Schedule A2 Concrete, Village West							$ 1,063,166						
West Plans	Village West Top Side							$ 4,013,418						
West Plans	Elkhorn Blvd (Streetlight)							$ 1,140,231						
West Plans	Street 1 (Streetlight)							$ 539,260						
West Plans	Signal S1						$ 436,157							
West Plans	Signal S2						$ 398,015							
West Plans	Signal S4						$ 338,850							
East Plans	Village East Sewer						$ 1,345,239							
East Plans	Village East Drainage						$ 1,456,978							
East Plans	Village East Water						$ 1,143,945							
East Plans	Village East T-Main						$ 284,982							
East Plans	Schedule B2 Concrete, Village East							$ 641,864						
East Plans	Village East Top Side							$ 1,794,491						
Sewer/Lift	Trunk Sewer						$ 1,194,390							
Sewer/Lift	Lift Station							$ 2,012,191						
I5 T-Main	Interstate 5 T-Main Undercrossing	$ 1,143,248												
99 T-Main	Elkhon Blvd. W. side brdge to Commerce		$ 347,238	$ 645,374	$ 936,772									
Landscape	Public Landscaping							$ 1,150,000						
Signal S8	Signal S8 (99 Offramp)													
Comm Park	Community Park													$ 5,885,578
Neigh Park	Neighborhood Park													$ 1,116,197
Lump Sum Payment	Traffic Congestion Fee	$ 900,000												
Lump Sum Payment	Police Repeater Fee				$ 120,000									
	TOTAL FACILITIES	$ 2,043,248	$ 347,238	$ 645,374	$ 1,056,772	$ -	$ 13,273,703	$ 12,354,621	$ -	$ -	$ -	$ -	$ -	$ 7,001,775
	TOTAL FACILITIES (CUMULATIVE)	**$ 2,043,248**	**$ 2,390,486**	**$ 3,035,860**	**$ 4,092,632**	**$ 4,092,632**	**$ 17,366,335**	**$ 29,720,956**	**$ 29,720,956**	**$ 29,720,956**	**$ 29,720,956**	**$ 29,720,956**	**$ 29,720,956**	**$ 36,722,731**
FEES														
Fees	Lennar Permits ($30.2K average per unit) [1]	$ -	$ -	$ 784,107	$ 361,896	$ 965,055	$ 934,897	$ 983,917	$ 953,170	$ 983,917	$ 891,675	$ 1,106,907	$ 983,917	$ 983,917
	TOTAL FEES (CUMULATIVE)	**$ -**	**$ -**	**$ 784,107**	**$ 1,146,003**	**$ 2,111,058**	**$ 3,045,955**	**$ 4,029,872**	**$ 4,983,042**	**$ 5,966,959**	**$ 6,858,634**	**$ 7,965,541**	**$ 8,949,458**	**$ 9,933,375**
TOTAL FACILITIES AND FEES		$ 2,043,248	$ 347,238	$ 1,429,481	$ 1,418,667	$ 965,055	$ 14,208,600	$ 13,338,538	$ 953,170	$ 983,917	$ 891,675	$ 1,106,907	$ 983,917	$ 7,985,692
TOTAL (CUMULATIVE)		**2,043,248**	**2,390,486**	**3,819,968**	**5,238,635**	**6,203,690**	**20,412,290**	**33,750,828**	**34,703,998**	**35,687,915**	**36,579,590**	**37,686,497**	**38,670,414**	**46,656,106**

Facilities %	80%
Fees %	20%

Footnotes:
[1] See Table 2 (Permits pulled schedule) and Table 3 (Detail for $30.2k estimate). Note: The $30.2K average per unit estimate includes a $14,736 Twin Rivers Unified School mitigation fee applicable through Feb 2021. The rate will increase in March 2021 (escalation factor to be determined; placeholder escalation of 4% assumed for illustrative purposes), which increases the total average from $30.2k to $30.7k (March-Sep 2021)

PERMITS AND FEES

The developer of this project provided an overall allocation of permits and fees for this project. While these fees reflect those payable after the completion of all site improvements, or finished lots, they are meaningful in deriving potential value for this project though direct comparison with comparable sales, as well as from a residual methodology. These fees are summarized below as provided by the developer dated December 23, 2020. It is clearly noted that these fees reflect the net permits and fees after $8,376 credits.

PROJECT	DIMENSIONS	MINIMUM LOT SIZE (SF)	# LOTS	PERMITS & FEES PER UNIT
SHOR	41' x 68'	2,788	136	$27,335
LAKELET	41' x 90'	3,690	138	$28,450
WATERSYDE	50' x 80', 50' x 85'	4,000 - 4,250	127	$29,850
WAVMOR	45' x 100'	4,500	157	$29,945
CRESTVUE	55' x 85'	4,675	97	$29,825
BLEAU	50' x 100'	5,000	230	$30,618
DRIFTON	55' x 100'	5,500	136	$31,592
ALTA	60' x 110'	6,600	116	$34,273
PROJECT			**1,137**	**$30,205**

The average permits and fees project wide equate to $30,205 per unit. These fees are lower than that of other new home communities throughout the region which shows permits and fees in excess of $65,000 per unit. As noted, these fees are net of credits totaling $8,676 per unit. These credits are comprised as follows.

ITEM	TOTAL CREDIT
Water Fee Credit	($3,143)
Park Fee Credit	($3,800)
SASD Sewer Fee	($1,733)
TOTAL CREDITS	**($8,676)**

Lastly, the list of eligible facilities for this project identifies credits toward building permits at $9,933,375 as noted in the prior discussions. This equates to $8,737 per unit. Based on the hypothetical condition that bonds have been sold and the properties were encumbered by CFD Bonds supported by special taxes, this is credited against total fees. However, the total bond proceeds for this project are identified at $38,000,000. With $36,722,731 allocated toward site development costs, the total eligible facilities available for fees equates to $1,277,269 or $1,123 per unit.

The table on the following page shows total permits and fees utilized for valuation of this project.

PROJECT	DIMENSIONS	MINIMUM LOT SIZE (SF)	# LOTS	PERMITS & FEES PER UNIT	ELIGIBLE FACILITIES CREDIT	PERMITS & FEES PER UNIT
SHOR	41' x 68'	2,788	136	$27,335	($1,123)	$26,212
LAKELET	41' x 90'	3,690	138	$28,450	($1,123)	$27,327
WATERSYDE	50' x 80', 50' x 85'	4,000 - 4,250	127	$29,850	($1,123)	$28,727
WAVMOR	45' x 100'	4,500	157	$29,945	($1,123)	$28,822
CRESTVUE	55' x 85'	4,675	97	$29,825	($1,123)	$28,702
BLEAU	50' x 100'	5,000	230	$30,618	($1,123)	$29,495
DRIFTON	55' x 100'	5,500	136	$31,592	($1,123)	$30,469
ALTA	60' x 110'	6,600	116	$34,273	($1,123)	$33,150
PROJECT			**1,137**	**$30,205**	**($1,123)**	**$29,082**

Note: Total eligible facilities credit at $1,123 per unit or $1,277,269 on an overall basis. This reflects the available bond proceeds to fees with consideration of the $36,722,731 allocated to site development costs. Total bond proceeds are $38,000,000.

Soil Conditions

There was no soils report provided for review in preparation of this assignment. The subject property is located in an area formerly utilized for farm and grazing land. The opinions of value presented for the subject property assume that the soils are capable of supporting the existing improvements and proposed improvements for the subject property. Please refer to the assumptions and limiting conditions for further documentation.

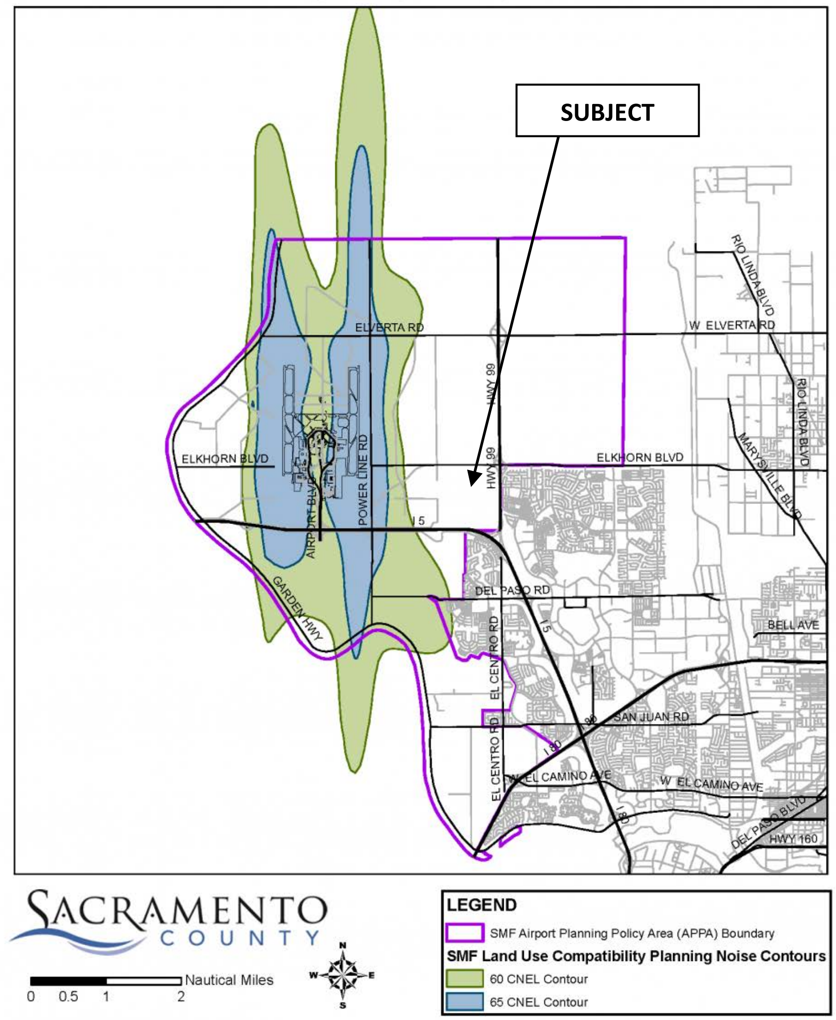
Nuisances and Hazards

There was no Environmental Site Assessment provided for review in preparation of this assignment. Inspection of this site did not reveal any potential contaminants. In the absence of any environmental site assessments, the opinions of value for the subject property assume that there are no surface or sub-surface contaminants impacting the subject property. It is noted that the appraiser is not a recognized expert in this field. Please refer to the assumptions and limiting conditions for further documentation.

In addition, potential noise contours were identified based on the overall proximity to the Sacramento International Airport. The Sacramento County Airport System has established noise abatement procedures designed to minimize aircraft noise exposure in the community. A primary emphasis of these procedures is to minimize aircraft noise during the nighttime hours (9:45 PM to 7:45 AM) when people are more sensitive to aircraft exposure. The Sacramento County Airport System also has letters of agreement with several units of the United States military designed to limit repetitive training activity to the daytime hours and up to one hour per aircraft.

The subject property does not include and significant added noise based on the proximity to the airport as these areas are closer in proximity to the runways. These elements are noted as follows.

Sacramento International Airport
Land Use Compatibility Planning Noise Contours



Easements, Encroachments & Adverse Conditions

A preliminary title report prepared by First American Title Company dated September 23, 2020 was provided for review in preparation of this assignment. This document revealed 104 exceptions to title, none of which have an adverse impact on the subject property. Numerous exceptions noted in this document are for Remainder Parcel 1. This parcel reflects the Phase 2 portion of this project (APN 201-0300-189), which is beyond the scope of this assignment. The following table summarizes these exceptions.

EXCEPTION	ITEM	COMMENTS
1	General Taxes	General Disclosure for Property Taxes
2	Assessment Liens	Disclosure of liens for SAFCA CAP Asmt #2 & SAFCA Natomas Basin. Payments in Taxes
3	Special Tax Lien	Notice of Special Tax Lien for Sacramento Services Community Facilities District No. 2018-5. See Property Taxes Section
4	Special Tax Lien	Notice of Special Tax Lien for Greenbriar Community Facilities District No. 2018-3. Improvement Area No. 1 See Property Taxes Section (Subject Property)
5	**Special Tax Lien**	**Notice of Special Tax Lien for Greenbriar Community Facilities District No. 2018-3. Improvement Area No. 2 Phase 2 portion of project, beyond Scope of Work**
6	Taxes and Assessments	Taxes for RD#1000
7	Lien of Supplemental Taxes	General Disclosure
8	Unpaid Utilities	General Disclosure
9	Easement to Dig, Construct, Replace, Renew, Repair, Maintain and operate Drainage Canals	Older exception and affects Parcel 21 (APN 201-0300-177). Also identifies impact On Parcel 27 and Designated Remainder of Parcel 1 (Phase 2). In open space portion of project, No impact
10	Easement for Public Highway or Roads to Sacramento County	Identified on TM to be abandoned and Re-Dedicated
11	Intentionally Deleted	N/A
12	Lack of Abutters Rights in and to The freeways (I-5 and Hwy-99)	Several recorded references. Easements to RD#1000 For all reclamation (and/or irrigation and/or drainage) Uses and purposes upon under, over, through and across All real property. Per TM access relinquished. No Impact
13	Intentionally Deleted	N/A

EXCEPTION	ITEM	COMMENTS
14	Intentionally Deleted	N/A
15	Intentionally Deleted	N/A
16	Intentionally Deleted	N/A
17	Intentionally Deleted	N/A
18	Easement for Electrical Facilities And Incidental Purposes To SMUD	Utility easement and portions Quitclaimed in 2019. No Impact.
19	Easement for Drainage and Irrigation and Incidental Purposes To State of California	Quitclaimed to RD#1000 in 1996. No Impact
20	Easement for Road Incidental Purposes To State of California	Quitclaimed to RD#1000 in 1996. No Impact
21	Intentionally Deleted	N/A
22	Intentionally Deleted	N/A
23	Intentionally Deleted	N/A
24	Water Company Stock Certificate Recorded March 21, 2005	No Impact. See item 49
25	Memorandum of Agreement For Schools Most Recent Recorded June 12, 2020	First Document in 2006 showing Recorded funding agreement through Mutual Benefit Agreement to Rio Linda Union School District. Rights assigned to North Natomas Sac Region LLC in 2009. Restated in 2020 to show Twin Rivers Unified School District.
26	Sanitary Sewer and Incidental Purposes to Sacramento Area Sewer District	Easement runs along eastern side of Project and will remain per TM.
27	Sanitary Sewer and Incidental Purposes to Sacramento Area Sewer District	Easement runs along eastern side of Project and will remain per TM.
28	Development Agreement	Recorded in August 2017, modified January 2018 And May 2018. Provides framework and approvals Of project entitlements. This agreement limits the CITY's Right to revoke, terminate, change, or amend the Project Entitlements, or to require the LANDOWNER to comply With any subsequent rules that conflict with or Impede Development of the property for the Project, Except as provided in this agreement.
29	Deed of Trust	Recoded July 12, 2019
30	Lien Disclosure	Ties to Deed of Trust
31	Easement for Access and Incidental Purposes to RD1000	Along NEC of Project. No Impact
32	Easement for Access and Incidental Purposes to RD1000	Along Western Edge of Project in Open Space Component. No Impact
33	Debtors Financing Statement	No Impact
34	Grant of Well, Water Conveyance Facilities and Access Easements	Easements for access facilities and Water conveyance facilities. No Impact.
35	Memorandum of Agreements	Ties to Item 34. No Impact.

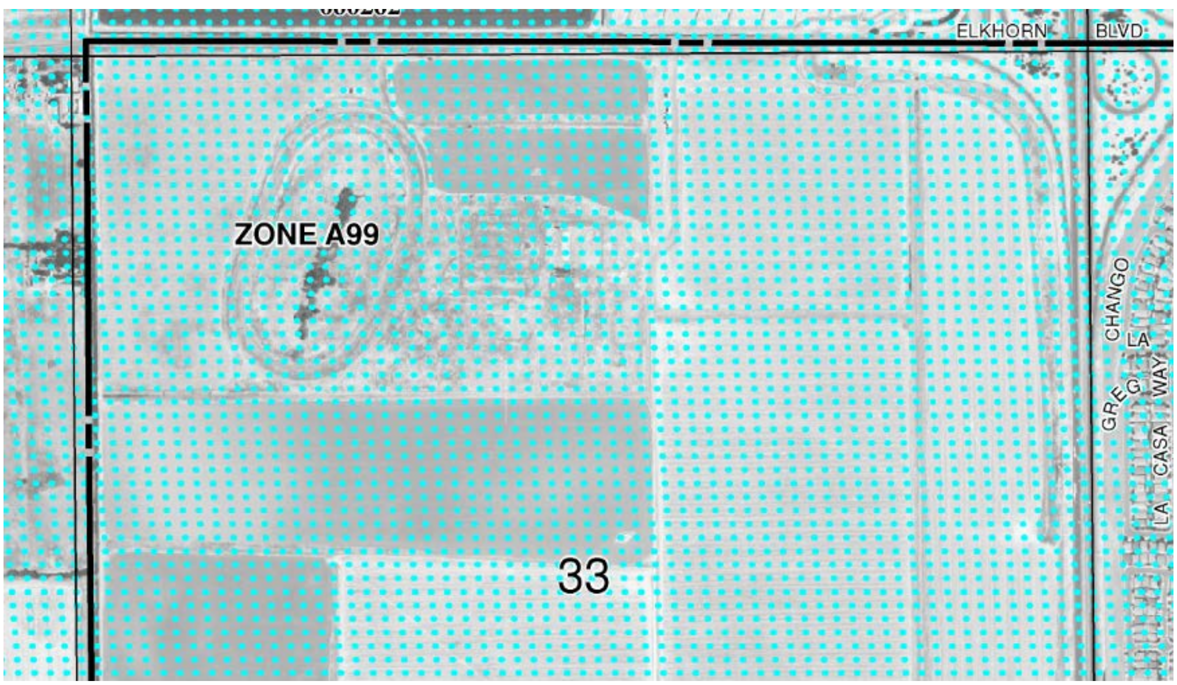
EXCEPTION	ITEM	COMMENTS
36	Easement for Overhead Facilities to SMUD Recorded November 2019	Along eastern edge of Project. No Impact
37-45	Public Easements	Public easements as shown in final maps. No Impact
46	Recorded matters disclosed with Recorded maps.	Parcel A and E dedicated to City for Parks. Parcel D dedicated to City for Open Space. Parcels B and C dedicated to City as detention And water quality basins Parcel 25 dedicated to SMUD for substation Parcel 26 dedicated to HOA for Community Center
47	Offer of Dedication to City	Recoded Agreement ties to Item 46.
48	Agreement to construct and Maintain Private Recreation Facilities	Agreement to construct private improvements To satisfy park requirement
49	Avigation Easement Recorded January 28, 2020	No Impact. Easement granted for airspace And noise above 100 feet
50	Memorandum of Agreement For cancellation of Water Stock Certificates	Shares of Company cancelled or Withdrawn upon development of Property with Natomas Central Mutual Water Company
51	Stormwater Treatment	Stormwater Treatment Devise Access and Maintenance Located on Parcel 26 (HOA Parcel). No Impact
52	Agreement with City to Construct Drainage Improvements	No Impact.
53	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 6
54	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 11
55	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 8
56	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 7
57	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 5
58	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 9
59	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 2
60	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 3
61	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 10
62	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 4
63	Subdivision Improvement Agreement	Agreement with City and Performance Bonds for Parcel 12
64	Temporary easement for Vehicle turnaround	No Impact
65	Hold Harmless Agreement	Recorded with City in August 2020. No Impact

EXCEPTION	ITEM	COMMENTS
66-99	Public Easements	Public easements as shown in final maps. No Impact
100	Water Rights	General Disclosure
101	Rights of Parties in Possession	General Disclosure
102	ALTA Survey, interests, and claims	General Disclosure
103	Relates to Greenbriar Project Owner LLC	General Disclosure
104	ALTA Survey, interests, and claims	General Disclosure

Upon review of this document and the various exceptions, the project is subject to typical utility easements. The project includes a recorded development agreement and site improvements which were underway as of the effective date of valuation are bonded with the City of Sacramento. In addition, performance bonds were recorded for several villages which ensures development of the intract improvements for the creation of finished lots. There were no adverse easements, encroachments, or adverse conditions in connection with the subject property.

Flood Zone

According to the Federal Emergency Management Agency Flood Insurance Rate Maps (FIRM), Community-Panel Numbers 06067C-0045J, with an effective date of June 16, 2015, the subject property is identified in Zone A99. In this zone, the base flood elevation is the water-surface elevation of the 1% annual chance flood. The 1% annual chance flood (100-year flood), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. A copy of this map is identified as follows.



Currently, the subject property lies within Zone A99, which requires flood insurance. Efforts are currently underway through various levee project to provide Natomas (including the subject property) at least 200-year level of flood protection.

Seismic Hazard

The subject is not located within the Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone) as defined by Special Publication 42 of the California Department of Conservation, Division of Mines and Geology. The subject is not within a special study area.

Zoning/Entitlements

The subject property is currently vested for development of the proposed uses identified in this report. This project identified as P11-083 was approved by the City of Sacramento in 2017 including the following:

1) Certification of the Environmental Impact Report including adoption of the mitigation monitoring and reporting program;
2) Approval of the Development Agreement;
3) Adoption of the 2017 Greenbriar Financing plan;
4) Resolution Authorizing Building Permits and Multi-Unit Dwellings pursuant to Sacramento City Code Floodplain Management Regulations;
5) Directing the Greenbriar Development Impact Fees to be allocated to the North Natomas Regional Park;
6) Amending the General Plan Land Use and Urban Form Diagram to change land use designations for various parcels consistent with the development project;
7) Amending the zoning of the project;
8) Amending the Planned Unit Development Guidelines;
9) Approving the Mixed-Income Housing Strategy;
10) Approving the tentative map and project design with conditions of approval.

This project is fully vested for development from both a planning and environmental viewpoint. The environmental process for Greenbriar began in 2006 and involved the preparation of the following documents that are relevant to the proposed amendments being considered for the project:

- Draft EIR (DEIR) for the Greenbriar Development Project (Volumes I-III), July 2006

- Recirculated Draft EIR (RDEIR) for the Greenbriar Development Project (Air Quality; Hydrology, Drainage and Water Quality), November 2006

- Second Recirculated Draft EIR (SRDEIR) for the Greenbriar Development Project (Transportation and Circulation), April 2007

- Final EIR (FEIR) for the Greenbriar Development Project, August 2007

On September 19, 2007, the Sacramento Local Agency Formation Commission (LAFCo) certified the Final EIR and approved the Sphere of Influence Amendment for the project. In January 2008, the City of Sacramento certified the EIR and approved the Greenbriar Development Project (City of Sacramento

2008). After the City's approval of the project, LAFCo approved annexation of the proposed project to the City of Sacramento service area boundary in June 2008 (LAFCo 2008).

Applicable Agency Permits secured for this project include the following:

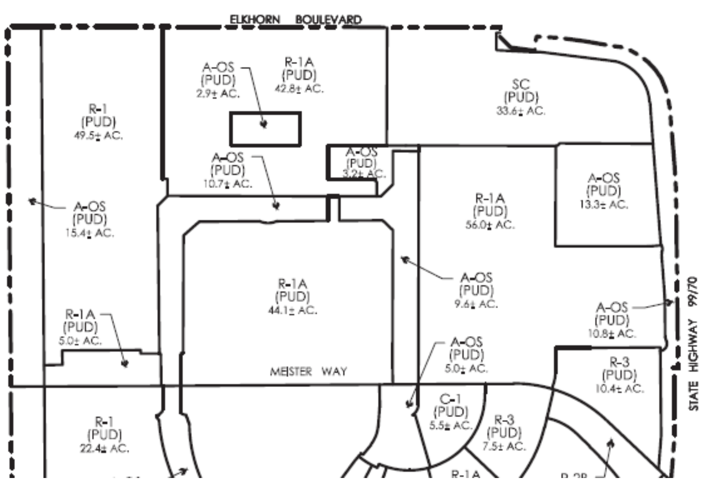
1) California Department of Fish & Wildlife Final Streambed Alteration Agreement No. 1600-2013-0224-R2
2) Central Valley Regional Water Control Board Clean Water Act Section 401 permit (WDID #5A35CR00587)
3) Department of the Army Section 404 Permit # SPK-2005-00572
4) United States Department of the Interior Fish & Wildlife Service Biological Opinion
5) CDFW Incidental Take Permit. 2081-2013-059-02

According to Cheryle Hodge with the City of Sacramento Planning Department, the subject project is conforming with all applicable environmental mitigation. Furthermore, the subject property is a stand-alone project and not subject to the Natomas Basin HCP Fees.

Since the time of this approval, site improvements have commenced on this project and the developer has recorded final maps and bonded for site improvements on the following villages.

Village 2B	Village 3B	Village 4B
Village 5A	Village 5C	Village 7A
Village 9	Village 11	
Village East	Village West	

Zoning for this project is generally identified in the following classifications, R-1 (PUD), R-1A (PUD) and A-OS (PUD) as they pertain to the subject properties. The map noted below shows the overall zoning identified for the subject property.



The zoning map for this project also shows R-3 (PUD) and SC (PUD) designations. The SC (PUD) Designation is not part of the Community Facilities District and the R-3 (PUD) project is exempt from the district as it is being sold for senior affordable housing.

Applicable districts for this project are defined as follows.

R-1: The purpose of the R-1 zone is to accommodate low-density residential uses composed of single-unit detached residences and duplex dwellings on corner lots. This zone may also include recreational, religious, and educational facilities as the basic elements of a balanced neighborhood. These areas should be clearly defined and without encroachment by uses not performing a neighborhood function. Applicable setbacks and requirements for this district is noted as follows.

ITEM	TOTAL
Height	35 Feet
Coverage	40% of Site Area (Max)
Lot Size (SF)	5,200 SF (Min)
Width	52 Feet (Min)
Depth	100-160 Feet

Based on review of the zoning map as well as the overall project map, the R-1 zoning is only applicable for Villages 2 and 3 with minimum lot sizes at 5,500 and 6,600 SF, respectively.

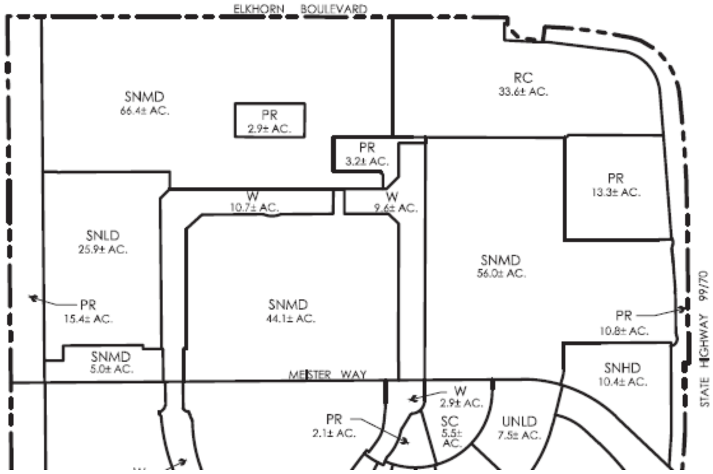
R-1A: The purpose of the R-1A zone is to permit single-unit or duplex dwellings, whether attached or detached, at a higher density than is permitted in the R-1 zone. Dwellings that have no interior side yards, such as townhouses and rowhouses, are allowed. Applicable setbacks and requirements for this district is noted as follows.

ITEM	TOTAL
Height	35 Feet
Coverage	50% of Site Area (Max)
Lot Size (SF)	2,900 SF (Min)
Width	25 Feet (Min)
Depth	80-160 Feet

Based on review of the zoning map as well as the overall project map, the R-1A is applicable for Villages 1, 4-12 and 3 with minimum lot sizes from 2,788 to 5,000 square feet. The Shor project identified in Villages 10A and 10B1&2 is below the minimum lot size threshold but approved consistent with the PUD identification of this project. Furthermore, the lot size noted for this village reflects the minimum size for this project, whereas the overall average lot size is near 3,000 square feet for this project.

A-OS: The purpose of the A-OS zone is to ensure the long-term preservation of agricultural and open space land. This zone is intended to prevent the premature development of land to urban uses. This district is assigned to the Community Park Site (Parcel A), Neighborhood Park Site (Parcel E), Community Center Site (Parcel 26), as well as to the parcels for the man-made lake (Parcels B and C).

The General Plan identifies the residential components for Suburban Neighborhood Low Density (3-8 du/ac), Suburban Neighborhood Medium Density (7-17 du/ac), Waterways, and Parks and Recreation. The approved General Plan map for this project is as follows.



Similar to the overall zoning, the General Plan also identifies Suburban Neighborhood High Density (15-30 du/ac), as well as Regional Commercial. These land uses are beyond the boundaries of the district, and/or are exempt from the facilities.

The proposed development of this project is consistent with the overall zoning and General Plan. This project includes an affordable housing component identified as the Mixed-Income Housing Strategy. Accordingly, the total project is proposed for 2,425 market rate housing units and 339 market rate rental units. The Greenbriar Mixed-Income Housing Strategy provides for the development of 189 affordable units for seniors (APN 201-0300-180). With the development of this project, designated for residents whose income does not exceed 80% of the AMI for Sacramento County, no further affordable housing is required. The developer of this project receives a fee credit for the construction of this project relative to the 2,425 market rate units identified for the project. The only caveat is that the developer obtains a building permit for this project prior to issuance of 65% of the building permits for the 2,425 market rate units. This equates to 1,576 permits. Since the subject property comprises 1,137 market rate units, this threshold would be applicable to Phase 2 of this project with no influence on the subject property.

Development of the proposed land uses described in this report reflect a legal, permissible use under the current zoning, general plan, and all entitlements are secured for development.

Taxes and Assessments

The 2020/2021 assessed values for the subject parcels are identified as follows. The following table reflects a summation of the individual parcels, whereas references on the following page show the overall totals.

ITEM	AGGREGATED
Assessed Value (Land)	$18,024,001
Assessed Value (Structural Improvements)	$0
Total Assessed Value	$18,024,001
BASE PROPERTY TAXES (1.1484%)	**$206,987.50**
Direct Levies	
--(0168) Sacramento Area Flood Control	$5,593.74
--(0169) Natomas Basin Local Assessment District	$1,121.82
--(0198) SAFCA Consolidated Capital Assessment #2	$4,377.56
--(0659) Sacramento Additional Library Service Tax	$1,416.24
--(0612) Sacramento Core Library Service Tax	$551.04
--(0738) Reclamation District No. 1000	$7,250.08
TOTAL DIRECT LEVIES	**$20,310.48**
TOTAL TAXES	**$227,297.98**

The subject properties fall within Tax Codes 03-350. Base tax rates for this district (2020-2021) as provided from the Sacramento County Tax Collectors office are allocated as follows.

ITEM	TOTALS
Ad Valorem Taxes	1.0%
Grant Jt. High GOB	0.020%
Los Rios College GO Bond	0.0223%
Twin Rivers Unif. GOB	0.0613%
Twin Rivers Elem. GOB	0.0448%
TOTAL TAX RATE	**1.1484%**

The base tax rate is 1.1484%. As noted the subject property is located within several districts. These include the following:

--(0168) Sacramento Area Flood Control - This special benefit assessment finances the Sacramento Area Flood Control Agency's regional flood control planning efforts to address the serious flood risk facing this community. Funds are used to conduct studies in coordination with the Federal and State government leading to constructing flood control projects to reduce the flood risk. Assessments are levied on properties within the Agency's jurisdictional boundaries that benefit from improved flood protection on the American and Sacramento Rivers, and their tributaries. Assessments are based on relative land value, area of parcel, and relative benefit derived from flood control. Current charges are identified at $24.76 per acre, per annum.

--(0169) Natomas Basin Local Assessment District - This levy is a Sacramento Area Flood Control Agency Act (Cal. Water Code App., Chapter 130) assessment and is subject to accelerated judicial foreclosure. This special capital assessment provides additional local funding to cover cost increases in the ongoing Natomas Levee Improvement Project

(Project), initiated following creation of the Consolidated Capital Assessment District. Changes in urban levee design standards have required significant modifications to the project and increased the estimated total project cost. Assessments are based on property related benefits relative to depth of flooding, and damage to structures and land. Current charges are identified at $4.10 per acre, per annum.

--(0198) SAFCA Consolidated Capital Assessment #2 - The Sacramento Area Flood Control Agency (SAFCA) formed this district in 2016 as authorized by the SAFCA Act, Water Code Appendix Section 130-1 et seq. and following a Proposition 218 protest procedure election and is subject to accelerated judicial foreclosure. This Special Capital Assessment finances repayment of bonds issued to construct a series of levee and other flood control improvements in the original Consolidated Capital Assessment District as well as a series of projects necessary to provide 100-year flood protection for developed areas in Sacramento's major floodplains as quickly as possible. In addition, annual assessments fund the local share of flood risk reduction projects on the lower American River and Sacramento River and their tributaries. Assessments are based on property-related benefits related to depth of flooding, and damage to structures and land. Current charges are identified at $16.01 per acre, per annum.

--(0659) Sacramento Additional Library Service Tax - Revenue generated by this assessment provides for increased City Library services which will keep libraries open more hours, restore book and library material budgets and update technology in neighborhood, community, and regional libraries. Current charges are fixed at $67.44 per parcel, per annum. It is not applicable to public use parcels.

--(0612) Sacramento Core Library Service Tax - This is a parcel tax for library services in the City of Sacramento. A parcel tax for library services is imposed upon every parcel of real property in the City to assist in funding the core library services provided by the City. Core library services include, without limitation, open hours at City libraries, library staff, acquisition of library materials and access to technology. Current charges are fixed at $26.24 per parcel, per annum. It is not applicable to public use parcels.

--(0738) Reclamation District No. 1000 - Reclamation District No. 1000 has asked Sacramento County to place the District’s benefit assessment on the secured tax bills of the landowners in the District. The assessment charges are for the annual operation and maintenance of the levees and drainage system. Current charges are based on land use designated by the Sacramento County Assessor. It is based on residential land value at $22,500 per acre and agricultural land at $2,300 per acre. Annual payments calculated based on 0.0075 per acre, or $168.75 per acre for the residential land uses and agricultural land uses at $17.25 per acre. Only APNs 201-0300-157, 201-0300-162, 201-0300-166, and 201-0300-176 were assessed based on residential land value. The remainder of the project was assessed based on agricultural land value.

The table on the following pages provides detailed summary of the individual property taxes as provided by the Sacramento County Assessor’s Office.

LAND USE	APN	LEGAL	LOT SIZE (AC)	ASSESSED LAND VALUE (2020-2021)	BASE PROPERTY TAX RATE %	BASE PROPERTY TAXES	DIRECT LEVY 0168 SACRAMENTO AREA FLOOD CONTROL	DIRECT LEVY 0169 NATOMAS BASIN LOCAL ASSESSMENT DIST.	DIRECT LEVY 0198 SAFCA CONSOLIDATED CAP ASMT #2	DIRECT LEVY 0659 SACRAMENTO ADDL LIBRARY SRV TAX	DIRECT LEVY 0612 SACTO CORE LIBRARY SERV. TAX	DIRECT LEVY 0738 RECLAMATION DISTRICT NO. 1000	TOTAL DIRECT LEVIES	TOTAL PROPERTY TAXES
SFR	201-0300-157	Lot 1	5.76	$449,953	1.148%	$5,167.26	$142.62	$23.64	$92.22	$67.44	$26.24	$972.00	$1,324.16	$6,491.42
SFR	201-0300-158	Lot 2	9.17	$867,082	1.148%	$9,957.56	$226.82	$37.58	$146.68	$67.44	$26.24	$158.02	$662.78	$10,620.34
SFR	201-0300-159	Lot 3	15.77	$1,538,134	1.148%	$17,663.92	$390.50	$64.72	$252.52	$67.44	$26.24	$272.04	$1,073.46	$18,737.38
SFR	201-0300-160	Lot 4	11.56	$1,150,592	1.148%	$13,213.40	$286.24	$47.44	$185.12	$67.44	$26.24	$199.42	$811.90	$14,025.30
SFR	201-0300-161	Lot 5	14.42	$1,308,582	1.148%	$15,027.74	$357.06	$59.18	$230.90	$67.44	$26.24	$248.76	$989.58	$16,017.32
SFR	201-0300-162	Lot 6	5.04	$492,899	1.148%	$5,660.46	$124.80	$20.68	$80.70	$67.44	$26.24	$850.50	$1,170.36	$6,830.82
SFR	201-0300-163	Lot 7	9.56	$839,081	1.148%	$9,636.02	$236.72	$39.22	$153.08	$67.44	$26.24	$164.92	$687.62	$10,323.64
SFR	201-0300-164	Lot 8	8.51	$845,453	1.148%	$9,709.18	$210.72	$34.92	$136.26	$67.44	$26.24	$146.80	$622.38	$10,331.56
SFR	201-0300-165	Lot 9	11.58	$916,739	1.148%	$10,527.82	$286.74	$47.52	$185.42	$67.44	$26.24	$199.76	$813.12	$11,340.94
SFR	201-0300-166	Lot 10	5.87	$429,096	1.148%	$4,927.74	$145.34	$24.08	$94.00	$67.44	$26.24	$990.56	$1,347.66	$6,275.40
SFR	201-0300-167	Lot 11	7.33	$759,822	1.148%	$8,725.78	$181.50	$30.08	$117.36	$67.44	$26.24	$126.44	$549.06	$9,274.84
SFR	201-0300-168	Lot 12	13.43	$1,255,993	1.148%	$14,423.82	$332.54	$55.12	$215.06	$67.44	$26.24	$231.68	$928.08	$15,351.90
SFR	201-0300-169	Lot 13	12.37	$912,168	1.148%	$10,475.32	$306.30	$50.76	$198.08	$67.44	$26.24	$213.38	$862.20	$11,337.52
SFR	201-0300-170	Lot 14	11.22	$1,075,973	1.148%	$12,356.46	$277.82	$46.04	$179.68	$67.44	$26.24	$193.56	$790.78	$13,147.24
SFR	201-0300-171	Lot 15	11.54	$880,538	1.148%	$10,112.10	$285.74	$47.36	$184.78	$67.44	$26.24	$199.08	$810.64	$10,922.74
SFR	201-0300-172	Lot 16	7.75	$651,303	1.148%	$7,479.56	$191.90	$31.80	$124.10	$67.44	$26.24	$133.70	$575.18	$8,054.74
SFR	201-0300-173	Lot 17	9.81	$608,271	1.148%	$6,985.38	$242.92	$40.26	$157.08	$67.44	$26.24	$169.22	$703.16	$7,688.54
SFR	201-0300-174	Lot 18	15.64	$976,140	1.148%	$11,209.98	$387.28	$64.18	$250.44	$67.44	$26.24	$269.80	$1,065.38	$12,275.36
SFR	201-0300-175	Lot 19	8.90	$908,110	1.148%	$10,428.72	$220.38	$36.52	$142.52	$67.44	$26.24	$153.54	$646.64	$11,075.36
SFR	201-0300-176	Lot 20	5.66	$541,099	1.148%	$6,213.98	$140.14	$23.22	$90.64	$67.44	$26.24	$955.14	$1,302.82	$7,516.80
O/S	201-0300-177	Lot 21	15.24	$115	1.148%	$1.32	$93.12	$62.54	$244.04	$0.00	$0.00	$262.90	$662.60	$663.92
MF	201-0300-180	Lot 24	8.05	$616,053	1.148%	$7,074.74	$199.32	$33.04	$128.90	$67.44	$26.24	$138.86	$593.80	$7,668.54
SMUD	201-0300-181	Lot 25	1.74	$115	1.148%	$1.32	$0.00	$7.14	$27.86	$0.00	$0.00	$0.00	$35.00	$36.32
C-Center	201-0300-182	Lot 26	1.93	$115	1.148%	$1.32	$0.00	$7.88	$30.74	$0.00	$0.00	$0.00	$38.62	$39.94
C-Park	201-0300-184	Lot A	12.40	$115	1.148%	$1.32	$75.78	$50.88	$198.56	$0.00	$0.00	$0.00	$325.22	$326.54
LAKE	201-0300-185	Lot B	9.72	$115	1.148%	$1.32	$120.18	$39.88	$155.64	$0.00	$0.00	$0.00	$315.70	$317.02
LAKE	201-0300-186	Lot C	10.67	$115	1.148%	$1.32	$65.20	$43.78	$170.86	$0.00	$0.00	$0.00	$279.84	$281.16
O/S	201-0300-187	Lot D	10.81	$115	1.148%	$1.32	$66.06	$44.36	$173.10	$0.00	$0.00	$0.00	$283.52	$284.84
N-PARK	201-0300-188	Lot E	1.95	$115	1.148%	$1.32	$0.00	$8.00	$31.22	$0.00	$0.00	$0.00	$39.22	$40.54
TOTALS			**273.40**	**$18,024,001**	**1.1484%**	**$206,987.50**	**$5,593.74**	**$1,121.82**	**$4,377.56**	**$1,416.24**	**$551.04**	**$7,250.08**	**$20,310.48**	**$227,297.98**

It is noted that several projects in North Natomas have annual assessments for the North Natomas Drainage Community Facilities District No. 97-1. The subject property is not part of this district nor required to annex within this district. However, the developer is required to pay a fee totaling $2,561,188 for this district and is identified within their costs as the CFD 97-01 Catch Up Fee. No further payments to this district are required.

Overall, anticipated direct levies for the subject project (as finished lots) are illustrated as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	6,600 SF
AVERAGE HOME SIZE	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	3,402 SF
0168/Sac Area Flood Contol	$6.23	$8.30	$9.56	$10.12	$10.52	$11.25	$12.37	$14.85
0169/Natomas Basin	$27.15	$30.59	$36.61	$34.03	$35.04	$38.03	$41.52	$46.61
0198/SAFCA	$49.25	$65.65	$75.61	$80.06	$83.18	$88.96	$97.85	$117.42
0659/Sac. Additional Library	$35.94	$35.94	$35.94	$35.94	$35.94	$35.94	$35.94	$35.94
0612/Sac. Core Library	$13.98	$13.98	$13.98	$13.98	$13.98	$13.98	$13.98	$13.98
0738/RD #1000	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
TOTALS	**$157.55**	**$179.46**	**$196.70**	**$199.13**	**$203.66**	**$213.16**	**$226.66**	**$253.80**

Direct levies for the finished lots range from $157.55 to $253.80, per annum, per project.

Overlapping Debt

In addition, the outstanding debt was provided for all of the properties in this analysis as compiled from Muni Financial. This was provided for all of the properties including General Obligation Bonds which are part of the Base Tax Rate noted above. These elements, excluding the General Obligation Bonds, which are paid as part of the base tax rate are identified as follows.

ITEM	TOTALS
Sacramento Area Flood Control Natomas Basin	$11,619
Sacramento Area Flood Consolidated Capital AD Debt	$48,580
TOTALS	**$60,199**

The total outstanding debt on these properties is identified at $60,199. This total debt is nominal relative to the overall value for the property.

The subject property is proposed for two additional districts which is the subject of this report. The following table shows the overall payment schedule for this project.

CFD-2018-03: Greenbriar Community Facilities District No 2018-03, Improvement Area #1

This district comprises the subject property. The maximum annual payments are identified as follows.

Land Use	Base Special Tax (Fiscal Year 2020-21)*
Single Family Residential Property	
Village 1	$2,100 per Residential Unit or SFD Lot
Village 2A	$2,560 per Residential Unit or SFD Lot
Village 2B	$2,560 per Residential Unit or SFD Lot
Village 3A	$2,461 per Residential Unit or SFD Lot
Village 3B	$2,461 per Residential Unit or SFD Lot
Village 4A	$2,100 per Residential Unit or SFD Lot
Village 4B	$2,100 per Residential Unit or SFD Lot
Village 5A	$1,809 per Residential Unit or SFD Lot
Village 5B	$1,809 per Residential Unit or SFD Lot
Village 5C	$1,809 per Residential Unit or SFD Lot
Village 6	$1,807 per Residential Unit or SFD Lot
Village 7A	$1,918 per Residential Unit or SFD Lot
Village 7B	$1,918 per Residential Unit or SFD Lot
Village 8	$1,523 per Residential Unit or SFD Lot
Village 9	$1,523 per Residential Unit or SFD Lot
Village 10A	$1,333 per Residential Unit or SFD Lot
Village 10B	$1,333 per Residential Unit or SFD Lot
Village 11	$1,807 per Residential Unit or SFD Lot
Village 12A	$2,100 per Residential Unit or SFD Lot
Village 12B	$2,100 per Residential Unit or SFD Lot
Other Property	$21,000 per Acre

These charges are subject to a 2% annual increase in payments.

CFD-2018-05: Sacramento Services Community Facilities District No 2018-05

This district will also encumber the subject property. It is established for the repair and maintenance of roadway facilities, transit facilities, bikeway and pedestrian paths, storm water drainage facilities and/or landscaped areas. Annual payments were identified at $230 per annum. This payment was provided by Sheri Smith, Special Districts Manager for the City of Sacramento. The annual payments were identified at $587 per lot. However, as the HOA for this project will maintain a majority of the facilities included in the CFD, there is ongoing agreement with the HOA that limits this tax to 39% of the maximum special tax. This equates to $228.93 and is rounded to $230 per lot.

Combined, the two CFD Payments range from $1,563 to $2,790 per annum. The following table shows these elements based on the individual product types.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	6,600 SF
CFD 2018-03	$1,333	$1,523	$1,807	$1,809	$1,918	$2,100	$2,461	$2,560
CFD 2018-05	$230	$230	$230	$230	$230	$230	$230	$230
TOTALS	**$1,563**	**$1,753**	**$2,037**	**$2,039**	**$2,148**	**$2,330**	**$2,691**	**$2,790**

In addition, this project lies within the boundaries within the North Natomas Transportation Management Association Community Facilities District No. 99-01, Annexation No. 2. While not levied against the subject properties as of the effective date of valuation, it shows future assessments at $73 per detached unit. Ultimately, it will be levied against the subject lots, however, the annual assessment at $83,001 per annum is inconsequential relative to the opinion of value expressed in this report.

HOA

All of the lots identified within this district will be part of a homeowner's association. Monthly dues for all of the lots in this project are identified at $98 per month.

IMPROVEMENT DESCRIPTION

The subject project is proposed for the development of eight villages.

PROJECT	DIMENSIONS	MINIMUM LOT SIZE (SF)	VILLAGE	# LOTS	LAKE FRONT LOTS	% OF TOTAL
SHOR	41' x 68'	2,788	10A	85	0	0%
	41' x 68'	2,788	10B1 & 2	51	0	0%
TOTALS - SHOR - 2,788 SF (41' x 68')				**136**	**0**	**0%**
LAKELET	41' x 90'	3,690	8/VE	87	0	0%
	41' x 90'	3,690	9/VE	51	0	0%
TOTALS - LAKELET - 3,690 SF (41' x 90')				**138**	**0**	**0%**
WATERSYDE	50' x 85'	4,250	6	67	24	36%
	50' x 80'	4,000	11 (Por.)	55	7	13%
	50' x 80'	4,000	7A (Por.)	5	5	100%
TOTALS - WATERSYDE - 4,000-4,250 SF (50' x 85', 50' x 80')				**127**	**36**	**28%**
WAVMOR	45' x 100'	4,500	5A/VW	70	0	0%
	45' x 100'	4,500	5B	34	0	0%
	45' x 100'	4,500	5C	53	29	55%
TOTALS - WAVMOR - 4,500 SF (45' x 100')				**157**	**29**	**18%**
CRESTVUE	55' x 85'	4,675	7A	55	11	20%
	55' x 85'	4,675	7B	42	10	24%
TOTALS - CRESTVUE - 4,675 SF (55' x 85')				**97**	**21**	**22%**
BLEAU	50' x 100'	5,000	1	23	2	9%
	50' x 100'	5,000	4A	30	0	0%
	50' x 100'	5,000	4B/VW	49	0	0%
	50' x 100'	5,000	11 (Por.)	9	0	0%
	50' x 100'	5,000	12A	77	6	8%
	50' x 100'	5,000	12B	42	22	52%
TOTALS - BLEAU - 5,000 SF (50' x 100')				**230**	**30**	**13%**
DRIFTON	55' x 100'	5,500	3A	63	0	0%
	55' x 100'	5,500	3B/VW	73	0	0%
TOTALS - DRIFTON - 5,500 SF (55' x 100')				**136**	**0**	**0%**
ALTA	60' x 110'	6,600	2A	45	7	16%
	60' x 110'	6,600	2B	71	10	0%
TOTALS - ALTA - 6,600 SF (60' x 110')				**116**	**17**	**15%**
PROJECT TOTALS				**1,137**	**133**	**12%**

The table below provides a summary of these projects. Price range are based on information demonstrated in the Absorption Study prepared by the Gregory Group as of October 2020.

PROJECT	LOT SIZE (SF)	# OF PLANS	UNIT SIZE (SF)	AVG. SIZE	PRICE RANGE	AVERAGE PRICE
SHOR	2,768 SF	4 Base Plans	1,774-2,190 SF	1,982 SF	$458,000-$492,000	$475,000
LAKELET	3,690 SF	3 Base Plans	2,114-2,362 SF	2,233 SF	$508,000-$529,000	$518,000
WATERSYDE	4,000-4,250 SF	5 Base Plans	2,307-2,968 SF	2,650 SF	$532,000-$587,000	$561,600
WAVMOR	4,500 SF	4 Base Plans	2,134-2,786 SF	2,484 SF	$530,000-$585,000	$559,500
CRESTVUE	4,675 SF	5 Base Plans	1,620-2,070 SF	2,558 SF	$507,000-$622,000	$570,200
BLEAU	5,000 SF	4 Base Plans	2,150-3,180 SF	2,776 SF	$544,000-$630,000	$596,250
DRIFTON	5,500 SF	4 Base Plans	2,282-3,425 SF	3,031 SF	$567,000-$661,000	$628,750
ALTA	6,600 SF	4 Base Plans	2,632-3,940 SF	3,402 SF	$624,000-$732,000	$687,750

A copy of the Absorption Study is included in the addenda of this report. The next section of this report illustrates supply and demand characteristics for this property.

PART 3 – MARKET ANALYSIS & HIGHEST AND BEST USE

MARKET ANALYSIS

A market analysis is presented in conjunction with assignment. The depth of discussion is specific to the needs of the client and for the intended use. This element is provided for the regional and local housing market based on information provided from DataQuick, Metrolist, and The Gregory Group.

California Housing Market

According to the California Association of Realtors (C.A.R.), the California housing market outperforms expectations, breaking record high median pricing for four straight months. Existing, single-family home sales totaled 489,590 in September on a seasonally adjusted annualized rate, up 5.2 percent from August and up 21.2 percent from September 2019. September's statewide median home price was $712,430 up 0.8 percent from August and up 17.6 percent from September 2019. Year-to-date statewide home sales were down 3.7 percent in September.

California's home-buying season extended further into September as home sales climbed to their highest level in more than a decade, and the median home price set another high for the fourth straight month. Closed escrow sales of existing, single-family detached homes in California totaled a seasonally adjusted annualized rate of 489,590 units in September. The statewide annualized sales figure represents what would be the total number of homes sold during 2020 if sales maintained the September pace throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.

September's sales total climbed above the 400,000 level for the third straight month since the COVID-19 crisis depressed the housing market earlier this year and was the highest sales level recorded since February 2009. September sales rose 5.2 percent from 465,400 in August and were up 21.2 percent from a year ago, when 404,030 homes were sold on an annualized basis.

"As motivated buyers continue to take advantage of the lowest interest rates in history, home sales will be elevated in the next couple of months, and the housing market should remain a bright spot in a broader economy that continues to struggle," said C.A.R. President Jeanne Radsick, "And with many employers allowing the flexibility of working remotely, homebuyers now also have the option of searching in less expensive areas where homes are more affordable and buyers can get more home for their money."

With home sales continuing to bounce back in September and sales of higher-priced properties recovering faster than the rest of the market, the statewide median price hit another new high after setting records in June, July, and August. California's median home price exceeded the $700,000 mark for the second consecutive month, as it reached $712,430 in September, edging up 0.8 percent from August's $706,900, and jumping 17.6 percent from $605,680 in September 2019. The yearly price increase was the highest recorded since February 2014 and higher than the six-month average of 5.3 percent observed between March 2020 to August 2020.

"With the statewide home price hitting new highs for the past four months, it's sounding like a broken record as California home sales and prices continue to outperform expectations," said C.A.R. Senior Vice President and Chief Economist Leslie Appleton-Young, "However, with the shortest time on market in recent memory, an alarmingly low supply of homes for sale, and the fastest price growth in six and a half years, the market's short-term gain can also be its weakness in the longer term as the imbalance of supply and demand could lead to more housing shortages and deeper affordability issues."

Reflecting the rise in home prices, consumers continue to say it is a good time to sell, according to C.A.R.'s monthly Consumer Housing Sentiment Index. Conducted in early October, the poll found that 56 percent of consumers said it is a good time to sell, down from 58 percent a month ago, but up from 52 percent a year ago. Meanwhile, low interest rates continue to fuel the optimism for homebuying; 28 percent of the consumers who responded to the poll believed that now is a good time to buy a home, up from last year, when 22 percent said it was a good time to buy a home.

Other key points from C.A.R.'s September 2020 resale housing report include:

- At the regional level, sales increased in all major regions from last year in the high double-digits. The Central Coast and the San Francisco Bay Area had the strongest sales growth in September with both regions surging 42 percent and 34.2 percent, respectively. That was followed by increases in the Far North (28.3%), Southern California (25.0%), and the Central Valley (18.4%).

- More than nine out of ten counties (47 of 51) tracked by C.A.R. experienced a year-over-year gain in closed sales, with Plumas increasing the most from last year at 130.3 percent, followed by Amador (122.4%) and Mono (118.8%). Counties with an increase from last year averaged a gain of 39.2 percent. Sales fell in four counties, with Merced declining the most at 20.8 percent from last year.

- Sales in resort communities remained hot in September as housing demand in those areas continued to surge from last year. South Lake Tahoe home sales continued to increase year-over-year by triple-digits (105.4%) for the second consecutive month, while Rim O' the World and Tahoe Sierra surged from a year ago by 107.6 percent and 73.6 percent, respectively. The flexibility to work from home and the desire to move away from metropolitan areas continued to motivate home buyers to flock to resort communities where they can get more home for their money.

- At the regional level, all major regions posted double-digit price increases from last year. The Central Coast had the highest increase in median price, rising 20.6 percent from last year, followed by the San Francisco Bay Area (20.5%), the Far North (19.0%), Southern California (15.2%), and the Central Valley (14.6%). All regions except the San Francisco Bay Area set a new high in median price in September.

- All but one of 51 counties tracked by C.A.R. reported a year-over-year price gain, with 39 of them growing 10 percent or more. Lassen had the highest price increase, gaining 51.4 percent year-over-year. Humboldt was the only county where the median price was flat from a year ago, and no counties experienced an annual price decline.

- For-sale properties continued to be added to the market at a pace slower than normal, and housing supply remained significantly below last year's level. The year-over-year decline of 48.4 percent in September was the fourth consecutive month with active listings falling more than 40 percent from the prior year.

- With sales remaining robust and the growth in active listing continuing its declining trend, C.A.R.'s Unsold Inventory Index (UII) dipped to the lowest level since November 2004. The UII fell sharply from 3.6 months in September 2019 to 2.0 months this September.

- Active listings continued to decline significantly in all major regions. The Central Coast had the biggest drop (-60.3%) from last September, followed by the Central Valley (-51.5%), Southern California (-49.9%), the Far North (-43.9%), and the San Francisco Bay Area (-31.9%). Forty-nine of the 51 counties reported by C.A.R. experienced a year-over-year decline in active listings in September. Santa Barbara had the biggest drop from last year (83.7%), followed by San Bernardino (65.8%) and Merced (65.7%). Twenty-five counties had less than half the active listings they had in September 2019. San Francisco (47.2%) and San Mateo (2.6%) continued to be the only counties in California with an increase in active listings from the prior year.

- Housing inventory tightened by double-digits in all price segments, but the constraint was more pronounced in the affordable markets. Active listings in every price range continued to decline sharply from last year, with for-sale properties priced below $1 million falling 56 percent on a year-over-year basis. Compared to a year ago, the supply for homes priced between $1 million and $3 million declined 30.4 percent, and homes priced at or above the $3 million benchmark declined 19.4 percent.

- The median number of days it took to sell a California single-family home was 11 days in September, down from 24 in September 2019. The September 2020 figure was the lowest ever recorded.

- C.A.R.'s statewide sales-price-to-list-price ratio was 100 percent in September 2020 and 98.5 percent in September 2019. The statewide average price per square foot for an existing single-family home was $321 in September 2020 and $287 in September 2019.

- The 30-year, fixed-mortgage interest rate averaged 2.89 percent in September, down from 3.61 percent in September 2019, according to Freddie Mac. The five-year, adjustable mortgage interest rate was an average of 2.98 percent, compared to 3.38 percent in September 2019.

Affordability is an issue for most of California. The percentage of home buyers who could afford to purchase a median-priced, existing single-family home in California in second-quarter 2020 dipped to 33 percent from 35 percent in the first quarter of 2020 but was up from 30 percent in the second quarter a year ago, according to C.A.R.'s Traditional Housing Affordability Index (HAI). California's housing affordability index hit a peak of 56 percent in the second quarter of 2012.

C.A.R.'s HAI measures the percentage of all households that can afford to purchase a median-priced, single-family home in California. C.A.R. also reports affordability indices for regions and select counties within the state. The index is considered the most fundamental measure of housing well-being for home buyers in the state.

A minimum annual income of $115,200 was needed to qualify for the purchase of a $610,850 statewide median-priced, existing single-family home in the second quarter of 2020. The monthly payment, including taxes and insurance on a 30-year, fixed-rate loan, would be $2,880, assuming a 20 percent down payment and an effective composite interest rate of 3.43 percent. The effective composite interest rate was 3.70 percent in first-quarter 2020 and 4.17 percent in second-quarter 2019.

Housing affordability for condominiums and townhomes was unchanged from first-quarter 2020, with 44 percent of California households earning the minimum income to qualify for the purchase of a $480,000 median-priced condominium/townhome. An annual income of $90,400 was required to make monthly payments of $2,260. Forty percent of households could afford to buy a median-priced condominium/townhome a year ago.

Compared with California more than half of the nation's households (57 percent) could afford to purchase a $291,300 median-priced home, which required a minimum annual income of $54,800 to make monthly payments of $1,370.

Key points from the second-quarter 2020 Housing Affordability report include:

- When compared to a year ago, housing affordability improved in 44 tracked counties and declined in one county. Affordability remained flat in four counties.

- In the San Francisco Bay Area, affordability improved from second-quarter 2019 in every county, except Solano, which was unchanged. San Mateo and San Francisco counties were the least affordable, tied at 19 percent of households able to purchase the median-priced home. Forty-six percent of Solano County households could afford the $485,000 median-priced home, making it the most affordable Bay Area county.

- Affordability also improved in all Southern California regions, with Orange County being the least affordable (25 percent) and San Bernardino County being the most affordable (54 percent).

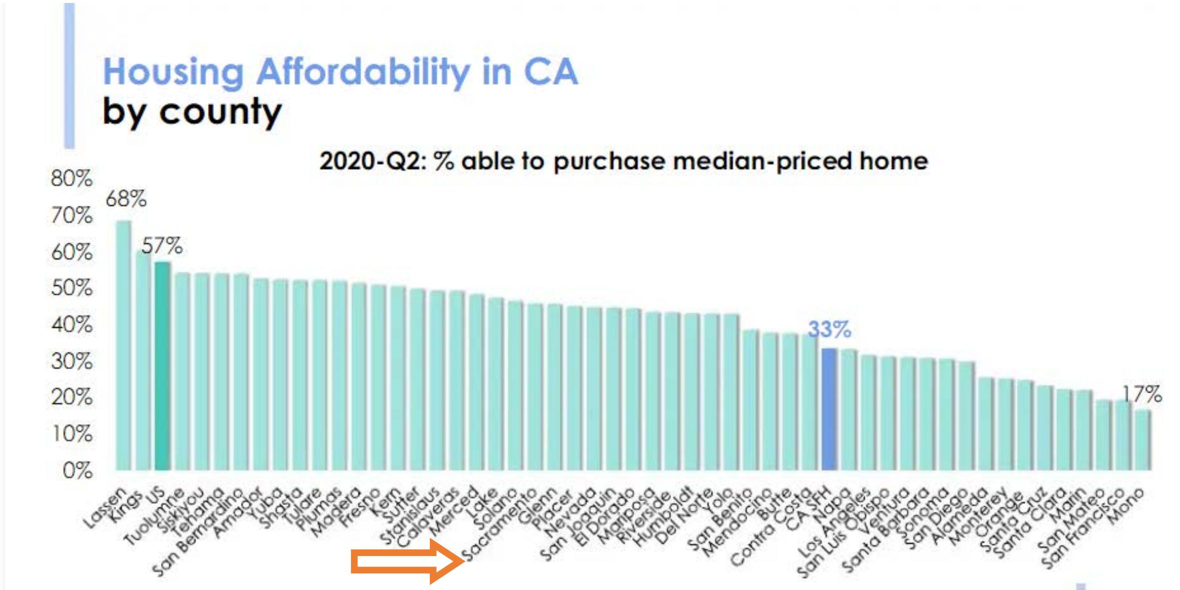
- In the Central Valley region, eight counties experienced an improvement in affordability from a year ago, and three counties stayed flat, San Benito County (39 percent) was the least affordable and Kings County (60 percent) was the most affordable.

- Housing affordability improved in all four counties in the Central Coast region.

- During the second quarter of 2020, the most affordable counties in California were Lassen (68 percent), Kings (60 percent), San Bernardino (54 percent), Siskiyou (54 percent), Tehama (54 percent), and Tuolumne (54 percent). The minimum qualifying income was $61,200 or less for each of these counties.

- Mono (17 percent), San Francisco (19 percent), and San Mateo (19 percent) were the least affordable counties in the state. Both San Mateo and San Francisco had a minimum qualifying income of over $320,000 to purchase a median-priced home in second-quarter 2020; San Francisco County required the highest income of all counties in California at $322,000.

The table below shows the affordability ratio for the various counites in California. The subject property is located in Sacramento County, which is above the state average at 33% as homeownership is affordable to approximately 46% of all residents.



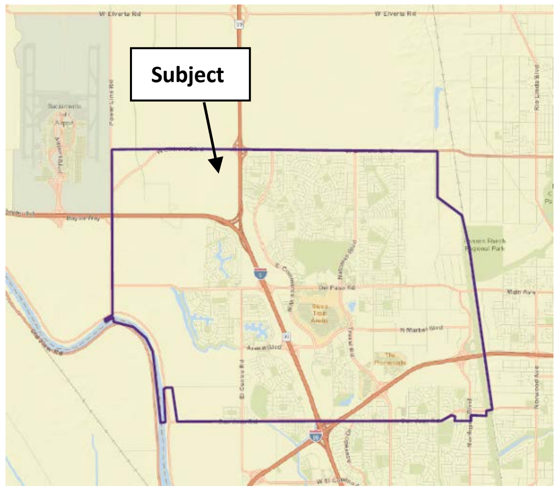
Home pricing identified for this project as provided from The Gregory Group, ranges from $475,000 to $687,750 per project. As noted above, affordability is an issue in California with the home buyers' ability to pay. In order to isolate this element, the first step is to identify the required annual household income based on typical mortgage parameters. Specifically, this includes a loan-to-value ratio at 80% (down payment of 20%), mortgage interest rate of 3.0%, 30-year amortization, and a 32% ratio for the house costs as a percent of monthly income (inclusive of principal, interest, taxes, and insurance). Property taxes are based on the base tax rate of 1.1484%, direct levies from $157.55 to $253.80, and CFD charges from $130.25 to $232.50 per month. These calculations are shown in the Taxes and Special Assessments section of the Site Description of this report.

Based on these parameters, the following table shows the estimated annual household income required to afford homes for each specific project.

PROJECT **MIN LOT SIZE**	**SHOR** **2,788 SF**	**LAKELET** **3,690 SF**	**WATERSYDE** **4,000-4,250 SF**	**WAVMOR** **4,500 SF**	**CRESTVIEW** **4,675 SF**	**BLEAU** **5,000 SF**	**DRIFTON** **5,500 SF**	**ALTA** **6,600 SF**
Average Home Size (SF)	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	3,402 SF
Average Price*	$475,000	$518,000	$561,600	$559,500	$570,200	$596,250	$628,750	$687,750
Loan % of Price (LTV)	80%	80%	80%	80%	80%	80%	80%	80%
Loan Amount	$380,000	$414,400	$449,280	$447,600	$456,160	$477,000	$503,000	$550,200
Interest Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Monthly Mortgage Payment*	$1,602.10	$1,747.13	$1,894.18	$1,887.10	$1,923.19	$2,011.05	$2,120.67	$2,319.67
Base Taxes (1.1484%) - Monthly	$454.58	$495.73	$537.45	$535.44	$545.68	$570.61	$601.71	$658.18
Direct Levies - Monthly	$13.13	$14.96	$16.39	$16.59	$16.97	$17.76	$18.89	$21.15
HOA	$98.00	$98.00	$98.00	$98.00	$98.00	$98.00	$98.00	$98.00
CFD Charges - Monthly	$130.25	$146.08	$169.75	$169.92	$179.00	$194.17	$224.25	$232.50
Insurance**	$62.50	$62.50	$62.50	$62.50	$62.50	$62.50	$62.50	$62.50
TOTAL PITI	**$2,360.56**	**$2,564.40**	**$2,778.27**	**$2,769.55**	**$2,825.34**	**$2,954.09**	**$3,126.02**	**$3,392.00**
PITI as % of Income	32%	32%	32%	32%	32%	32%	32%	32%
Monthly Income	$7,376.73	$8,013.74	$8,682.10	$8,654.85	$8,829.19	$9,231.54	$9,768.82	$10,599.99
Annual Income	**$88,521**	**$96,165**	**$104,185**	**$103,858**	**$105,950**	**$110,778**	**$117,226**	**$127,200**
Rounded	**$88,500**	**$96,200**	**$104,200**	**$103,900**	**$106,000**	**$110,800**	**$117,200**	**$127,200**

*Average price derived from Gregory Group Absorption Study dated October 2020
*Based on 30-Year Amtz. At 3.0%
**Based on annual premium of $750, includes flood insurance.

According to these calculations, annual income between $88,500 and $127,200 is required to have the ability to afford homes in the subject neighborhood. Income data as developed from Envision Analytics for zip codes 95834 and 95835 (North Natomas) was obtained. This is representative of typical buyers for the subject property. The following map depicts these areas.



Income brackets, as well as the percentage of households with the ability to afford homes between $400,000 and $700,000 are shown below. Income is presented in terms of 2020 estimates as well as 2025 projections.

$400,000 HOME	2020 ESTIMATES			2025 PROJECTIONS		
HOUSEHOLD INCOME	PERCENT OF HOUSEHOLDS	PERCENT ABLE TO PAY	HOUSEHOLDS ABLE TO PAY	PERCENT OF HOUSEHOLDS	PERCENT ABLE TO PAY	HOUSEHOLDS ABLE TO PAY
<$15,000	5.2%	0%	0.0%	4.3%	0%	0.0%
$15,000 - $24,999	6.3%	0%	0.0%	5.1%	0%	0.0%
$25,000 - $34,999	6.7%	0%	0.0%	6.1%	0%	0.0%
$35,000 - $49,999	9.7%	0%	0.0%	8.7%	0%	0.0%
$50,000 - $74,999	14.8%	0.0%	0.0%	13.0%	0.0%	0.0%
$75,000 - $99,999	14.8%	100.0%	10.0%	13.5%	100.0%	10.0%
$100,000 - $124,999	12.7%	100.0%	12.7%	12.2%	100.0%	12.2%
$125,000 - $149,999	9.7%	100.0%	9.7%	10.3%	100.0%	10.3%
$150,000 - $199,999	10.0%	100.0%	10.0%	12.1%	100.0%	12.1%
$200,000 - $249,999	5.1%	100.0%	5.1%	6.7%	100.0%	6.7%
$250,000 - $499,999	3.7%	100.0%	3.7%	5.7%	100.0%	5.7%
>$500,000	1.4%	100.0%	1.4%	2.2%	100.0%	2.2%
TOTALS	100.0%		52.6%	100.0%		59.3%
Median Household Income		$87,226			$98,662	
Average Household Income		$107,165			$123,326	

$700,000 HOME	2020 ESTIMATES			2025 PROJECTIONS		
HOUSEHOLD INCOME	PERCENT OF HOUSEHOLDS	PERCENT ABLE TO PAY	HOUSEHOLDS ABLE TO PAY	PERCENT OF HOUSEHOLDS	PERCENT ABLE TO PAY	HOUSEHOLDS ABLE TO PAY
<$15,000	5.2%	0%	0.0%	4.3%	0%	0.0%
$15,000 - $24,999	6.3%	0%	0.0%	5.1%	0%	0.0%
$25,000 - $34,999	6.7%	0%	0.0%	6.1%	0%	0.0%
$35,000 - $49,999	9.7%	0%	0.0%	8.7%	0%	0.0%
$50,000 - $74,999	14.8%	0.0%	0.0%	13.0%	0.0%	0.0%
$75,000 - $99,999	14.8%	0.0%	0.0%	13.5%	0.0%	0.0%
$100,000 - $124,999	12.7%	95.0%	0.0%	12.2%	95.0%	0.0%
$125,000 - $149,999	9.7%	100.0%	5.0%	10.3%	100.0%	5.0%
$150,000 - $199,999	10.0%	100.0%	10.0%	12.1%	100.0%	12.1%
$200,000 - $249,999	5.1%	100.0%	5.1%	6.7%	100.0%	6.7%
$250,000 - $499,999	3.7%	100.0%	3.7%	5.7%	100.0%	5.7%
>$500,000	1.4%	100.0%	1.4%	2.2%	100.0%	2.2%
TOTALS	100.0%		25.2%	100.0%		31.8%
Median Household Income		$87,226			$98,662	
Average Household Income		$107,165			$123,326	

According to income schedules noted above, the affordability ratio is 52.6% for homes priced at $400,000 and is projected to increase to 59.3% as of 2025. This rate drops for homes priced at $700,000 identified at 25.2%, increasing to 31.8%. On an overall basis, the average price point, project wide as established by the Gregory Group is $575,818. Essentially, this is for income levels at $115,000 and above. The total schedule of affordability based on the entire project is as follows.

$575,000 HOME	2020 ESTIMATES			2025 PROJECTIONS		
HOUSEHOLD INCOME	PERCENT OF HOUSEHOLDS	PERCENT ABLE TO PAY	HOUSEHOLDS ABLE TO PAY	PERCENT OF HOUSEHOLDS	PERCENT ABLE TO PAY	HOUSEHOLDS ABLE TO PAY
<$15,000	5.2%	0%	0.0%	4.3%	0%	0.0%
$15,000 - $24,999	6.3%	0%	0.0%	5.1%	0%	0.0%
$25,000 - $34,999	6.7%	0%	0.0%	6.1%	0%	0.0%
$35,000 - $49,999	9.7%	0%	0.0%	8.7%	0%	0.0%
$50,000 - $74,999	14.8%	0.0%	0.0%	13.0%	0.0%	0.0%
$75,000 - $99,999	14.8%	0.0%	0.0%	13.5%	0.0%	0.0%
$100,000 - $124,999	12.7%	95.0%	6.0%	12.2%	95.0%	6.0%
$125,000 - $149,999	9.7%	100.0%	9.7%	10.3%	100.0%	10.3%
$150,000 - $199,999	10.0%	100.0%	10.0%	12.1%	100.0%	12.1%
$200,000 - $249,999	5.1%	100.0%	5.1%	6.7%	100.0%	6.7%
$250,000 - $499,999	3.7%	100.0%	3.7%	5.7%	100.0%	5.7%
>$500,000	1.4%	100.0%	1.4%	2.2%	100.0%	2.2%
TOTALS	**100.0%**		**35.9%**	**100.0%**		**43.1%**
Median Household Income		**$87,226**			**$98,662**	
Average Household Income		**$107,165**			**$123,326**	

The overall affordability ratio for this project generally falls between 25.2% to 52.6% of all households in zip codes 95834 and 95835. The average for the entire project is at 35.9% consistent with those identified in Sacramento and Placer County.

Regional Housing Trends

The Sacramento housing market is showing a strong home market as of the effective date of valuation. The table below shows the median home pricing for the four-county region according to the California Association of Realtors, including comparisons from the past three years.

AREA ALL HOMES	MEDIAN PRICE SEPT. 2018	MEDIAN PRICE SEPT. 2019	MEDIAN PRICE SEPT. 2020	%Δ 18-20	%Δ 19-20
Yolo	$470,000	$453,500	$530,000	12.8%	16.9%
El Dorado	$465,000	$489,900	$588,000	26.5%	20.0%
Placer	$475,000	$495,000	$530,000	11.6%	7.1%
Sacramento	$372,000	$385,000	$439,000	18.0%	14.0%
CALIFORNIA	**$578,420**	**$605,680**	**$712,430**	**23.2%**	**17.6%**

Home prices in California, as well as the Sacramento region have been unaffected by influences from Covid-19. This is noted by gains in pricing over the past year ranging from 7.1% to 20.0% in the four-county region. At the beginning of the Covid-19 pandemic between March 2020 and May 2020, pricing in these regions dropped. However, starting in June 2020, home prices escalated which have resulted in the pricing as of September 2020 as depicted in the table above. Monthly changes in pricing for these counties, as well as California on an overall basis as derived from the California Association of Realtors is noted below.

Mon-Yr	CA	El Dorado	Placer	Sacramento	Yolo
Jan-20	$575,160	$442,120	$493,000	$379,000	$431,240
Feb-20	$579,770	$465,000	$509,000	$398,500	$447,500
Mar-20	$612,440	$507,500	$500,000	$400,000	$463,500
Apr-20	$606,410	$500,000	$510,000	$400,000	$460,820
May-20	$588,070	$535,000	$515,000	$395,000	$443,000
Jun-20	$626,170	$510,000	$515,000	$417,000	$475,000
Jul-20	$666,320	$550,000	$550,000	$422,740	$505,000
Aug-20	$706,900	$570,000	$538,750	$425,000	$525,500
Sep-20	$712,430	$588,000	$530,000	$439,000	$530,000

Despite the recessionary environment and economic shutdown as a direct cause of Covid-19, the housing market has emerged to levels that are better than before the crisis began in mid-March 2020. Pricing is beginning to increase significantly, and sales have resumed a pattern of robust activity. This is likely attainable for the long-term as the economy rises out of a recession and interest rates remain low.

Current levels of inventory are low, and pricing is trending upward. This element has influenced new home building which is surfacing throughout the region. It also has influenced the resale market. The following table shows the total number of homes sold in each county according to Metrolist since 2014. Home prices are shown in terms of median price.

COUNTY	2014	2015	2016	2017	2018	2019	2020 YTD	ACTIVE
Sacramento	15,807	17,570	20,069	19,672	19,112	18,410	14,125	1,281
Placer	5,766	6,150	6,563	6,573	6,174	6,213	5,342	598
El Dorado	2,548	2,531	2,838	2,909	2,815	2,616	2,675	413
Yolo	1,718	1,680	2,002	1,990	1,757	1,783	1,455	182
Totals	**25,118**	**27,931**	**31,472**	**31,144**	**29,858**	**27,022**	**23,597**	**2,474**
COUNTY	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 YTD**	**ACTIVE**
Sacramento	$265,000	$285,000	$303,000	$329,000	$354,500	$366,975	$400,000	$460,000
Placer	$367,000	$391,250	$419,000	$445,000	$470,000	$489,500	$515,000	$651,400
El Dorado	$365,000	$405,000	$425,000	$457,000	$497,500	$495,000	$520,000	$645,000
Yolo	$325,000	$375,000	$380,000	$409,301	$429,000	$449,000	$470,500	$549,450
MEDIAN SF	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 YTD**	**ACTIVE**
Sacramento	1,512	1,517	1,514	1,494	1,523	1,542	1,557	1,675
Placer	1,925	1,951	2,002	1,983	2,000	2,004	2,026	2,470
El Dorado	1,980	2,021	2,025	2,040	2,048	2,085	2,109	2,329
Yolo	1,616	1,642	1,620	1,643	1,590	1,640	1,710	1,758
MEDIAN $/SF	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 YTD**	**ACTIVE**
Sacramento	$175.26	$187.87	$200.13	$220.21	$232.76	$237.99	$256.90	$274.63
Placer	$190.65	$200.54	$209.29	$224.41	$235.00	$244.26	$254.20	$263.72
El Dorado	$184.34	$190.95	$209.88	$224.02	$242.92	$237.41	$246.56	$279.94
Yolo	$201.11	$228.38	$234.57	$248.97	$269.81	$273.78	$275.15	$312.54

Source: Metrolist, Active information processed as of October 26, 2020.

According to this information, pricing is trending upward. The following table shows changes for each individual county, as well as total inventory of homes.

COUNTY	2019 PRICING (ANNUALIZED)	2020 PRICING (As of 10-26-2020)	% CHANGE	ACTIVE INVENTORY	SALES RATE/ TOTAL INVENTORY
Sacramento	$366,975	$400,000	9.0%	1,281	1,400/Mo. - 0.9 Months
Placer	$489,500	$515,000	5.2%	598	530/Mo. - 1.1 Months
El Dorado	$495,000	$520,000	5.1%	413	260/Mo. - 1.6 Months
Yolo	$449,000	$470,500	4.8%	182	140/Mo. - 1.3 Months
Totals				**2,474**	**2,330/Mo. - 1.1 Months**

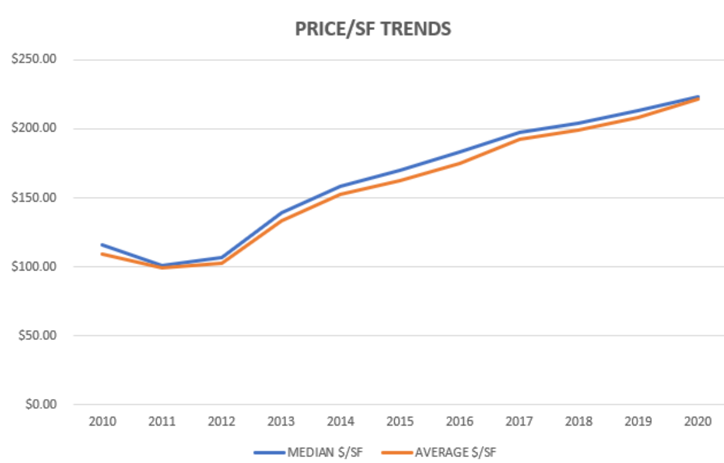
Source: Metrolist, Active information processed as of October 26, 2020.

The median home price is trending upward in all four counties noted above. All areas are above 2019 annualized indicators ranging from 4.8% to 9.0%. Inventory levels in the resale market are stable with 2,330 homes on the market as of October 26, 2020 representing approximately 1.1 months of inventory. This is a positive element, especially for the addition of new housing units.

The housing market in the local area is also trending upward. The North Natomas region has re-emerged as an entry-level and first move-up housing market. Local sales trends are examined for this property with the use of Metrolist. Information on the table below is predicated on information for Zip Codes 95834 and 95835. Sales trends are examined for this region since 2010 and noted on the following table.

YEAR	#	MEDIAN PRICE	MEDIAN SF	MEDIAN $/SF	% CHANGE	AVG. PRICE	AVG. SF	AVG. $/SF	% CHANGE
2010	1,324	$210,000	1,815	$115.70	--	$210,849	1,931	$109.19	--
2011	1,424	$180,000	1,792	$100.45	-13.2%	$187,872	1,901	$98.83	-9.5%
2012	1,427	$200,000	1,871	$106.89	6.4%	$202,946	1,981	$102.45	3.7%
2013	1,104	$250,500	1,796	$139.48	30.5%	$258,082	1,937	$133.24	30.1%
2014	1,041	$285,000	1,800	$158.33	13.5%	$292,407	1,922	$152.14	14.2%
2015	1,094	$304,750	1,796	$169.68	7.2%	$309,738	1,908	$162.34	6.7%
2016	1,178	$325,000	1,769	$183.72	8.3%	$336,130	1,919	$175.16	7.9%
2017	1,132	$355,000	1,800	$197.22	7.3%	$362,919	1,885	$192.53	9.9%
2018	1,320	$381,000	1,869	$203.85	3.4%	$386,525	1,939	$199.34	3.5%
2019	1,168	$385,000	1,802	$213.65	4.8%	$396,317	1,901	$208.48	4.6%
2020 YTD	880	$415,000	1,859	$223.24	4.5%	$427,809	1,932	$221.43	6.2%
Active	44	$423,945	1,721	$246.34		$481,809	1,918	$251.20	

Source: Metrolist. YTD and Active information as of October 26, 2020.



Residential values have escalated in the immediate area. The main jump was from 2012 to 2013 as the median price increased 30.5% and the average price increased 30.1%. The median price has increased from 3.4% to 13.5%, per annum since this time with further increase of 4.5% in 2020 to the current median price of $415,000. The average price has increased from 3.5% to 14.2%, per annum since this time with further increase of 6.2% in 2020 to the current average price of $427,809. Both indicators tend to point to a price per square foot of approximately $221 to $223 per square foot. The current inventory of homes on the market is 44 homes, which reflects 0.5 months of existing supply (the pace of sales to liquidate current inventory) based on the 2020 rate of sales. This is favorable for new development as it is teetering on an under-supply of homes based on demand.

By way of comparison to the price points identified in the resale market, the following table summarizes pricing recommendations, per project, from the Absorption Study prepared by the Gregory Group dated October 2020.

PROJECT NAME	MIN LOT SIZE (SF)	AVERAGE PRICE	AVERAGE SIZE (SF)	PRICE/SF
Shor	2,788 SF	$475,000	1,982	$241
Lakelet	3,690 SF	$518,000	2,233	$232
Watersyde	4,000 -4,250 SF	$561,600	2,650	$213
Wavmor	4,500 SF	$559,500	2,484	$227
Crestvue	4,675 SF	$570,200	2,558	$229
Bleau	5,000 SF	$596,250	2,776	$218
Drifton	5,500 SF	$628,750	3,031	$211
Alta	6,600 SF	$687,750	3,403	$205
PROJECT	**4,594 SF**	**$575,818**	**2,650**	**$217**

Price per square foot references for the subject project show an overall range from $205 to $241 per square foot. The overall project average is identified at $217 per square foot. While the average unit size is larger than noted for the resale market, the price per square foot references are consistent with current pricing showing an overall range from $221 to $223 per square foot.

New Home Characteristics

The average price of a new home ranges from $350,829 (Sutter County) to $696,713 (El Dorado County) in the Sacramento region by the end of 3rd Quarter 2020. According to the Gregory Group (New Housing Trends), 3rd Quarter 2020, the historic average pricing for the Sacramento region are identified on the following table.

COUNTY	3Q 2018	3Q 2019	3Q 2020	%Δ 18-20	%Δ 19-20
El Dorado County	$712,003	$689,529	$696,713	-2.1%	1.0%
Placer County	$546,323	$561,823	$561,708	2.8%	N/A
Sacramento County	$480,772	$490,542	$510,907	6.3%	4.2%
Yolo County	$587,331	$536,563	$600,934	2.3%	12.0%
Sutter County	$343,743	$304,000	$350,829	2.1%	15.4%
Yuba County	$349,078	$356,152	$389,559	11.6%	9.4%
REGIONWIDE	**$530,625**	**$522,595**	**$541,243**	**2.0%**	**3.6%**

Pricing changes from 2018 to 2020 (3rd quarter), as well as changes over the past year are identified on the table above. This information shows that pricing has increased in the entire region by 2.0% since the

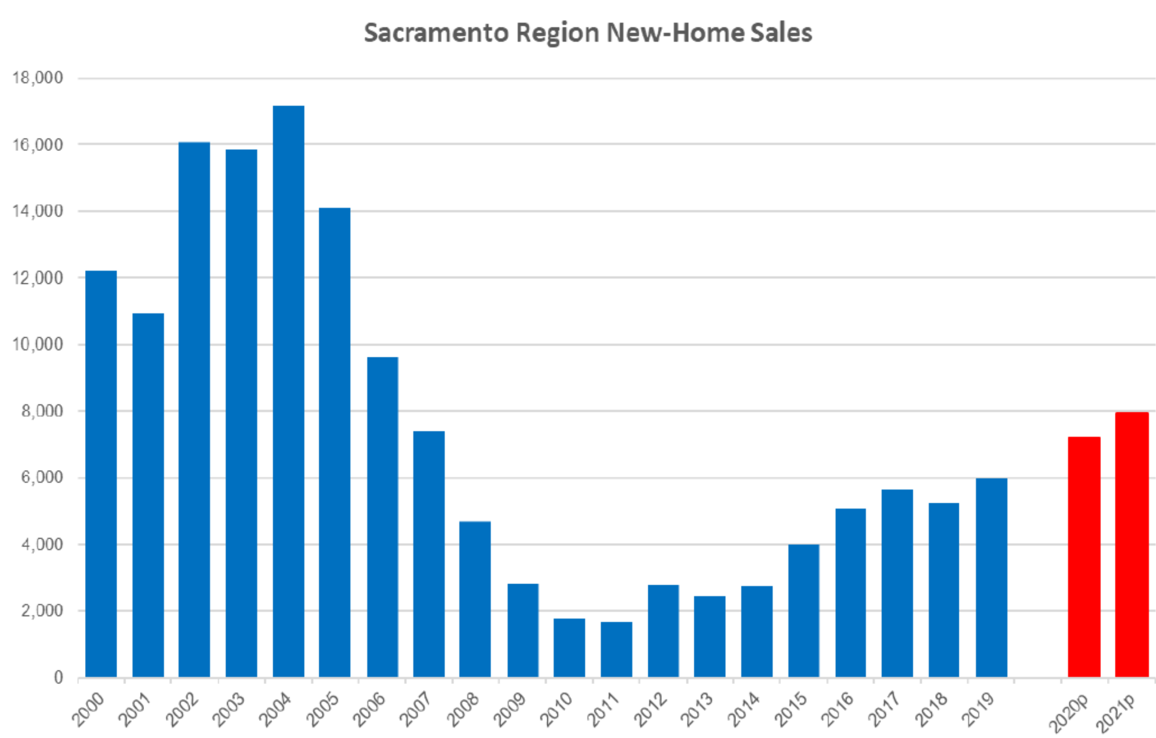
2nd Quarter of 2018 through the 2nd Quarter of 2020. The region appears to be stable in terms of pricing as indicated by the year-over-year change in new home pricing at 3.6% on an overall basis. There were 2,739 new homes sold in the Sacramento region during 2014. This element has slowly increased since then. To date, total sales in the region is identified at 5,422 sales, on pace to meet or exceed total sales noted in 2019. Total sales in 3Q 2020 was identified at 2,243 sales following 1Q 2020 sales at 1,846 total sales and 2Q sales at 1,333 total sales.

COUNTY	2014	2015	2016	2017	2018	2019	2020 (3Q)
El Dorado County	183	351	559	637	328	259	293
Placer County	1,048	1,503	1,643	1,866	1,676	1,592	1,647
Sacramento County	1,258	1,793	2,327	2,540	2,674	3,220	2,646
Sutter County	8	13	27	92	109	92	79
Yolo County	169	199	409	464	278	505	437
Yuba County	73	127	122	54	169	328	320
REGIONWIDE	**2,739**	**3,986**	**5,087**	**5,653**	**5,234**	**5,996**	**5,422**

Source: The Gregory Group, 3rd Quarter 2020

The subject property is located in the Sacramento County market area which has seen an increase of over 100% in terms of total sales since 2014. Total sales through the end of 2019 were at high points with 5,422 total sales noted through the Q3 2020. New home sales are stable as of the effective date of valuation and are well on pace to reflect the highest levels in the past ten years.

According to the Absorption Study dated October 2020 as prepared by the Gregory Group, total sales are on pace to reach 7,229 total sales for 2020 and projected at 7,951 for 2021. These elements are depicted on the following chart.



Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
New-Home Sales:	1,776	1,668	2,782	2,458	2,739	3,986	5,087	5,663	5,234	5,995	7,229	7,951
Percent Change:	-37.5%	-6.1%	66.8%	-11.6%	11.4%	45.5%	27.6%	11.3%	-7.6%	14.5%	20.6%	10.0%

The subject property is located in the Natomas region of the City of Sacramento and is identified in this sub-market as identified from the Gregory Group. This region was a prime development region between 2000 and 2007. The recession commenced at that time and even more importantly, building in the region stopped due to the decertification of the flood areas in North Natomas in December 2008. At this time, the Federal Emergency Management Agency (FEMA) issued new flood risk maps for the Natomas region. These maps moved Natomas from a moderate risk "X" flood zone to a higher risk "AE" flood zone – a change that triggered the federal flood insurance requirement. This change was in response to a major levee upgrade for the region at a total estimated cost of $618 million. This created a de-facto building moratorium. More specifically, if residential projects in the area did not pull building permits (prior to December 2008), they would not be issued. FEMA changed the flood boundaries for this property to A99, within the 100-year flood with the map issued in June 2015.

Historic data for this sub-market as delineated on the following table. It is based on information from the 3rd quarter of 2015 to the current period.

Quarter	Number of Projects	Average Lot Size (SF)	Average Home Size (SF)	Average Net Price	Price Per SF	Quarterly Sold	Unsold Inventory	Unoffored Inventory	Abs. Rate Quarterly	Abs. Rate 12-Month
3Q 2015	3	3,533	2,194	$334,120	$152.29	30	11	146	3.1/Mo.	7.7/Mo.
4Q 2015	10	3,597	1,997	$327,724	$164.11	98	72	781	3.0/Mo.	6.2/Mo.
1Q 2016	10	3,442	1,997	$335,853	$168.18	123	40	690	3.8/Mo.	4.5/Mo.
2Q 2016	10	3,597	1,934	$331,005	$171.15	107	48	682	3.3/Mo.	4.3/Mo.
3Q 2016	14	3,382	1,892	$339,602	$179.49	123	71	1,103	2.7/Mo.	3.2/Mo.
4Q 2016	15	3,333	1,913	$340,802	$178.15	156	127	1,174	3.2/Mo.	4.1/Mo.
1Q 2017	16	3,511	1,935	$348,587	$180.15	211	86	1,084	4.0/Mo.	4.1/Mo.
2Q 2017	19	3,604	1,992	$363,310	$182.38	344	74	925	5.6/Mo.	4.5/Mo.
3Q 2017	21	3,857	2,019	$375,039	$185.75	249	185	733	3.6/Mo.	4.3/Mo.
4Q 2017	21	3,792	1,983	$378,995	$191.12	214	113	803	3.1/Mo.	3.9/Mo.
1Q 2018	22	3,757	1,972	$386,736	$196.11	252	102	852	3.5/Mo.	4.1/Mo.
2Q 2018	20	3,435	1,962	$391,823	$199.71	227	99	721	3.5/Mo.	4.2/Mo.
3Q 2018	20	3,356	1,964	$399,011	$203.16	236	104	585	3.6/Mo.	4.1/Mo.
4Q 2018	22	3,439	1,915	$396,024	$206.80	162	168	598	2.3/Mo.	3.8/Mo.
1Q 2019	23	3,421	1,921	$397,492	$206.92	229	186	435	3.1/Mo.	3.7/Mo.
2Q 2019	21	3,491	1,950	$396,855	$203.52	282	132	927	4.1/Mo.	4.1/Mo.
3Q 2019	21	3,071	2,018	$409,411	$202.88	245	144	716	3.6/Mo.	3.8/Mo.
4Q 2019	19	3,067	1,957	$402,341	$205.59	161	136	886	2.6/Mo.	3.4/Mo.
1Q 2020	20	3,154	1,950	$407,195	$208.82	260	147	1,054	4.0/Mo.	3.4/Mo.
2Q 2020	18	3,038	1,898	$400,034	$210.77	170	132	1,044	2.9/Mo.	3.3/Mo.
3Q 2020	17	3,096	1,866	$399,525	$214.11	226	55	955	4.1/Mo.	4.0/Mo.

The Natomas submarket has re-emerged as a primary housing area of the Sacramento region. Total sales in this region, measured relative to Sacramento County, as well as the entire region are noted on the following table. This is based on information provided by the Gregory Group.

Quarter	Quarterly Sold (Natomas)	Quarterly Sold (Sacramento County)	Capture %	Quarterly Sold (Sacramento Region)	Capture %
3Q 2015	30	349	8.6%	805	3.7%
4Q 2015	98	494	19.8%	1,049	9.3%
TOTALS	**128**	**843**	**15.2%**	**1,854**	**6.9%**
1Q 2016	123	638	19.3%	1,352	9.1%
2Q 2016	107	555	19.3%	1,329	8.1%
3Q 2016	123	576	21.4%	1,207	10.2%
4Q 2016	156	558	28.0%	1,199	13.0%
TOTALS	**509**	**2,327**	**21.9%**	**5,087**	**10.0%**
1Q 2017	211	667	31.6%	1,541	13.7%
2Q 2017	344	896	38.4%	1,966	17.5%
3Q 2017	249	492	50.6%	1,053	23.6%
4Q 2017	214	485	44.1%	1,103	19.4%
TOTALS	**1,018**	**2,540**	**40.1%**	**5,663**	**18.0%**
1Q 2018	252	697	36.2%	1,448	17.4%
2Q 2018	227	693	32.8%	1,514	15.0%
3Q 2018	236	764	30.9%	1,290	18.3%
4Q 2018	162	520	31.2%	982	16.5%
TOTALS	**877**	**2,674**	**32.8%**	**5,234**	**16.8%**
1Q 2019	229	770	29.7%	1,457	15.7%
2Q 2019	282	960	29.4%	1,698	16.6%
3Q 2019	245	755	32.5%	1,428	17.2%
4Q 2019	161	735	21.9%	1,413	11.4%
TOTALS	**917**	**3,220**	**28.5%**	**5,996**	**15.3%**
1Q 2020	260	944	27.5%	1,846	14.1%
2Q 2020	170	634	26.8%	1,333	12.8%
3Q 2020	226	1,068	21.2%	2,243	10.1%
TOTALS	**656**	**2,646**	**24.8%**	**5,422**	**12.1%**

The Natomas sub-market has shown annualized sales between 509 and 1,018 sales per annum since 2016. Data for 2015 is based on two quarters and reflects the time period when building commenced in the region after several years of no activity. Furthermore, year-to-date sales are noted at 656 sales through the third quarter of 2020. Average annual sales in the Natomas sub-market from 2016 to 2019 equate to 830 sales per annum. This is somewhat skewed with 2016 data as projects were just coming back online. The sub-market tends to support between 800 and 1,000 sales per annum.

Between 2016 and 2019, the total sales in the region reflect between 21.9% and 40.1% of all sales in Sacramento County, as well as 10.0% to 18.0% of all sales in the entire region. Year-to-date information shows 24.8% of all sales in Sacramento County and 12.1% of all sales regionwide for the Natomas sub-market.

This ratio is used to show potential demand in the short term. The Absorption Study provided by The Gregory Group shows 7,229 total sales for the Sacramento Region for 2020. Utilizing the 2020 ratio at 12.1% of total sales in the Natomas sub-market provides potential for 874 total sales in 2020. This would require 218 sales in the 4Q of 2020, which is a realistic projection based on quarterly sales for 2020 from 170 to 260 sales per quarter. Still, capture rates for the past three years range from 15.3% to 18.0%. The 12.1% is below these thresholds.

Similar elements are projected based on 2021 potential sales identified for the region at 7,951 total sales. At the 2020 ratio of 12.1%, potential sales for the Natomas sub-market equate to 962 total sales. Again, the 12.1% ratio is below capture rates for the past three years at 15.3% to 18.0%.

As such, the overall conclusions to sales in this sub-market are identified.

SCENARIO	ANNUAL SALES	COMMENTS
Optimistic	>1,000 per annum	Based on capture rates between 13% and 15% of Projected regionwide demand of 7,951 sales.
Neutral	800-1,000 per annum	Based on recent sales trends including capture Rate at 12.1% of projected regionwide Demand of 7,951 sales
Pessimistic	<800 per annum	Low end of projections, market influenced By externalities including rise in interest rates

The neutral position is most likely for the subject's region supported by historic sales and toward the lower end other capture rate based on projected sales for 2021.

SUPPLY CONSTRAINTS

The subject property is located in an area with abundant residential projects proposed for future development. The development of the subject project, adjacent to Metro Air Park is one of the larger development sites in the region. As the recession and levee reconstruction slowed the pace of development, leftover existing home sites (finished lots that were unbuilt on as a result of the 2008 housing depression) were gradually reintroduced to the market and absorbed by homebuilders. The majority of these projects have sold out. While there are several projects that will be selling homes concurrently with the subject project, the Natomas sub-market has the ability to reach even greater sales.

The first potential element of supply is the remaining lots in existing projects. Currently, total supply as of 3Q 2020 is comprised of 955 lots in existing projects. Based on sales trends for the region, this is approximately 12 months of short-term supply competitive with the subject project. However, this element is based on all types of housing including attached homes. The following table isolates these elements as compared to the subject with 1,137 lots for detached homes.

PROJECT	# OF LOTS	TOTAL SOLD	INVENTORY	TYPE	LOT SIZE	SHORT-TERM
Amberwood	75	74	1	Alley Loaded	3,000 SF	0
Artisan	145	26	119	Detached	3,600 SF	119
Bloom	84	36	48	Detached	2,400 SF	48
Brownstones	187	187	0	Detached	1,904 SF	0
Castile	152	92	60	Detached	3,000 SF	60
Cottages	179	179	0	Detached	2,700 SF	0
Edgeview	189	8	181	Attached	TH	0
Montauk	348	348	0	Detached	3,150 SF	0
Mystique	57	25	32	Attached	TH	0
Nuvo	148	13	135	Attached	TH	0
Provence	187	28	159	Attached	TH	0
Ravenna	108	56	52	Detached	3,200 SF	52
Terraza	98	98	0	Detached	5,000 SF	0
Verano	135	120	15	Detached	2,800 SF	15
Villas	198	198	0	Attached	TH	0
Westward	140	24	116	Alley Loaded	3,500 SF	116
Windrow	167	48	119	Alley Loaded	2,900 SF	119
TOTALS	**2,597**	**1,560**	**1,037**			**529**

Of the 1,037 lots identified for future development in the immediate area, only 529 lots are viewed as competitive to the subject project. The remaining lot supply reflect projects for attached development in townhomes.

Long-term, there are over 30,000 lots identified for future development in Natomas. These projects comprise approximately 10,941 acres, with the majority of projects identified in two major master planned communities. These projects include the following:

PROJECT	OWNER	UNITS	AC	DENSITY	COMMENTS
Upper Westside	Upper Westside LLC	9,231	2,066	4.5	In planning stage, undergoing EIR and Waiting for Specific Plan Approval. Long term development located West of I-80 at West El Camino
Sutter Pointe	Various	17,500	7,528.2	2.3	Includes Specific Plan Approval and development Is over a 20-30 year period. Located in Southern Sutter County West of Placer County
Panhandle	Various	1,662	589.4	2.8	Project includes tentative map and could begin Construction in the next few years. Located North of Del Paso Road, west of Sorrento Road
West Lakeside	Various	464	129.6	3.6	Project is PUD and individual parcels are in the tentative map planning stages. It is located North of Del Paso Road and West of the Westlake MPC.
Valley View	Avdis	248	41.4	6.0	In the planning stages located east of The Panhandle Project.
Natomas Crossings	N/A	135	9.3	14.5	In the planning stages and includes 128 Duplex units and seven SFR lots. Located South of Arena Boulevard and East of East Commerce Way
Northlake	Integral	2,753	577	4.8	First phase reflects the subject with Phase 2 scheduled for delivery upon completion Of Phase 1
Totals		**31,993**	**10,940.9**	**2.9**	

The immediate area includes 31,993 potential lots for future, long-term development. This includes the 1,137 lots identified for the subject identified as the Northlake project. It is unlikely that the project developer will bring Phase 2 to market until Phase 1 (subject project) has sold all products, or the period close to close out. Accordingly, the Phase 2 lots provide additional supply to the Natomas Sub-market but are not viewed as competition for the subject lots.

In addition, over 84% of the total competitive supply is from two projects, Upper Westside and Sutter Pointe. Neither of these projects are close to development in the immediate future and could take several years prior to an initial phase brough to market. While future supply for the Natomas sub-market, these projects are not highly competitive to the subject project with site development improvements underway for 1,137 residential lots.

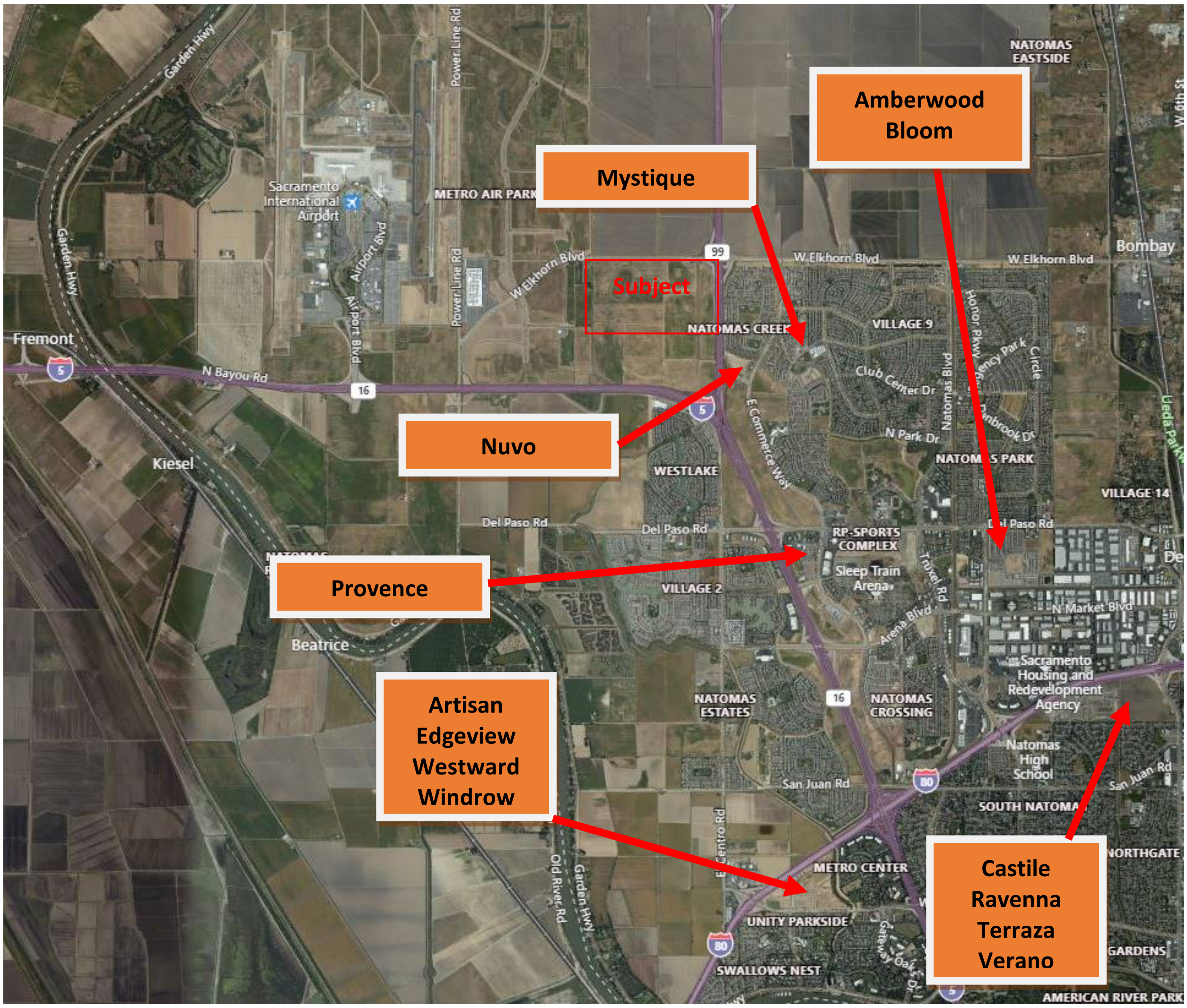
Excluding these two projects, the total long-term supply competitive to the subject are identified at 5,262 units. Furthermore, eliminating the Phase 2 portion of Northlake (1,616 Residential Lots) for reasoning discussed above, the total long-term competitive supply is identified at 3,646 lots. The subject lots reflect 31.2% of this future supply and is well positioned.

Overall, supply elements show long term potential growth for the Natomas sub-market. In the short-run, existing projects show 529 lots as competition for the subject lots. However, with anticipated completion of site improvements in the next 6 months, it is likely that this number is at the higher end of potential supply without development of some of the long-term projects. While ultimately planned for over 30,000 residential lots, immediate opportunities show 3,646 potential lots including the 1,137 lots for the subject property. At absorption rates noted for this region between 800-1,000 lots per annum, the total supply at 4,175 lots (528 existing + 3,646 future) could be absorbed in 4-5 years, reflective of a balanced market.

While not on the immediate horizon, there are 15,421.6 acres identified in the area delineated as the Natomas Vision Plan Area. It reflects larger acreage for residential and commercial uses and includes three project areas in Sacramento County, adjacent to the City of Sacramento and Natomas. These require entitlements for environmental and planning, and could potentially compete with Phase 2 of Northlake, but not an influence on the subject lots.

EXISTING DEMAND

The competitive market area for the subject property is noted from current projects offering homes for sale in the Natomas sub-market. As noted earlier in this section, The Gregory Group identified 17 projects in this sub-market. Some of these projects have sold-out and the following table reflects the most recent, active projects. The overall proximity of these projects relative to the subject property is identified as follows.



Individual project descriptions are noted as follows.

COMPETING PROJECTS

Project 1 – Amberwood

Project 2 – Artisan

Project 3 - Bloom

Project 4 – Castile

Project 5 – Edgeview

Project 6 - Mystique

COMPETING PROJECTS

Project 7 – Nuvo at Artisan Square

Project 8 – Provence

Project 9 – Ravenna

Project 10 – Terraza

Project 11 – Verano

Project 12 – Westward

COMPETING PROJECTS

Project 13 – Windrow

PROJECT 1 – AMBERWOOD

This is a small lot project in the Natomas Meadows MPC by Lennar Homes. It opened for sale in March 2019. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	Amberwood	Average Price	$478,977	Qtr Sold	5
Region	Sacramento	Average Sq Ft	2,087	Qtr WSR	0.38
County	Sacramento	Total Inventory	1	Tot WSR	0.91
Community	Natomas	Standing Inventory	0	Avg Incentives	$3,000
Master Plan	Natomas Meadows	Open Date	03/09/19	Survey Date	10/1/20
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$186.00
Project Phone	(916) 333-7010	Developer Phone	(916) 746-8500	HOA per Month	$130.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	2.0%
		Type Description	Alley Loaded	Special Incentives	$0
GPS Coordinates	N : 38.652190 W : 121.501238	Lot Size	3,000	Project Density	
Cross Street		Lot Dimension	40 x 75	Model/Trailer	Model
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,836	$456,950	$248.88	$3,000	$453,950	$247.25	3	2.5	2	2	None
	2,087	$487,990	$233.82	$3,000	$484,990	$232.39	4	3	2	2	Loft
	2,338	$491,990	$210.43	$3,000	$488,990	$209.15	4	3	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	75	75	74	5	1	0	1	5	0.91	0.38	$478,977	0.49
Qtr 2/20	75	74	69	2	6	1	5	15	1.01	0.15	$476,643	4.53
Qtr 1/20	75	71	67	18	8	4	4	10	1.22	1.38	$455,990	0.00
Qtr 4/19	75	56	49	11	26	19	7	15	1.17	0.85	$455,990	1.79
Qtr 3/19	75	44	38	22	37	31	6	25	1.31	1.69	$447,990	1.28
Qtr 2/19	75	24	16	15	59	51	8	25	1.00	1.15	$442,323	0.45
Qtr 1/19	48	12	1	1	47	36	11	15	0.33	0.08	$440,323	0.00

This project opened for sale in March 2019. It includes 75 lots typically 3,000 square feet and designed in an alley-loaded configuration. This project is nearly completed with 1 home remaining to be sold. Absorption based on the total rate of sales is 4.1 sales per month. Most recent pricing is from $453,950 to $488,990 and is net of concessions at $3,000 per unit. HOA dues are $130 per month.

PROJECT 2 – ARTISAN

This is a small lot project in the Cove MPC by Beazer Homes. It opened for sale in July 2019. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	Artisan	Average Price	$543,490	Qtr Sold	15
Region	Sacramento	Average Sq Ft	2,730	Qtr WSR	1.15
County	Sacramento	Total Inventory	119	Tot WSR	0.40
Community	Natomas	Standing Inventory	0	Avg Incentives	$5,000
Master Plan	The Cove	Open Date	07/01/19	Survey Date	10/1/20
Age Restricted	No	Developer Name	Beazer Homes	Special Tax per Month	$289.00
Project Phone	(916) 420-0197	Developer Phone		HOA per Month	$170.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	2.5%
		Type Description	Small Lot, Detached	Special Incentives	$0
GPS Coordinates	N : 38.614405 W : 121.529473	Lot Size	3,600	Project Density	
Cross Street		Lot Dimension	40 x 90	Model/Trailer	Model
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	2,474	$522,990	$211.39	$5,000	$517,990	$209.37	3	3	2	2	Loft
	2,606	$542,990	$208.36	$5,000	$537,990	$206.44	4	3	2	2	Loft
	2,818	$547,990	$194.46	$5,000	$542,990	$192.69	4	3	2	2	Den, Loft
	3,024	$559,990	$185.18	$5,000	$554,990	$183.53	4	3	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	145	35	26	15	119	110	9	10	0.40	1.15	$543,490	0.83
Qtr 2/20	145	25	11	3	134	120	14	10	0.21	0.23	$538,990	0.19
Qtr 1/20	145	18	8	3	137	127	10	6	0.21	0.23	$537,990	0.37
Qtr 4/19	145	15	5	3	140	130	10	15	0.19	0.23	$535,990	- 3.86
Qtr 3/19	145	24	2	2	143	121	22	15	0.15	0.15	$557,490	0.00

This project opened for sale in July 2019. It includes 145 lots typically 3,600 square feet with traditional front-loading homes. Absorption based on the total rate of sales is 1.7 sales per month, with higher absorption in the past quarter at 5.0 sales per month. Most recent pricing is from $522,990 to $559,990 and is net of concessions at $5,000 per unit. HOA dues are $170 per month.

PROJECT 3 – BLOOM

This is a small lot project in the Natomas Meadows MPC by D.R. Horton. It opened for sale in April 2020. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	**Bloom**	**Average Price**	$326,218	**Qtr Sold**	36
Region	Sacramento	**Average Sq Ft**	1,272	**Qtr WSR**	2.77
County	Sacramento	**Total Inventory**	24	**Tot WSR**	2.50
Community	Natomas	**Standing Inventory**	0	**Avg Incentives**	$0
Master Plan	Natomas Meadows	**Open Date**	04/15/20	**Survey Date**	10/1/20
Age Restricted	No	**Developer Name**	D.R. Horton	**Special Tax per Month**	$140.00
Project Phone	(916) 878-1306	**Developer Phone**		**HOA per Month**	$118.00
Sales Office Hours	N/A	**Product Type**	Detached	**Broker Coop**	
		Type Description	Small Lot, Detached	**Special Incentives**	$0
GPS Coordinates	N : 38.650980 W : 121.500600	**Lot Size**	2,400	**Project Density**	
Cross Street		**Lot Dimension**	40 x 60	**Model/Trailer**	Model
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	891	$295,400	$331.54	$0	$295,400	$331.54	2	1	1	1	None
	1,043	$305,490	$292.90	$0	$305,490	$292.90	3	1	1	1	None
	1,547	$347,990	$224.95	$0	$347,990	$224.95	3	2.5	2	2	None
	1,609	$355,990	$221.25	$0	$355,990	$221.25	4	2.5	2	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	84	60	60	36	24	24	0	25	2.50	2.77	$326,218	0.00

This project opened for sale in April 2020. It includes 84 lots typically 2,400 square feet. Absorption based on the total rate of sales is 10.0 sales per month, with higher absorption in the past quarter at 12.0 sales per month. Most recent pricing is from $295,400 to $355,990 with no concessions. HOA dues are $118 per month.

PROJECT 4 – CASTILE

This is a small lot project in the Parkebridge MPC by D.R. Horton. It opened for sale in April 2019. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	**Castile**	**Average Price**	$382,657	**Qtr Sold**	12
Region	Sacramento	**Average Sq Ft**	2,034	**Qtr WSR**	0.92
County	Sacramento	**Total Inventory**	60	**Tot WSR**	1.23
Community	Natomas	**Standing Inventory**	0	**Avg Incentives**	$5,000
Master Plan	Parkebridge	**Open Date**	04/20/19	**Survey Date**	10/1/20
Age Restricted	No	**Developer Name**	D.R. Horton	**Special Tax per Month**	$219.00
Project Phone	(916) 425-6131	**Developer Phone**		**HOA per Month**	$96.00
Sales Office Hours	N/A	**Product Type**	Detached	**Broker Coop**	2.5%
		Type Description	Small Lot, Detached	**Special Incentives**	$0
GPS Coordinates	N : 38.633870 W : 121.495600	**Lot Size**	3,000	**Project Density**	
Cross Street		**Lot Dimension**	40 x 75	**Model/Trailer**	Model
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,811	$373,990	$206.51	$5,000	$368,990	$203.75	4	2.5	2	2	None
	1,974	$373,990	$189.46	$5,000	$368,990	$186.93	3	2.5	2	2	Bonus
	2,318	$399,990	$172.56	$5,000	$394,990	$170.40	4	3	2	2	Den

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	152	92	92	12	60	60	0	15	1.23	0.92	$382,657	0.44
Qtr 2/20	152	90	80	30	72	62	10	15	1.29	2.31	$380,990	0.62
Qtr 1/20	152	80	50	30	102	72	30	0	1.02	2.31	$378,657	1.34
Qtr 4/19	152	30	20	-4	132	122	10	20	0.56	- 0.31	$373,657	0.54
Qtr 3/19	152	30	24	14	128	122	6	20	1.04	1.08	$371,657	0.36
Qtr 2/19	152	15	10	10	142	137	5	25	1.00	0.77	$370,323	0.00

This project opened for sale in April 2019. It includes 152 lots typically 3,000 square feet with front loading garages. Absorption based on the total rate of sales is 5.4 sales per month, with lower absorption in the past quarter at 4.0 sales per month. Most recent pricing is from $368,880 to $394,990, net of $5,000 in concessions. HOA dues are $96 per month.

PROJECT 5 – EDGEVIEW

This is a townhome project in the Cove MPC by Beazer Homes. It opened for sale in March 2020. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	**Edgeview**	**Average Price**	$396,657	**Qtr Sold**	6
Region	Sacramento	**Average Sq Ft**	1,799	**Qtr WSR**	0.46
County	Sacramento	**Total Inventory**	181	**Tot WSR**	0.29
Community	Natomas	**Standing Inventory**	4	**Avg Incentives**	$5,000
Master Plan	The Cove	**Open Date**	03/14/20	**Survey Date**	10/1/20
Age Restricted	No	**Developer Name**	Beazer Homes	**Special Tax per Month**	$46.00
Project Phone	(916) 426-7508	**Developer Phone**		**HOA per Month**	$289.00
Sales Office Hours	N/A	**Product Type**	Attached	**Broker Coop**	2.5%
		Type Description	Townhome	**Special Incentives**	$0
GPS Coordinates	**N** : 38.615180 **W** : 121.526774	**Lot Size**		**Project Density**	20.0
Cross Street		**Lot Dimension**		**Model/Trailer**	Model
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,656	$379,990	$229.46	$5,000	$374,990	$226.44	3	2.5	2	2	None
	1,740	$389,990	$224.13	$5,000	$384,990	$221.26	3	2.5	2	2	None
	2,001	$419,990	$209.89	$5,000	$414,990	$207.39	3	3.5	3	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	189	18	8	6	181	171	10	17	0.29	0.46	$396,657	0.00
Qtr 2/20	189	18	2	2	187	171	16	14	0.13	0.15	$396,657	- 1.65
Qtr 1/20	189	18	0	0	189	171	18	2	0.00	0.00	$403,323	0.00

This project opened for sale in March 2020. It includes 189 Townhome lots with attached construction. Absorption based on the total rate of sales is 1.3 sales per month, with higher absorption in the past quarter at 2.0 sales per month. Most recent pricing is from $375,990 to $414,990 and is net of concessions at $5,000 per unit. HOA dues are $289 per month. Viewed as a secondary indicator due to the attached construction.

PROJECT 6 – MYSTIQUE

This is a townhome project in an infill site by Watt Communities. It opened for sale in October 2019. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	**Mystique**	**Average Price**	$326,990	**Qtr Sold**	10
Region	Sacramento	**Average Sq Ft**	1,485	**Qtr WSR**	0.77
County	Sacramento	**Total Inventory**	32	**Tot WSR**	0.50
Community	Natomas	**Standing Inventory**	0	**Avg Incentives**	$3,000
Master Plan	No	**Open Date**	10/15/19	**Survey Date**	10/1/20
Age Restricted	No	**Developer Name**	Watt Communities	**Special Tax per Month**	$103.00
Project Phone	(916) 365-8299	**Developer Phone**	(916) 782-7900	**HOA per Month**	$0.00
Sales Office Hours	N/A	**Product Type**	Attached	**Broker Coop**	2.5%
		Type Description	Townhome	**Special Incentives**	$0
GPS Coordinates	**N** : 38.679754 **W** : 121.528400	**Lot Size**		**Project Density**	28.8
Cross Street		**Lot Dimension**		**Model/Trailer**	Model
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,326	$310,990	$234.53	$3,000	$307,990	$232.27	2	2.5	3	1	None
	1,410	$313,990	$222.69	$3,000	$310,990	$220.56	2	2.5	3	2	None
	1,492	$324,990	$217.82	$3,000	$321,990	$215.81	3	2.5	2	2	None
	1,502	$335,990	$223.70	$3,000	$332,990	$221.70	3	2.5	2	2	Loft
	1,697	$348,990	$205.65	$3,000	$345,990	$203.88	3	2.5	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	57	30	25	10	32	27	5	20	0.50	0.77	$326,990	0.00
Qtr 2/20	57	17	15	4	42	40	2	9	0.41	0.31	$326,990	- 1.21
Qtr 1/20	57	16	11	10	46	41	5	12	0.46	0.77	$330,990	4.31
Qtr 4/19	57	4	1	1	56	53	3	12	0.09	0.08	$317,323	0.00

This project opened for sale in October 2019. It includes 57 Condominium lots with attached construction. Absorption based on the total rate of sales is 2.1 sales per month, with higher absorption in the past quarter at 3.3 sales per month. Most recent pricing is from $307,990 to $345,990 and is net of concessions at $3,000 per unit. HOA dues are approximately $255 per month. Viewed as a secondary indicator due to the attached construction.

PROJECT 7 – NUVO AT ARTISAN SQUARE

This is a townhome project in an infill site by Watt Communities. It opened for sale in April 2020. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	**Nuvo at Artisan Square**	**Average Price**	$338,885	**Qtr Sold**	8
Region	Sacramento	**Average Sq Ft**	1,334	**Qtr WSR**	0.62
County	Sacramento	**Total Inventory**	132	**Tot WSR**	0.54
Community	Natomas	**Standing Inventory**	0	**Avg Incentives**	$5,000
Master Plan	No	**Open Date**	04/15/20	**Survey Date**	10/1/20
Age Restricted	No	**Developer Name**	The New Home Company	**Special Tax per Month**	$48.00
Project Phone	(949) 301-4569	**Developer Phone**	(925) 244-0700	**HOA per Month**	$298.00
Sales Office Hours	N/A	**Product Type**	Attached	**Broker Coop**	15000
		Type Description	Townhome	**Special Incentives**	$0
GPS Coordinates	**N** : 38.591621 **W** : 121.401121	**Lot Size**		**Project Density**	23.2
Cross Street		**Lot Dimension**		**Model/Trailer**	Model
Finished Lots	N/A	**Blue Top Lots**	N/A		

LAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,315	$325,405	$247.46	$5,000	$320,405	$243.65	3	2.5	2	2	None
	1,354	$352,365	$260.24	$5,000	$347,365	$256.55	3	2.5	2	2	None

URVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	145	18	13	8	132	127	5	25	0.54	0.62	$338,885	6.26
Qtr 2/20	145	9	5	5	140	136	4	20	0.45	0.38	$318,935	0.00

This project opened for sale in April 2020. It includes 145 townhome lots with attached construction. Absorption based on the total rate of sales is 2.2 sales per month, with higher absorption in the past quarter at 2.7 sales per month. Most recent pricing is from $320,405 to $347,365 and is net of concessions at $5,000 per unit. HOA dues are approximately $298 per month. Viewed as a secondary indicator due to the attached construction.

PROJECT 8 – PROVENCE

This is a townhome project in an infill site by Blue Mountain Communities. It opened for sale in October 2019. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	**Provence**	**Average Price**	$394,990	**Qtr Sold**	18
Region	Sacramento	**Average Sq Ft**	1,852	**Qtr WSR**	1.38
County	Sacramento	**Total Inventory**	159	**Tot WSR**	0.56
Community	Natomas	**Standing Inventory**	0	**Avg Incentives**	$5,000
Master Plan	No	**Open Date**	10/15/19	**Survey Date**	10/1/20
Age Restricted	No	**Developer Name**	Blue Mountain Communities	**Special Tax per Month**	$0.00
Project Phone	(906) 496-4074	**Developer Phone**	(800) 889-2085	**HOA per Month**	$231.00
Sales Office Hours	N/A	**Product Type**	Attached	**Broker Coop**	2.0%
		Type Description	Townhome	**Special Incentives**	$0
GPS Coordinates	**N** : 37.623581 **W** : 122.059051	**Lot Size**		**Project Density**	23.4
Cross Street		**Lot Dimension**		**Model/Trailer**	Model
Finished Lots	N/A	**Blue Top Lots**	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,394	$349,990	$251.07	$5,000	$344,990	$247.48	3	2.5	2	2	None
	1,920	$409,990	$213.54	$5,000	$404,990	$210.93	4	3.5	3	2	Loft
	2,242	$424,990	$189.56	$5,000	$419,990	$187.33	4	3.5	3	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	187	36	28	18	159	151	8	9	0.56	1.38	$394,990	3.95
Qtr 2/20	187	26	10	2	177	161	16	9	0.27	0.15	$379,990	0.00
Qtr 1/20	187	23	8	5	179	164	15	9	0.33	0.38	$379,990	- 3.23
Qtr 4/19	187	13	3	3	184	174	10	9	0.27	0.23	$392,657	0.00

This project opened for sale in October 2019. It includes 187 townhome lots with attached construction. Absorption based on the total rate of sales is 2.3 sales per month, with higher absorption in the past quarter at 6.0 sales per month. Most recent pricing is from $344,990 to $419,990 and is net of concessions at $5,000 per unit. HOA dues are approximately $231 per month. Viewed as a secondary indicator due to the attached construction.

PROJECT 9 – RAVENNA

This is a small lot project in the Parkebridge MPC by D.R. Horton. It opened for sale in January 2020. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	Ravenna	Average Price	$351,240	Qtr Sold	23
Region	Sacramento	Average Sq Ft	1,616	Qtr WSR	1.77
County	Sacramento	Total Inventory	52	Tot WSR	1.47
Community	Natomas	Standing Inventory	0	Avg Incentives	$5,000
Master Plan	Parkebridge	Open Date	01/07/20	Survey Date	10/1/20
Age Restricted	No	Developer Name	D.R. Horton	Special Tax per Month	$222.00
Project Phone	(916) 899-7718	Developer Phone		HOA per Month	$89.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	2.0%
		Type Description	Courtyard	Special Incentives	$0
GPS Coordinates	N : 38.633870 W : 121.495650	Lot Size	3,200	Project Density	
Cross Street		Lot Dimension	40 x 80	Model/Trailer	Model
Finished Lots	N/A	Blue Top Lots	N/A		

LAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,404	$334,990	$238.60	$5,000	$329,990	$235.04	3	2	2	2	None
	1,574	$345,990	$219.82	$5,000	$340,990	$216.64	3	2.5	2	2	None
	1,678	$356,990	$212.75	$5,000	$351,990	$209.77	4	2.5	2	2	None
	1,811	$366,990	$202.64	$5,000	$361,990	$199.88	4	3.5	2	2	None

URVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	108	64	56	23	52	44	8	10	1.47	1.77	$351,240	1.52
Qtr 2/20	108	40	33	25	75	68	7	40	1.32	1.92	$345,990	1.17
Qtr 1/20	108	12	8	8	100	96	4	50	0.67	0.62	$341,990	0.00

This project opened for sale in January 2020. It includes 108 lots typically 3,200 square feet and designed in a courtyard configuration. Absorption based on the total rate of sales is 6.2 sales per month, with higher absorption in the past quarter at 7.7 sales per month. Most recent pricing is from $329,990 to $361,990, net of $5,000 in concessions. HOA dues are $89 per month.

PROJECT 10 – TERRAZA

This is a detached project in the Parkebridge MPC by D.R. Horton. It opened for sale in April 2019. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	Terraza	Average Price	$394,990	Qtr Sold	8
Region	Sacramento	Average Sq Ft	2,136	Qtr WSR	0.62
County	Sacramento	Total Inventory	0	Tot WSR	1.29
Community	Natomas	Standing Inventory	0	Avg Incentives	$5,000
Master Plan	Parkebridge	Open Date	04/15/19	Survey Date	10/1/20
Age Restricted	No	Developer Name	D.R. Horton	Special Tax per Month	$216.00
Project Phone	(916) 496-4833	Developer Phone	(916) 297-4461	HOA per Month	$110.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	2.0%
		Type Description	Traditional	Special Incentives	$0
GPS Coordinates	N : 38.630820 W : 121.503100	Lot Size	5,000	Project Density	
Cross Street		Lot Dimension	50 x 100	Model/Trailer	Model
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,883	$382,990	$203.39	$5,000	$377,990	$200.74	3	2	1	2	None
	1,898	$386,990	$203.89	$5,000	$381,990	$201.26	3	2	1	2	Den
	2,235	$393,490	$176.06	$5,000	$388,490	$173.82	4	3	2	2	None
	2,529	$416,490	$164.69	$5,000	$411,490	$162.71	4	3	2	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	98	98	98	8	0	0	0	2	1.29	0.62	$394,990	0.00
Qtr 2/20	98	95	90	12	8	3	5	5	1.43	0.92	$394,990	0.25
Qtr 1/20	98	82	78	36	20	16	4	20	1.56	2.77	$393,990	0.25
Qtr 4/19	96	61	42	18	54	35	19	20	1.14	1.38	$392,990	0.26
Qtr 3/19	42	42	24	16	18	0	18	25	1.00	1.23	$391,990	- 0.51
Qtr 2/19	41	19	8	8	33	22	11	25	0.73	0.62	$393,990	0.00

This project opened for sale in April 2019. It includes 98 lots typically 5,000 square feet designed with front loading garages. Absorption based on the total rate of sales is 5.8 sales per month, with lower absorption in the past quarter at 2.7 sales per month as the project sold out. Most recent pricing is from $377,990 to $411,990, net of $5,000 in concessions. HOA dues are $110 per month.

PROJECT 11 – VERANO

This is a small lot project in the Parkebridge MPC by D.R. Horton. It opened for sale in May 2019. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	Verano	Average Price	$362,992	Qtr Sold	15
Region	Sacramento	Average Sq Ft	1,854	Qtr WSR	1.15
County	Sacramento	Total Inventory	15	Tot WSR	1.67
Community	Natomas	Standing Inventory	0	Avg Incentives	$5,000
Master Plan	Parkebridge	Open Date	05/15/19	Survey Date	10/1/20
Age Restricted	No	Developer Name	D.R. Horton	Special Tax per Month	$220.00
Project Phone	(916) 740-9224	Developer Phone	(916) 297-4461	HOA per Month	$82.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	2.0%
		Type Description	Small Lot, Detached	Special Incentives	$0
GPS Coordinates	N : 38.638149 W : 1221.488300	Lot Size	2,800	Project Density	
Cross Street		Lot Dimension	40 x 70	Model/Trailer	Model
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,717	$350,000	$203.84	$5,000	$345,000	$200.93	3	2.5	2	2	None
	1,788	$358,990	$200.78	$5,000	$353,990	$197.98	3	2.5	2	2	None
	1,811	$367,990	$203.20	$5,000	$362,990	$200.44	4	2.5	2	2	None
	1,932	$365,990	$189.44	$5,000	$360,990	$186.85	4	3	2	2	Loft
	2,022	$371,990	$183.97	$5,000	$366,990	$181.50	4	2.5	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	135	120	120	15	15	15	0	15	1.67	1.15	$362,992	0.86
Qtr 2/20	135	115	105	20	30	20	10	15	1.78	1.54	$359,894	0.33
Qtr 1/20	135	95	85	20	50	40	10	5	1.85	1.54	$358,694	1.41
Qtr 4/19	135	72	65	26	70	63	7	15	1.97	2.00	$353,690	0.57
Qtr 3/19	135	41	39	24	96	94	2	23	2.05	1.85	$351,690	0.26
Qtr 2/19	135	24	15	15	120	111	9	20	2.50	1.15	$350,790	0.00

This project opened for sale in May 2019. It includes 135 lots typically 2,800 square feet. Absorption based on the total rate of sales is 7.5 sales per month, with lower absorption in the past quarter at 5.0 sales per month as the project sold out. Most recent pricing is from $345,000 to $366,990, net of $5,000 in concessions. HOA dues are $82 per month.

PROJECT 12 – WESTWARD

This is a small lot project in the Cove MPC by Beazer Homes. It opened for sale in March 2020. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	Westward	Average Price	$507,323	Qtr Sold	19
Region	Sacramento	Average Sq Ft	2,477	Qtr WSR	1.46
County	Sacramento	Total Inventory	116	Tot WSR	0.89
Community	Natomas	Standing Inventory	0	Avg Incentives	$5,000
Master Plan	The Cove	Open Date	03/21/20	Survey Date	10/1/20
Age Restricted	No	Developer Name	Beazer Homes	Special Tax per Month	$244.00
Project Phone	(916) 426-7509	Developer Phone		HOA per Month	$215.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	2.5%
		Type Description	Alley Loaded	Special Incentives	$0
GPS Coordinates	N : 38.616700 W : 121.529300	Lot Size	3,500	Project Density	
Cross Street		Lot Dimension	50 x 70	Model/Trailer	Model
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	2,238	$492,990	$220.28	$5,000	$487,990	$218.05	3	3	2	2	Loft
	2,431	$503,990	$207.32	$5,000	$498,990	$205.26	4	3.5	2	2	Loft
	2,764	$524,990	$189.94	$5,000	$519,990	$188.13	4	2.5	2	2	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	140	30	24	19	116	110	6	15	0.89	1.46	$507,323	4.03
Qtr 2/20	140	17	5	4	135	123	12	10	0.36	0.31	$487,657	0.07
Qtr 1/20	140	8	1	1	139	132	7	0	1.00	0.08	$487,323	0.00

This project opened for sale in March 2020. It includes 140 smaller lots typically 3,500 square feet and reflects alley-loaded configuration. Absorption based on the total rate of sales is 6.0 sales per month, with higher absorption in the past quarter at 6.3 sales per month. Most recent pricing is from $487,990 to $519,990, net of $5,000 in concessions. HOA dues are $215 per month.

PROJECT 13 – WINDROW

This is a small lot project in the Cove MPC by Beazer Homes. It opened for sale in October 2019. Current pricing characteristics as provided from the Gregory Group (3rd Quarter 2020) are noted as follows.

Project Name	Windrow	Average Price	$440,790	Qtr Sold	20
Region	Sacramento	Average Sq Ft	1,772	Qtr WSR	1.54
County	Sacramento	Total Inventory	119	Tot WSR	0.92
Community	Natomas	Standing Inventory	0	Avg Incentives	$5,000
Master Plan	The Cove	Open Date	10/01/19	Survey Date	10/1/20
Age Restricted	No	Developer Name	Beazer Homes	Special Tax per Month	$228.00
Project Phone	(916) 426-7540	Developer Phone		HOA per Month	$171.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
		Type Description	Alley Loaded	Special Incentives	$0
GPS Coordinates	N : 38.614405 W : 121.529473	Lot Size	2,900	Project Density	
Cross Street		Lot Dimension	40 x 70	Model/Trailer	Model
Finished Lots	N/A	Blue Top Lots	N/A		

PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
	1,567	$424,990	$271.21	$5,000	$419,990	$268.02	3	2.5	2	2	None
	1,718	$432,990	$252.03	$5,000	$427,990	$249.12	3	2.5	2	2	None
	1,807	$442,990	$245.15	$5,000	$437,990	$242.39	3	2.5	2	2	None
	1,811	$449,990	$248.48	$5,000	$444,990	$245.72	3	2.5	2	2	Loft
	1,960	$452,990	$231.12	$5,000	$447,990	$228.57	3	2.5	2	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 3/20	167	51	48	20	119	116	3	20	0.92	1.54	$440,790	3.57
Qtr 2/20	167	38	28	9	139	129	10	10	0.72	0.69	$425,590	1.19
Qtr 1/20	167	34	19	10	148	133	15	30	0.73	0.77	$420,590	0.00
Qtr 4/19	167	19	9	9	158	148	10	32	0.69	0.69	$420,590	0.00

This project opened for sale in October 2019. It includes 167 smaller lots typically 2,900 square feet and reflects alley-loaded configuration. Absorption based on the total rate of sales is 4.0 sales per month, with higher absorption in the past quarter at 6.7 sales per month. Most recent pricing is from $419,990 to $447,990, net of $5,000 in concessions. HOA dues are $171 per month.

Subject Positioning

Proposed price points for the subject property are based on pricing established in the Absorption Study prepared by The Gregory Group dated October 2020. The following table shows an overall summary of this pricing based on individual projects.

PROJECT NAME	MIN LOT SIZE (SF)	AVERAGE PRICE	AVERAGE SIZE (SF)	PRICE/SF
Shor	2,788 SF	$475,000	1,982	$241
Lakelet	3,690 SF	$518,000	2,233	$232
Watersyde	4,000 -4,250 SF	$561,600	2,650	$213
Wavmor	4,500 SF	$559,500	2,484	$227
Crestvue	4,675 SF	$570,200	2,558	$229
Bleau	5,000 SF	$596,250	2,776	$218
Drifton	5,500 SF	$628,750	3,031	$211
Alta	6,600 SF	$687,750	3,403	$205
PROJECT	**4,594 SF**	**$575,818**	**2,650**	**$217**

Interaction of Existing Supply and Demand

In deriving potential absorption for the subject, the following elements are considered:

⇒ Regional absorption trends are trending upward. Projects in the last 12 months within the Natomas sub-market submarket (as defined by The Gregory Group), show average absorption of 4.0 sales per month, per project.

⇒ Absorption rates were higher in the 3rd quarter of 2020 at 4.1 sales per month, per project. Most projects surveyed showed higher rates of sales.

⇒ Pricing for the competing projects is consistent from $182.58 to $256.46 per square foot, with an average at $215.35 per square foot, per project. This is predicated on the competing projects summarized in the prior section. The average price per square foot for the subject project ranges from $205 to $241 per square foot, with the overall average price identified at $217 per square foot.

⇒ Resale home trends in Zip Code 95834 and 95835 show strong demand with pricing from $221 to $223 per square foot (median and average indicators).

Absorption trends noted from the competing projects show potential absorption characteristics from 3.0 to 5.0 sales per month. This is consistent with projections from the Absorption Study prepared by the Gregory Group.

Absorption characteristics identified for the subject property are noted on the following page. Absorption commences in the 2Q of 2021 which allows time sufficient for completion of site improvements as well as construction of homes by the end of September 2021. With these elements in play, overall absorption characteristics are identified as follows.

PROJECT	# OF LOTS	TOTAL SOLD	INVENTORY	AVERAGE NET PRICE	AVERAGE SIZE (SF)	AVERAGE $/SF	AVERAGE ABS. RATE	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25	3Q 25
Amberwood	75	74	1	$475,977	2,087	$228.07	4.1/Mo.	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Artisan	145	26	119	$529,490	2,730	$193.95	1.7/Mo.	9	9	9	9	9	9	9	9	9	9	9	9	9	2	N/A	N/A	N/A	N/A	N/A	N/A
Bloom	84	60	24	$326,218	1,272	$256.46	10.0/Mo.	10	10	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Castile	152	92	60	$377,657	2,034	$185.67	5.4/Mo.	15	15	15	15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Edgeview	189	8	181	$391,657	1,799	$217.71	1.3/Mo.	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	10
Mystique	57	25	32	$323,990	1,485	$218.18	3.3/Mo.	9	9	9	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nuvo At Artisan Square	145	13	132	$333,885	1,334	$250.29	2.7/Mo.	9	9	9	9	9	9	9	9	9	9	9	9	9	9	6	N/A	N/A	N/A	N/A	N/A
Provence	187	28	159	$389,990	1,852	$210.58	2.3/Mo.	12	12	12	12	12	12	12	12	12	12	12	12	12	3	N/A	N/A	N/A	N/A	N/A	N/A
Ravenna	108	56	52	$346,240	1,616	$214.26	6.2/Mo.	15	15	15	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Terraza	98	98	0	$389,990	2,136	$182.58	5.8/Mo.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Verano	135	120	15	$357,992	1,854	$193.09	7.5/Mo.	5	5	5	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Westward	140	24	116	$502,323	2,477	$202.79	6.0/Mo.	15	15	15	15	15	15	15	11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Windrow	167	48	119	$435,790	1,772	$245.93	4.0/Mo.	12	12	12	12	12	12	12	12	12	11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTALS								**121**	**120**	**114**	**93**	**66**	**66**	**66**	**62**	**51**	**50**	**39**	**39**	**39**	**23**	**15**	**9**	**9**	**9**	**9**	**10**
ANNUAL SALES								**448**				**260**				**179**				**86**				**37**			
Proposed Subject Projects																											
--Shor (2,788 SF)	140	0	140	$475,000	1,982	$241.00	5.0/Mo	0	0	15	15	15	15	15	15	15	15	15	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
--Lakelet (3,690 SF)	134	0	134	$518,000	2,233	$232.00	5.0/Mo	0	0	15	15	15	15	15	15	15	15	14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
--Watersyde (4,000-4,250 SF)	127	0	127	$561,600	2,650	$213.00	4.0/Mo	0	0	12	12	12	12	12	12	12	12	12	12	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A
--Wavmor (4,500 SF)	153	0	153	$559,500	2,484	$227.00	4.0/Mo	0	0	12	12	12	12	12	12	12	12	12	12	12	12	9	N/A	N/A	N/A	N/A	N/A
--Crestvue (4,675 SF)	97	0	97	$570,200	2,558	$229.00	4.0/Mo	0	0	12	12	12	12	12	12	12	12	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
--Bleau (4,675 SF)	235	0	235	$596,250	2,558	$218.00	4.0/Mo	0	0	12	12	12	12	12	12	12	12	12	12	15	15	15	15	15	15	15	10
--Drifton (5,500 SF)	135	0	135	$628,750	3,031	$211.00	3.0/Mo	0	0	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	N/A	N/A	N/A
--Alta (6,600 SF)	116	0	116	$687,750	3,403	$205.00	3.0/Mo	0	0	9	9	9	9	9	9	9	9	9	9	9	9	8	0	N/A	N/A	N/A	N/A
TOTALS			**1137**					**0**	**0**	**96**	**96**	**96**	**96**	**96**	**96**	**96**	**96**	**84**	**59**	**52**	**45**	**41**	**24**	**24**	**15**	**15**	**10**
ANNUAL SUBJECT SALES								**192**				**384**				**335**				**162**				**64**			
TOTAL SALES								**640**				**644**				**514**				**248**				**101**			

Conclusions

The overall absorption noted from the competing projects based on the subject's positioning in the market demonstrate the following characteristics.

YEAR	1	2	3	4	5	TOTALS
Subject Lots Absorbed Appraisers Calculations	192	384	335	162	64	1,137

The absorption of lots for the subject project as calculated by the appraiser are identified over five-year period. This is predicated on home sales. Calculations of potential absorption as provided by The Gregory Group show varying rates and are identified as follows. It shows total absorption over a five-year period but is oriented toward lot sales. Calculations are noted as follows.

YEAR	1	2	3	4	5	TOTALS
Subject Lots Absorbed Gregory Group	416	409	215	70	27	1,137

The main difference in the two absorption schedules is that the appraiser's calculations are based on home sales, whereas the rates demonstrated in the Absorption Study reflect lot take downs.

Lastly, while a complete copy of the purchase and sale agreement were not provided for review in preparation of this assignment, the total take down schedule for the subject lots is noted as follows.

YEAR	1	2	3	4	5	TOTALS
Subject Lots Absorbed Schedule of Takedowns	397	345	259	112	24	1,137

Overall, the schedule of lot takedowns noted above is utilized for this analysis. It is slightly higher in Year 1 relative to the appraisers projections, however, since the appraiser's model was predicated on home sales and absorption for the discounted cash flow model noted later in this report is based on lot takedowns, the absorption schedule noted above is a reasonable projection in the current market climate.

The rates of absorption are based on market conditions as of the effective date of valuation. Utilizing the concluded absorption rate, relative to home sales in existing projects as delineated in the prior selection notes the following:

YEAR	1	2	3	4	5
Absorption – Existing Projects	448	260	179	86	37
Absorption – Subject Lots	397	345	259	112	24
TOTAL	**845**	**605**	**438**	**198**	**61**

The total absorption noted above is calculated in totality as there is upside potential for even quicker absorption than concluded above. This ties to total historic and potential absorption for the Natomas sub-market.

As noted earlier, the Natomas sub-market has shown annualized sales between 509 and 1,018 sales per annum since 2016. Data for 2015 is based on two quarters and reflects the time period when building commenced in the region after several years of no activity. Furthermore, year-to-date sales are noted at 656 sales through the third quarter of 2020. Average annual sales in the Natomas sub-market from 2016 to 2019 equate to 830 sales per annum. This is somewhat skewed with 2016 data as projects were just coming back online. The region tends to support between 800 and 1,000 sales per annum.

Capture rates on potential sales show potential for 874 sales in 2020 and 962 for 2021. As such, the overall conclusions to sales in this sub-market are identified.

SCENARIO	ANNUAL SALES	COMMENTS
Optimistic	>1,000 per annum	Based on capture rates between 13% and 15% of Projected regionwide demand of 7,951 sales.
Neutral	800-1,000 per annum	Based on recent sales trends including capture Rate at 12.1% of projected regionwide Demand of 7,951 sales
Pessimistic	<800 per annum	Low end of projections, market influenced By externalities including rise in interest rates

The neutral position is most likely for the subject's region supported by historic sales and toward the lower end other capture rate based on projected sales for 2021. Still, with absorption projections reconciled toward the developer's takedown schedule of the lots, total absorption for the Natomas sub-market falls toward the lower portion of potential absorption. While market conditions identified as of the effective date of valuation were reflective of the neutral position, the shortfall in overall absorption shows the likelihood for accelerated absorption in the short run to meet demand potential for the Natomas sub-market.

The overall salability of the subject lots in both the short and long term is favorable in the current market climate.

HIGHEST AND BEST USE

Highest and best use may be defined as that reasonable and probable use that will support the highest present value as of the effective date of the report. It is also defined as "the reasonable, probable, and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value." Elements integral in the highest and best use analysis include the following:

a. Physical characteristics of the subject property;
b. Location and the immediate environs;
c. Current zoning and municipality planning goals;
d. Neighborhood and area demographic trends;
e. Market supply and demand; and
f. Motivation of the most probable purchaser and/or user.

The highest and best use of a specific parcel of land is not determined through subjective analysis; rather highest and best use is shaped by the competitive forces within the market where the property is located. Therefore, the analysis and interpretation of highest and best use is an economic study of market forces focused on the subject property. The use that maximizes value represents the highest and best use. In accordance with the definition of highest and best use, it is appropriate to analyze the subject site as though vacant, followed by analysis of the existing improvements.

Legally Permissible

The subject property is currently vested for development of the proposed uses identified in this report. This project identified as P11-083 was approved by the City of Sacramento in 2017 including the following:

1) Certification of the Environmental Impact Report including adoption of the mitigation monitoring and reporting program;
2) Approval of the Development Agreement;
3) Adoption of the 2017 Greenbriar Financing plan;
4) Resolution Authorizing Building Permits and Multi-Unit Dwellings pursuant to Sacramento City Code Floodplain Management Regulations;
5) Directing the Greenbriar Development Impact Fees to be allocated to the North Natomas Regional Park;
6) Amending the General Plan Land Use and Urban Form Diagram to change land use designations for various parcels consistent with the development project;
7) Amending the zoning of the project;
8) Amending the Planned Unit Development Guidelines;
9) Approving the Mixed-Income Housing Strategy;
10) Approving the tentative map and project design with conditions of approval.

This project is fully vested for development from both a planning and environmental viewpoint. The environmental process for Greenbriar began in 2006 and involved the preparation of the following documents that are relevant to the proposed amendments being considered for the project:

- Draft EIR (DEIR) for the Greenbriar Development Project (Volumes I-III), July 2006
- Recirculated Draft EIR (RDEIR) for the Greenbriar Development Project (Air Quality; Hydrology, Drainage and Water Quality), November 2006
- Second Recirculated Draft EIR (SRDEIR) for the Greenbriar Development Project (Transportation and Circulation), April 2007
- Final EIR (FEIR) for the Greenbriar Development Project, August 2007

On September 19, 2007, the Sacramento Local Agency Formation Commission (LAFCo) certified the Final EIR and approved the Sphere of Influence Amendment for the project. In January 2008, the City of Sacramento certified the EIR and approved the Greenbriar Development Project (City of Sacramento 2008). After the City's approval of the project, LAFCo approved annexation of the proposed project to the City of Sacramento service area boundary in June 2008 (LAFCo 2008).

Applicable Agency Permits secured for this project include the following:

1) California Department of Fish & Wildlife Final Streambed Alteration Agreement No. 1600-2013-0224-R2
2) Central Valley Regional Water Control Board Clean Water Act Section 401 permit (WDID #5A35CR00587)
3) Department of the Army Section 404 Permit # SPK-2005-00572
4) United States Department of the Interior Fish & Wildlife Service Biological Opinion
5) CDFW Incidental Take Permit. 2081-2013-059-02

According to Cheryle Hodge with the City of Sacramento Planning Department, the subject project is conforming with all applicable environmental mitigation. Furthermore, the subject property is a stand-alone project and not subject to the Natomas Basin HCP Fees.

Since the time of this approval, site improvements have commenced on this project and the developer has recorded final maps and bonded for site improvements on the following villages.

Village 2B	Village 3B	Village 4B
Village 5A	Village 5C	Village 7A
Village 9	Village 11	
Village East	Village West	

Zoning for this project is generally identified in the following classifications, R-1 (PUD), R-1A (PUD) and A-OS (PUD) as they pertain to the subject properties. The General Plan identifies the residential components for Suburban Neighborhood Low Density (3-8 du/ac), Suburban Neighborhood Medium Density (7-17 du/ac), Waterways, and Parks and Recreation.

The proposed development of this project is consistent with the overall zoning and General Plan. This project includes an affordable housing component identified as the Mixed-Income Housing Strategy. Accordingly, the total project is proposed for 2,425 market rate housing units and 339 market rate rental units. The Greenbriar Mixed-Income Housing Strategy provides for the development of 189 affordable units for seniors (APN 201-0300-180). With the development of this project, designated for residents whose income does not exceed 80% of the AMI for Sacramento County, no further affordable housing is required. The developer of this project receives a fee credit for the construction of this project relative to the 2,425 market rate units identified for the project. The only caveat is that the developer obtains a building permit for this project prior to issuance of 65% of the building permits for the 2,425 market rate units. This equates to 1,576 permits. Since the subject property comprises 1,137 market rate units, this threshold would be applicable to Phase 2 of this project with no influence on the subject property.

Development of the proposed land uses described in this report reflect a legal, permissible use under the current zoning, general plan, and all entitlements are secured for development.

Physically Possible

This criterion considers the physical features of the site such as street frontage, depth, topography, access, soil conditions, utilities, etc. At this point in the analysis the physical characteristics are examined to see if they are suited for the legally permissible uses. Based on physical inspection of the subject properties, there are no known reasons why the properties would not support any use than those consistent with legally permissible land uses.

Financially Feasible/Maximally Productive

As noted in the prior section, the subject property is projected to have adequate demand in the current market environment. Financial feasibility depends upon supply and demand influences. With respect to financial feasibility of single-family residential development, in recent months merchant builders have acquired unimproved lots in the Sacramento region for near term construction, and there are multiple active projects in the subject's immediate area that demonstrate demand for new homes. Finished lots are transferring at prices that exceed the sum on unimproved lots and site development costs, which indicate completion of site development is financially feasible.

Highest and Best Use (As Vacant) – Conclusion

Based on review of these elements, the highest and best use for the subject property is for near term development. The most probable buyer of the subject residential lots is an investor who would purchase the project in bulk, complete the remaining site improvements, and sell the individual product types to production home builders.

Highest and Best Use (As Improved) – Conclusion

The highest and best use as improved reflects the proposed uses identified in this report. All of the proposed uses are consistent with their highest and best use. The most probable buyer of the subject residential lots is an investor who would purchase the project in bulk, complete the remaining site improvements, and sell the individual product types to production home builders.

PART 4 – METHODOLOGY AND VALUATION

METHODOLOGY

The valuation process is the orderly program in which the data used to derive an opinion of value for the subject property as it is acquired, classified, analyzed, and presented. The first step in the process is to define the appraisal problem, i.e., identify the real estate, the effective date of the value estimate, the property rights being appraised, and the type of value sought. Once this has been accomplished, the appraiser collects and analyzes the factors that affect the market value of the subject property. These factors are addressed in the area and neighborhood analysis, the site and improvement analysis, the highest and best use analysis, and in the application of the three approaches to value. Appraisers generally use three approaches to value; the Cost Approach, the Sales Comparison Approach, and the Income Approach. The final step in the valuation process is the reconciliation or correlation of the value indications. In the reconciliation, the appraiser considers the relative applicability of each of the approaches used, examines the range of the value indications, and gives most weight to the approach or approaches that appear to produce the most reliable solution to the appraisal problem.

The first step in the appraisal of the subject property is to examine the different value scenarios required for this property under the purpose of this report. In order to derive an opinion of value for this property, all three approaches to value will be considered.

In the **Cost Approach**, the reproduction or replacement cost of the building and land improvements, as the date of the appraisal, is developed together with an estimate of the losses in value (depreciation) that have taken place due to wear and tear, design and plan, or neighborhood influences. The depreciated building cost estimate is added to the value of the land. The total represents the value indicated by the cost approach. This approach assumes that the site is developed to its highest and best use. It is also a good test of project feasibility in the case of proposed projects. This approach to value is based on a comparison that a prudent investor would pay no more for a property than the amount the investor can obtain a comparable site and construct a building of equal desirability and utility without undue delay. This approach is most applicable when a property is new or relatively new, and sufficient comparable land sales are available to support a reasonable conclusion of land value.

In the **Sales Comparison Approach**, the subject property is compared to similar properties that have been sold recently or for which listing prices or offering figures are known. Data for generally comparable properties are used and comparisons are made to demonstrate a probable price at which the subject property would sell if offered in the open market. This is a good indication of value assuming the market data considered is recent and reliable.

In the **Income Capitalization Approach**, value is based on the present value of the anticipated net income stream from the subject property. Two common techniques are typically utilized, direct capitalization and yield capitalization. In direct capitalization, the current or estimated rental income is projected with deductions for vacancy and collection loss and operating expenses. A conclusion about the prospective net operating income of the property is developed. In support of this net operating income estimate, operating statements for previous years may be reviewed, together with available operating cost estimates of similar properties. An applicable capitalization method and appropriate capitalization rates are developed for use in computations that lead to an indication of value by the Income Approach. In yield capitalization (or discounted cash flow analysis), the net income stream is projected over a typical investment holding period for the property type being appraised, with a reversion at the end of the holding period. The income stream and reversion are then discounted to a present value utilizing a discount rate, typically derived from market analysis and investor surveys. In most cases, the Income Approach is considered to be the best method of estimating value for an income producing property.

After an indication of value is achieved in each of the approaches, the applicability and reliability of each approach is then evaluated and weighed by the appraiser. Through physical inspection of the property and the appraiser's analysis, judgment, and experience, a final opinion of value is then made for the subject property.

Subject Property Valuation

The market value of the appraised properties, by ownership, subject to the existing liens will be estimated using the sales comparison approach to value. As noted throughout this report, this value is presented in conjunction with the **Hypothetical Condition** that all improved properties are available for development to their highest and best use. In addition, the extraction/land residual methodology will be utilized. Under this methodology, land value is developed by deducting the construction costs from the proposed revenues in arriving at an estimated value of the finished lots. Discounted cash flow analysis for the determination of lot value was not necessary given the number of lots in each village and relatively short absorption period. The concluded lot values identified by the Sales Comparison Approach and the Extraction Method were reconciled in order to provide the finished lot value for each village.

Once the individual values are derived or identified as the aggregate retail value or retail sales proceeds, a discounted cash flow model will be performed. Under the discounted cash flow analysis, the expected revenue, absorption period, expenses and discount rate associated with the sell-off of the developable parcels will be utilized. A DCF analysis is a procedure in which a discount rate is applied to a projected revenue stream generated from the sale of individual components of a project. In this method of valuation, the appraiser specifies the quantity, variability, timing and duration of the revenue streams and discounts each to its present value at a specified yield rate.

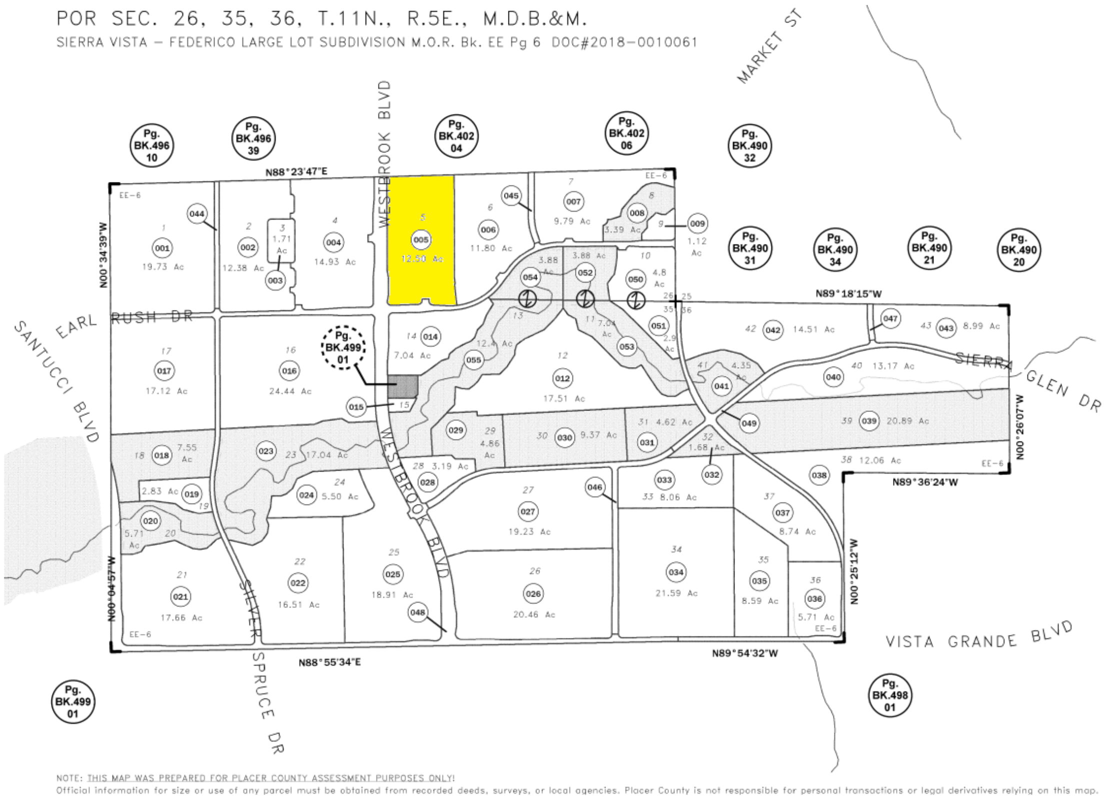
REVENUE PROJECTIONS - FINISHED LOTS
SALES COMPARISON APPROACH

The Sales Comparison Approach involves a comparison of the subject property with other properties which have been sold or have been offered for sale in the open, competitive market. These transactions serve the primary function of providing a unit comparison used to estimate an independent opinion of value by this approach. The reliability of the value estimate depends upon the degree of similarity between the property being appraised and the comparable sales. Adjustments are made to the comparable sales to reflect their differences from the subject.

The land sales used for comparative purposes are summarized below.

SALE	PROPERTY ADDRESS LOCATION	TOTAL SALES PRICE SALES PRICE/LOT SALE DATE	BUYER SELLER DOCUMENT NO.	STATUS # OF LOTS TYPICAL LOT SIZE (SF)	ANNUAL LEVIES/ SPECIAL ASSESSMENTS	SITE COSTS/LOT PERMITS/FEES	LOADED PRICE PER FINISHED LOT
1	Solaire - Phase 5 NEC of Westbrook Blvd. & Federico Drive Roseville, CA 95747	$5,396,000 **$71,000** August 6, 2020	Solaire Roseville LLP Solaire Community Builders LLC 2020-082424	Blue-Top Lots 76 Lots 4,500 SF	$2,610 per annum	$39,747 $81,000	**$191,747**
	Comments: This transaction represents the acquisition of Solaire – Phase 5. This project reflects approximately 12.5 net acres for the development of 76 finished lots. It transferred in blue-top condition at a purchase price of $71,000 per lot. The buyer, Solaire-Roseville LP (Hearthstone) assumed site development costs at $39,747 per lot. Permits and fees are based on current estimates and identified at $81,000 per lot. This project area lies within the Roseville School district.						
2	Solaire - Phase 4 NWC of Westbrook Blvd. & Federico Drive Roseville, CA 95747	$5,775,000 **$52,500** July 2, 2020	Tri-Pointe Homes Solaire Community Builders LLC 2020-0066286	Blue-Top Lots 110 Lots 3,275 SF	$2,610 per annum	$45,130 $78,469	**$176,099**
	Comments: This transaction represents the acquisition of Solaire – Phase 4. This project reflects approximately 14.21 net acres for the development of 110 finished lots. It transferred in blue-top condition at a purchase price of $52,500 per lot. The buyer, Tri-Pointe Homes assumed site development costs at $45,130 per lot. Permits and fees are based on current estimates and identified at $78,469 per lot. This project area lies within the Roseville School district.						
3	Solaire - Phase 3 SEC of Solaire Drive and Santucci Boulevard Roseville, CA 95747	$5,968,000 **$57,942** July 2, 2020	Tri-Pointe Homes Solaire Community Builders LLC 2020-0066287	Blue-Top Lots 103 Lots 4,000 SF	$2,610 per annum	$44,397 $78,469	**$180,808**
	Comments: This transaction represents the acquisition of Solaire – Phase 3, Villages 22 and 23. This project reflects approximately 14.38 net acres for the development of 103 finished lots. It transferred in blue-top condition at a purchase price of $57,942 per lot. The buyer, Tri-Pointe Homes assumed site development costs at $44,397 per lot. Permits and fees are based on current estimates and identified at $78,469 per lot. This project area lies within the Roseville School district.						
4	Mangini Ranch Phase 2 (Village 7) SEC of East Bidwell Street 7 Savannah Parkway Folsom, CA 95630	$6,371,600 **$93,700** February 5, 2020	FR 68 Lots LLC Mangini Improvement Co. 20200205/1493	Blue-Top Lots 68 Lots 3,075 SF	$3,327 per annum	$55,500 $47,921	**$197,121**
	Comments: This transaction represents the recent closing of 68 finished lots in Phase 2 (Village 7) of Mangini Ranch by Signature Homes (FR 68 Lots LLC). This sale was originally negotiated in September 2019. Lots in this project are a traditional design with a typical size at 3,075 square feet. It includes special assessments identified at $3,327.00 per annum, and assumed with the finished lots. Permits and fees reported at $47,921 per unit.						
5	Parkebridge Village 1 (Por) NEQ of Fong Ranch Road and Bridgegate Way Sacramento, CA 95834	$5,670,000 **$105,000** January 30, 2020	Forestar USA (D.R. Horton) Jen California 7 LLC 20200130/0909	Finished Lots 54 Lots 3,129 SF	$1,415 per annum	$0 $35,000	**$140,000**
	Comments: This transaction represents the closing of 54 finished lots in Parkebridge by D.R. Horton. This transaction date for this closing was as of January 2020, however, the buyer has purchased numerous villages in this project dating back to 2018. Lots in this project are a traditional design with a typical size at 3,129 square feet. It includes special assessments identified at $1,415.00 per annum, and assumed with the finished lots. Permits and fees reported at $35,000 per unit. However, it was identified that the buyer will secure SCIP bonds of approximately $15,000 per lot, to offset some of these fees. Ultimately, these payments are passed through to the buyer increasing the special assessments on this property. This transaction is analyzed on a fully loaded lot price at $140,000 per lot. SCIP financing was after this transaction.						
6	Parkebridge Village 3 SWQ of Bridgefield Road and Sunsetparke Way Sacramento, CA 95834	$15,761,000 **$104,377** October 22, 2019	Forestar USA (D.R. Horton) Jen California 7 LLC 20191022/1531	Finished Lots 151 Lots 3,500 SF	$1,415 per annum	$0 $35,000	**$139,377**
	Comments: This transaction represents the closing of 151 finished lots in Parkebridge by D.R. Horton. This transaction date for this closing was as of October 2019, however, the buyer has purchased numerous villages in this project dating back to 2018. Lots in this project are a traditional design with a typical size at 3,500 square feet based on the weighted average. It includes special assessments identified at $1,415.00 per annum, and assumed with the finished lots. Permits and fees reported at $35,000 per unit. However, it was identified that the buyer will secure SCIP bonds of approximately $15,000 per lot, to offset some of these fees. Ultimately, these payments are passed through to the buyer increasing the special assessments on this property. This transaction is analyzed on a fully loaded lot price at $139,377 per lot. SCIP financing was after this transaction.						
7	Mangini Ranch Phase 1B - Villages 3/5 Mangini Parkway, E. of Scott Road Folsom, CA 95630	$26,640,000 **$180,000** September 23, 2019	Tri-Pointe Homes Mangini Improvement Co. 20190923/0819	Finished Lots 148 Lots 5,775 SF	$3,806 per annum	$0 $58,000	**$238,000**
	Comments: This transaction represents the closing of 148 finished lots in Phase 1B of Mangini Ranch by Tri-point Homes. This sale was originally negotiated in April 2019. Lots in this project are a traditional design with a typical size at 5,775 square feet. It includes special assessments identified at $3,806.14 per annum, and assumed with the finished lots. Permits and fees reported at $58,000 per unit.						
8	Russell Ranch - Villages 6/8 N. side of Grand Prairie Road Folsom, CA 95630	$16,575,000 **$174,474** October 29, 2019	Anthem United Homes The New Home Company 20191029-1325	Finished Lots 95 Lots 4,600 SF	$2,483 per annum	$0 $58,000	**$232,474**
	Comments: This transaction represents the acquisition of 95 finished lots in Russell Ranch. Lots in this project are a traditional design with a typical size of 4,600 square feet. It includes special assessments identified at $2,483.06 per annum, and assumed with the finished lots. Permits and fees reported at $58,000 per unit. These elements show a loaded price per finished lot at $232,474 per lot.						
9	Parkebridge Village 3 S. side of Fong Ranch Road Sacramento, CA 95834	$12,290,500 **$105,953** January 30, 2019	Forestar USA (D.R. Horton) Jen California 7 LLC 20190130/1086	Finished Lots 116 Lots 3,000 SF	$1,415 per annum	$0 $35,000	**$140,953**
	Comments: This transaction represents the closing of 116 finished lots in Parkebridge by D.R. Horton. This transaction date for this closing was as of January 2019, however, the buyer has purchased numerous villages in this project dating back to 2018. Lots in this project are a traditional design with a typical size at 3,000 square feet. It includes special assessments identified at $1,415.00 per annum, and assumed with the finished lots. Permits and fees reported at $35,000 per unit. However, it was identified that the buyer will secure SCIP bonds of approximately $15,000 per lot, to offset some of these fees. Ultimately, these payments are passed through to the buyer increasing the special assessments on this property. This transaction is analyzed on a fully loaded lot price at $140,953 per lot. SCIP financing was after this transaction.						
SP	**Greenbriar CFD NO. 2018-3** **Single-Family Residential Component** **Sacramento, CA**		**Benchmark Village**	**Assumed Finished** **100 Lots** **4,500 SF**	**$2,039 per annum**	**Assumed Finished** **$29,802**	

COMPARABLE LAND SALE NUMBER 1



Identification

Location:	Solaire – Phase 5 (Federico Large Lot Map) Village 22A NEC of Westbrook Boulevard and Federico Drive Roseville, CA 95747
APN/Legal Description:	498-020-005
Grantor:	Solaire Community Builders LLC
Grantee:	Solaire Roseville LLP

Site Characteristics

Number of Lots:	76 Lots
Typical Lot Size:	4,500 SF (45' x 100')
Zoning:	LDR
Land Area:	12.5 Net AC
Density:	6.1 du/ac
Proposed Use:	Construction of a detached subdivision
Land Status:	Blue-Top Lots
Site Development Costs:	$39,747 per lot
Permits and Fees:	$81,000 per Unit
Special Taxes Per Annum:	$2,610 per annum (Lots)

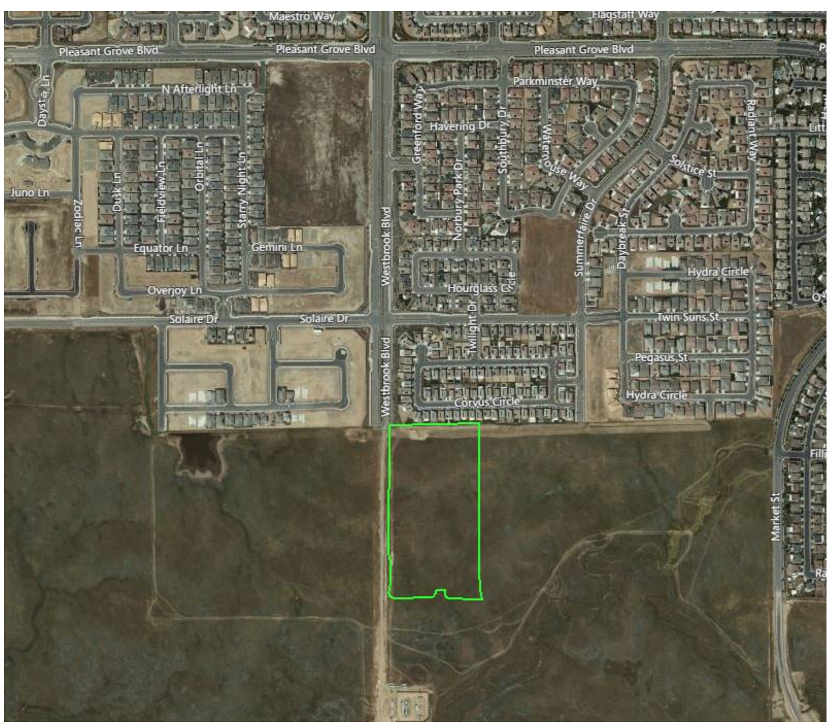
COMPARABLE LAND SALE NUMBER 1 (CONTINUED)

Sale Characteristics

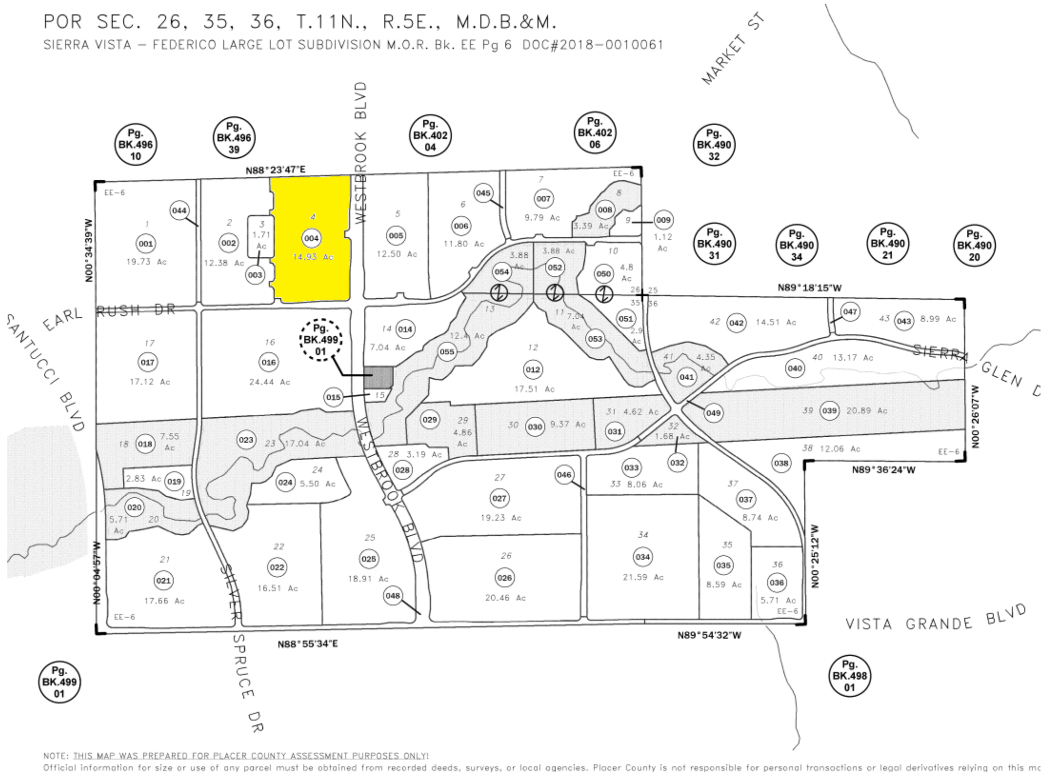
Property Rights Transferred:	Fee Simple Estate
Conditions of Sale:	Arms-Length
Sale Date/Doc #:	August 6, 2020 COE / 2020-082424
Prior Sales History (3 Years):	None Noted
Sale Price:	$5,396,000
Terms:	All cash transaction
PRICE PER LOT:	$71,000 per lot (Blue Top Lot) $39,747 per lot (Site Development Costs) $81,000 per lot (Permits & Fees) **$191,747 per Lot (Loaded Finished Lot)**
Confirmed By:	Buyer / County Records

Comments

This transaction represents the acquisition of Solaire – Phase 5. This project reflects approximately 12.5 net acres for the development of 76 finished lots. It transferred in blue-top condition at a purchase price of $71,000 per lot. The buyer, Solaire-Roseville LP (Hearthstone) assumed site development costs at $39,747 per lot. Permits and fees are based on current estimates and identified at $81,000 per lot. This project area lies within the Roseville School district. These transaction elements show a loaded price per finished lot at $191,747 per lot. The buyer for this transaction will function as a land banker and sell lots, in increments, to Beazer Homes.



COMPARABLE LAND SALE NUMBER 2



Identification

Location:	Solaire – Phase 4 (Federico Large Lot Map) Village 20A NWC of Westbrook Boulevard and Federico Drive Roseville, CA 95747
APN/Legal Description:	498-020-004
Grantor:	Solaire Community Builders LLC
Grantee:	Tri Pointe Homes

Site Characteristics

Number of Lots:	110 Lots
Typical Lot Size:	3,375 SF (45' x 75')
Zoning:	MDR
Land Area:	14.21 Net AC
Density:	7.7 du/ac
Proposed Use:	Construction of a detached subdivision
Land Status:	Blue-Top Lots
Site Development Costs:	$45,130 per lot
Permits and Fees:	$78,469 per Unit
Special Taxes Per Annum:	$2,610 per annum (Lots)

COMPARABLE LAND SALE NUMBER 2 (CONTINUED)

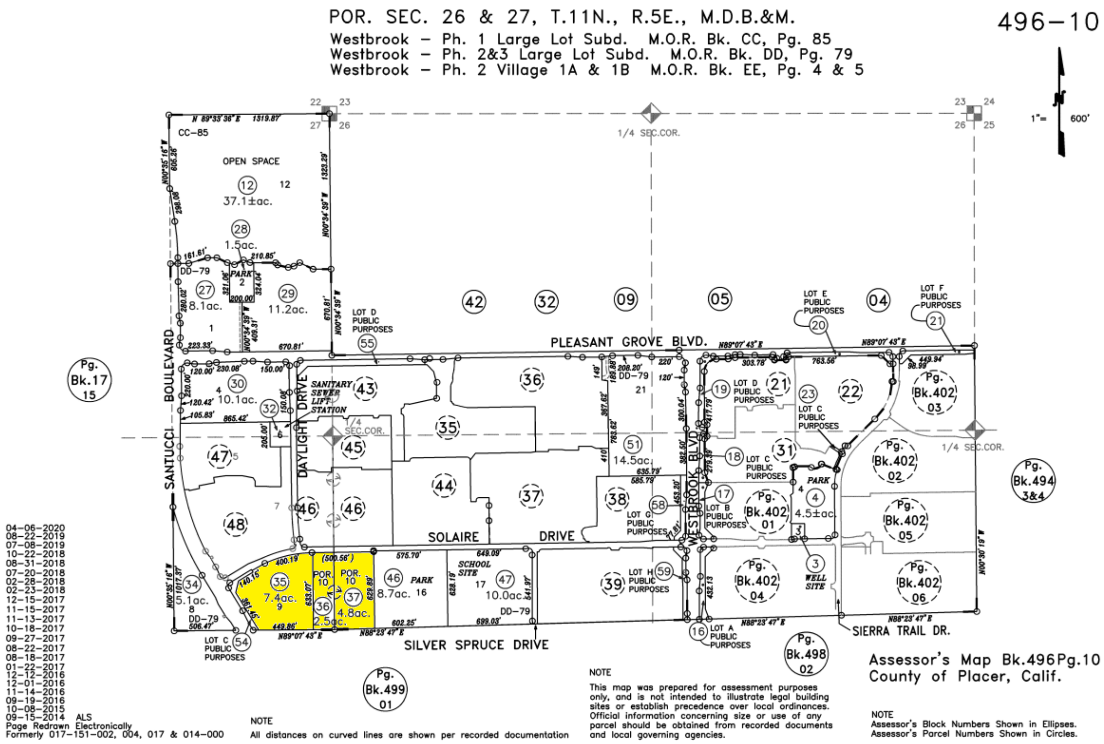
Sale Characteristics

Property Rights Transferred:	Fee Simple Estate
Conditions of Sale:	Arms-Length
Sale Date/Doc #:	July 2, 2020 COE / 2020-0066286
Prior Sales History (3 Years):	None Noted
Sale Price:	$5,775,000
Terms:	All cash transaction
PRICE PER LOT:	$52,500 per lot (Blue Top Lot)
	$45,130 per lot (Site Development Costs)
	$78,469 per lot (Permits & Fees)
	$176,099 per Lot (Loaded Finished Lot)
Confirmed By:	Seller / County Records

Comments

This transaction represents the acquisition of Solaire – Phase 4. This project reflects approximately 14.21 net acres for the development of 110 finished lots. It transferred in blue-top condition at a purchase price of $52,500 per lot. The buyer, Tri-Pointe Homes assumed site development costs at $45,130 per lot. Permits and fees are based on current estimates and identified at $78,469 per lot. This project area lies within the Roseville School district. These elements show a loaded price per finished lot at $176,099 per lot. According to the seller, this project was originally supposed to close in March 2020. The buyer delayed the closing, despite significant deposits for development. However, in late May 2020, with new home sales trending in Roseville, the opted to close on the property, rather than walking from the transaction.

COMPARABLE LAND SALE NUMBER 3



Identification

Location:	Solaire – Phase 3 SEC of Solaire Drive and Santucci Boulevard Villages 22 and 23 Roseville, CA 95747
APN/Legal Description:	498-100-035..037
Grantor:	WP Development Company
Grantee:	Tri Pointe Homes

Site Characteristics

Number of Lots:	103 Lots
Typical Lot Size:	4,000 SF (50' x 80')
Zoning:	MDR
Land Area:	14.38 Net AC
Density:	7.2 du/ac
Proposed Use:	Construction of a detached subdivision
Land Status:	Blue-Top Lots
Site Development Costs:	$44,397 per lot
Permits and Fees:	$78,469 per Unit
Special Taxes Per Annum:	$2,610 per annum (Lots)

COMPARABLE LAND SALE NUMBER 3 (CONTINUED)

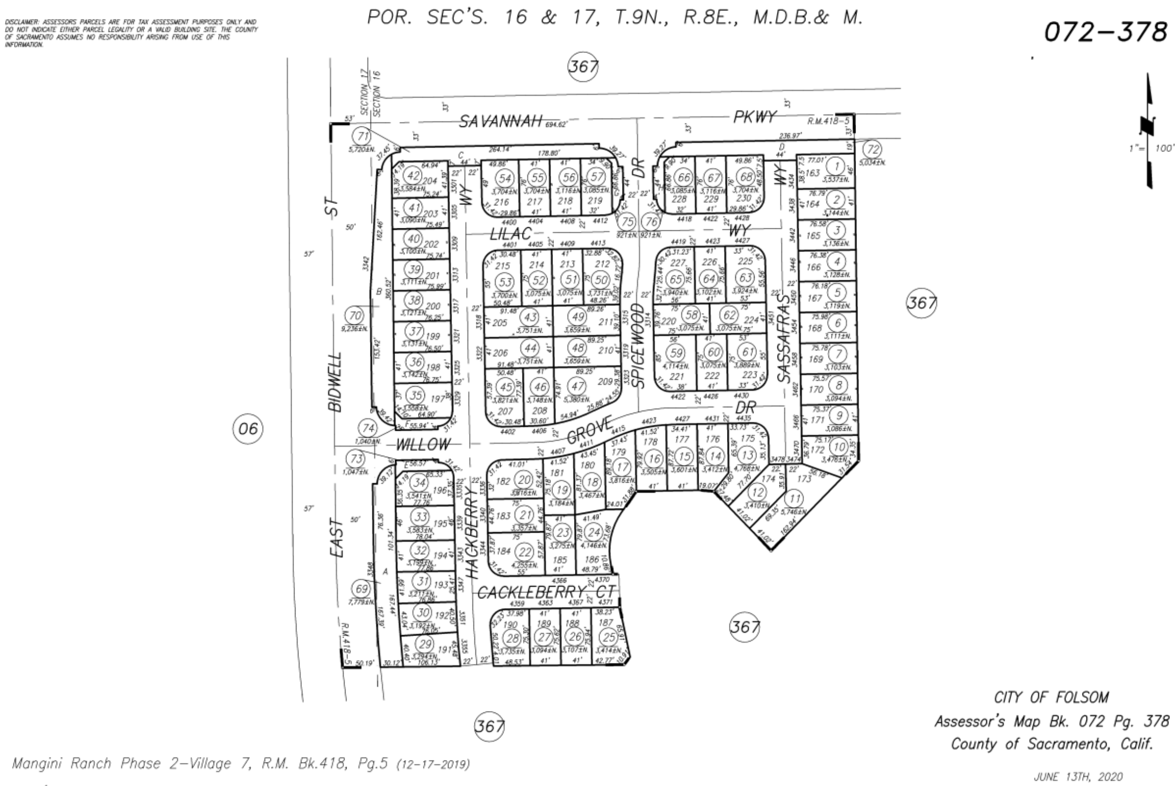
Sale Characteristics

Property Rights Transferred:	Fee Simple Estate
Conditions of Sale:	Arms-Length
Sale Date/Doc #:	July 2, 2020 COE / 2020-0066287
Prior Sales History (3 Years):	None Noted
Sale Price:	$5,968,000
Terms:	All cash transaction
PRICE PER LOT:	$57,942 per lot (Blue Top Lot)
	$44,397 per lot (Site Development Costs)
	$78,469 per lot (Permits & Fees)
	$180,808 per Lot (Loaded Finished Lot)
Confirmed By:	Seller / County Records

Comments

This transaction represents the acquisition of Solaire – Phase 3, Villages 22 and 23. This project reflects approximately 14.38 net acres for the development of 103 finished lots. It transferred in blue-top condition at a purchase price of $57,942 per lot. The buyer, Tri-Pointe Homes assumed site development costs at $44,397 per lot. Permits and fees are based on current estimates and identified at $78,469 per lot. This project area lies within the Roseville School district. These elements show a loaded price per finished lot at $180,808 per lot. According to the seller, this project was originally supposed to close in March 2020. The buyer delayed the closing, despite significant deposits for development. However, in late May 2020, with new home sales trending in Roseville, the opted to close on the property, rather than walking from the transaction.

COMPARABLE LAND SALE NUMBER 4



Identification

Location:	Mangini Ranch Phase 2 – Village 7 SEC East Bidwell Street & Savannah Parkway Folsom, CA 95630
APN/Legal Description:	072-3780-001..068
Grantor:	Mangini Improvement Co. Inc.
Grantee:	FR 68 Lots LLC

Site Characteristics

Number of Lots:	68 Lots
Typical Lot Size:	3,075 SF (41' x 75')
Land Area:	7.9 AC
Density:	8.6 du/ac
Proposed Use:	Construction of a production homes
Land Status:	Sold as Blue Top Lots
Site Development Costs:	$55,500/Lot
Permits and Fees:	$47,921 / Lot
Special Taxes Per Annum:	$3,327.00 per annum.

COMPARABLE LAND SALE NUMBER 4 (CONTINUED)

Sale Characteristics

Property Rights Transferred:	Fee Simple Estate
Conditions of Sale:	Arms-Length
Sale Date/Doc #:	February 5, 2020 COE / 20200205/1493
Prior Sales History (3 Years):	None Noted
Sale Price:	$6,371,600
Terms:	All cash transaction
PRICE PER LOT:	$93,700 per lot (Blue Top Lot) $55,500 per lot (Site Development Costs) $47,921 per lot (Permits & Fees) **$197,121 per Lot (Loaded Finished Lot)**
Confirmed By:	Buyer / County Records

Comments

This transaction represents the recent closing of 68 blue-top lots in Phase 2 (Village 7) of Mangini Ranch by Signature Homes (FR 68 Lots LLC). This sale was originally negotiated in September 2019. Lots in this project are a traditional design with a typical size at 3,075 square feet. It includes special assessments identified at $3,327.00 per annum and assumed with the finished lots. Permits and fees reported at $47,921 per unit. These elements show a loaded price per finished lot at $197,121 per lot.

COMPARABLE LAND SALE NUMBER 5

Identification

Location:	Parkebridge Village 1 (Portion) NEQ of Fong Ranch Road and Bridgegate Way Sacramento, CA 95834
APN/Legal Description:	225-3170-001..018, 022..036, 043..048, 055..072
Grantor:	Jen California 7 LLC
Grantee:	Forestar USA (D.R. Horton)

Site Characteristics

Number of Lots:	54 Lots
Typical Lot Size:	3,129 SF (42' x 74.50')
Land Area:	6.31 AC
Density:	8.6 du/ac
Proposed Use:	Construction of a production homes
Land Status:	Sold as Finished Lots
Site Development Costs:	N/A
Permits and Fees:	$35,000 / Lot
Special Taxes Per Annum:	$1,415.00 per annum.

COMPARABLE LAND SALE NUMBER 5 (CONTINUED)

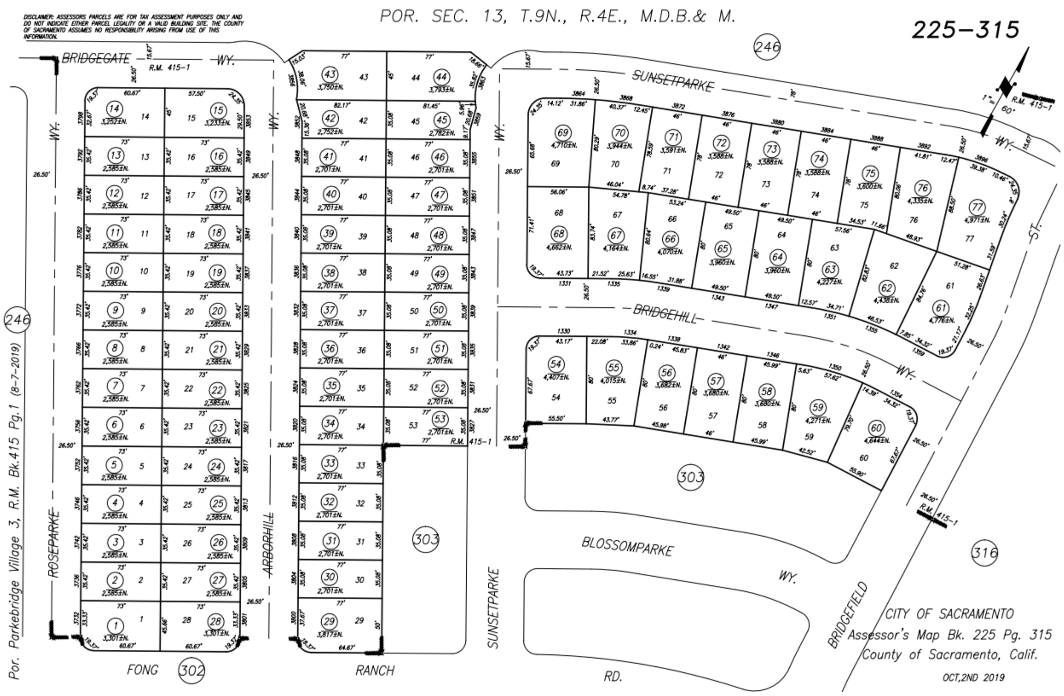
Sale Characteristics

Property Rights Transferred:	Fee Simple Estate
Conditions of Sale:	Arms-Length
Sale Date/Doc #:	January 30, 2020 COE / 20200130/0909
Prior Sales History (3 Years):	None Noted
Sale Price:	$5,670,000
Terms:	All cash transaction
PRICE PER LOT:	$105,000 per lot (Finished Lot) $0 per lot (Site Development Costs) $35,000 per lot (Permits & Fees) **$140,000 per Lot (Loaded Finished Lot)**
Confirmed By:	Broker / County Records

Comments

This transaction represents the closing of 54 finished lots in Parkebridge by D.R. Horton. This transaction date for this closing was as of January 2020, however, the buyer has purchased numerous villages in this project dating back to 2018. Lots in this project are a traditional design with a typical size at 3,129 square feet. It includes special assessments identified at $1,415.00 per annum and assumed with the finished lots. Permits and fees reported at $35,000 per unit. However, it was identified that the buyer will secure SCIP bonds of approximately $15,000 per lot, to offset some of these fees. Ultimately, these payments are passed through to the buyer increasing the special assessments on this property. This transaction is analyzed on a fully loaded lot price at $140,000 per lot. SCIP financing was after this transaction.

COMPARABLE LAND SALE NUMBER 6



Identification

Location:	Parkebridge Village 3 SWQ of Bridgefield Road and Sunsertparke Way Sacramento, CA 95834
APN/Legal Description:	225-3150-001..077, 225-3160-001..074
Grantor:	Jen California 7 LLC
Grantee:	Forestar USA (D.R. Horton)

Site Characteristics

Number of Lots:	151 Lots
Typical Lot Size:	71 @ 2,695 SF (35’ x 77’) 74 @ 3,600 SF (45’ x 80’) 155 Lots @ 3,500 SF
Land Area:	19.57 AC
Density:	7.7 du/ac
Proposed Use:	Construction of a production homes
Land Status:	Sold as Finished Lots
Site Development Costs:	N/A
Permits and Fees:	$35,000 / Lot
Special Taxes Per Annum:	$1,415.00 per annum.

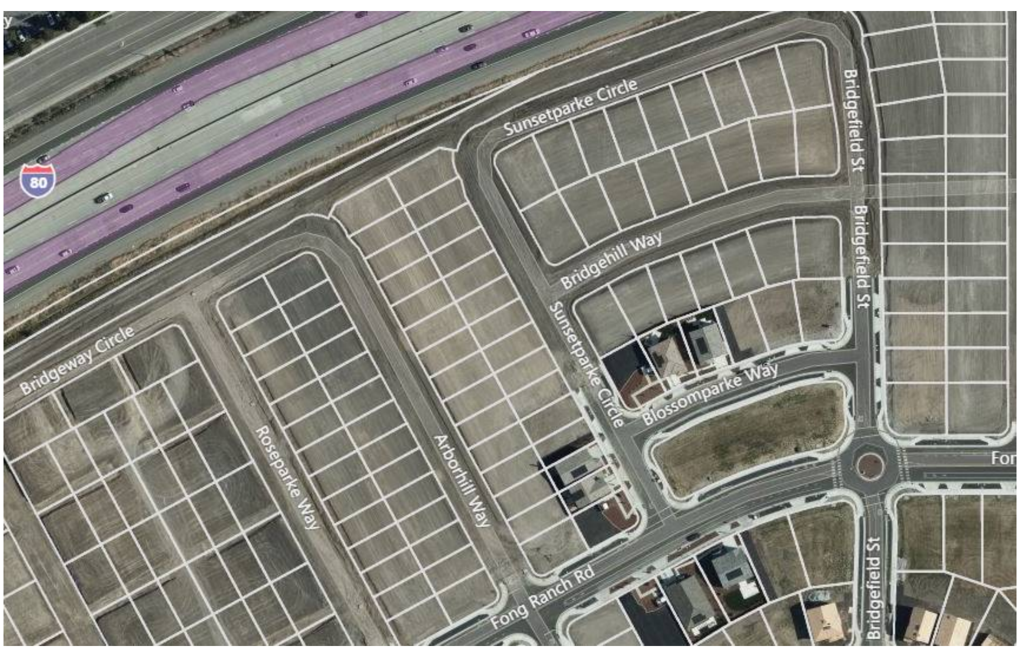
COMPARABLE LAND SALE NUMBER 6 (CONTINUED)

Sale Characteristics

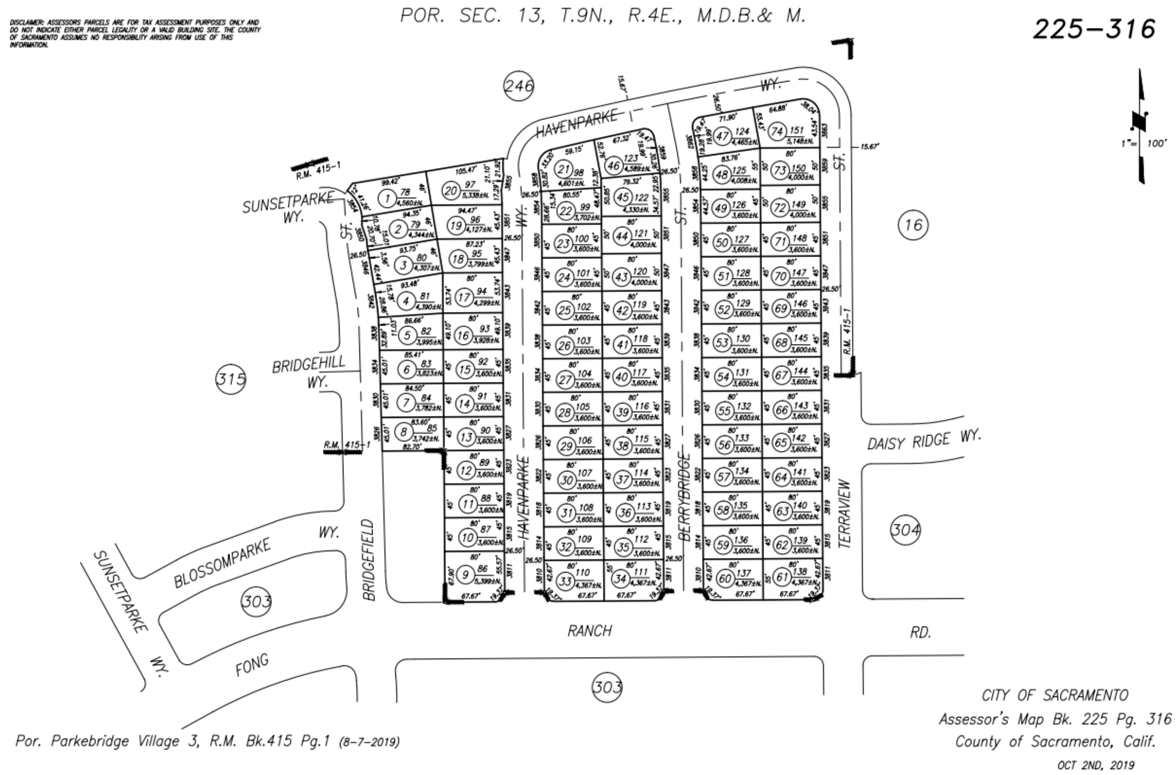
Property Rights Transferred:	Fee Simple Estate
Conditions of Sale:	Arms-Length
Sale Date/Doc #:	October 22, 2019 COE / 20191022/1531
Prior Sales History (3 Years):	None Noted
Sale Price:	$15,761,000
Terms:	All cash transaction
PRICE PER LOT:	$104,377 per lot (Finished Lot) $0 per lot (Site Development Costs) $35,000 per lot (Permits & Fees) **$139,377 per Lot (Loaded Finished Lot)**
Confirmed By:	Broker / County Records

Comments

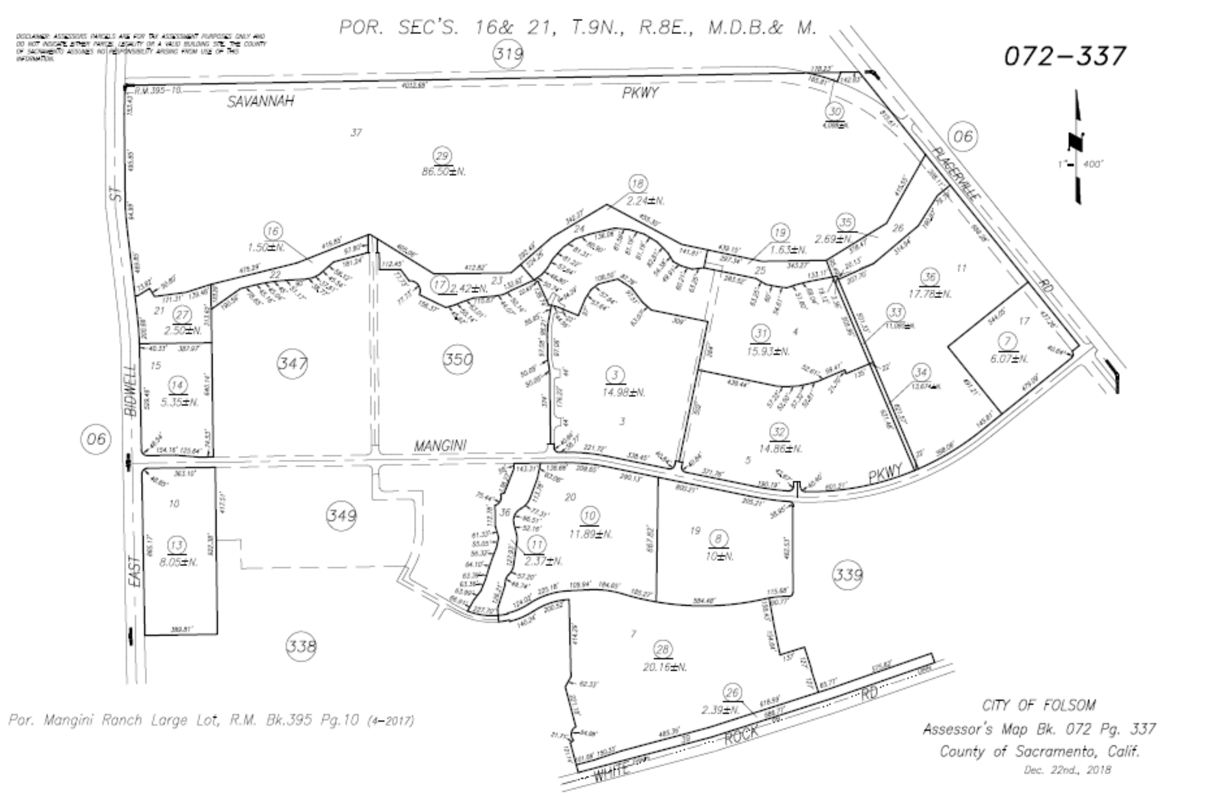
This transaction represents the closing of 151 finished lots in Parkebridge by D.R. Horton. This transaction date for this closing was as of October 2019, however, the buyer has purchased numerous villages in this project dating back to 2018. Lots in this project are a traditional design with a typical size at 3,500 square feet based on the weighted average. It includes special assessments identified at $1,415.00 per annum and assumed with the finished lots. Permits and fees reported at $35,000 per unit. However, it was identified that the buyer will secure SCIP bonds of approximately $15,000 per lot, to offset some of these fees. Ultimately, these payments are passed through to the buyer increasing the special assessments on this property. This transaction is analyzed on a fully loaded lot price at $139,377 per lot. SCIP financing was after this transaction.



COMPARABLE LAND SALE NUMBER 6 (CONTINUED)



COMPARABLE LAND SALE NUMBER 7



Identification

Location:	Mangini Ranch Phase 1B – Villages 3/5 Mangini Parkway, E. of Scott Road Folsom, CA 95630
APN/Legal Description:	072-3370-003, 032
Grantor:	Mangini Improvement Co. Inc.
Grantee:	Tri-Pointe Homes

Site Characteristics

Number of Lots:	148 Lots
Typical Lot Size:	5,775 SF
Land Area:	29.84 AC
Density:	5.0 du/ac
Proposed Use:	Construction of a production homes
Land Status:	Sold as Finished Lots
Site Development Costs:	N/A
Permits and Fees:	$58,000 / Lot
Special Taxes Per Annum:	$3,806.14 per annum.

COMPARABLE LAND SALE NUMBER 7 (CONTINUED)

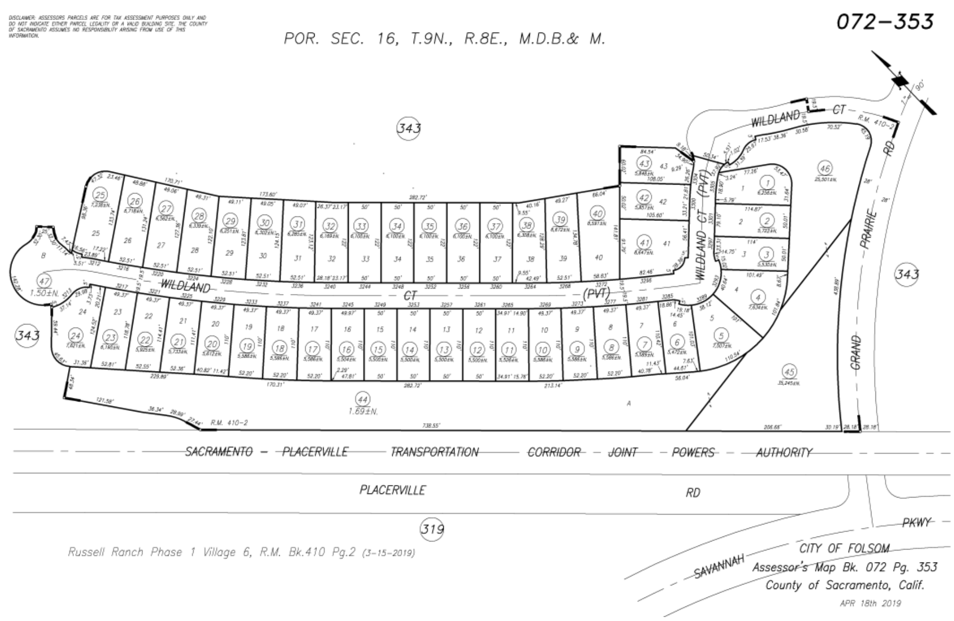
Sale Characteristics

Property Rights Transferred:	Fee Simple Estate
Conditions of Sale:	Arms-Length
Sale Date/Doc #:	September 23, 2019 COE / 20190923/0819
Prior Sales History (3 Years):	None Noted
Sale Price:	$26,640,000
Terms:	All cash transaction
PRICE PER LOT:	$180,000 per lot (Finished Lot)
	$0 per lot (Site Development Costs)
	$58,000 per lot (Permits & Fees)
	$238,000 per Lot (Loaded Finished Lot)
Confirmed By:	Broker / Public Records

Comments

This transaction represents the closing of 148 finished lots in Phase 1B of Mangini Ranch by Tri-point Homes. This sale was originally negotiated in April 2019. Lots in this project are a traditional design with a typical size at 5,775 square feet. It includes special assessments identified at $3,806.14 per annum and assumed with the finished lots. Permits and fees reported at $58,000 per unit. These elements show a loaded price per finished lot at $238,000 per lot.

COMPARABLE LAND SALE NUMBER 8



Identification

Location:	Russell Ranch – Villages 6/8 N. side of Grand Prairie Road Folsom, CA 95630
APN/Legal Description:	072-3530-001..043, 072-3600-001..052
Grantor:	The New Home Company Northern California LLC
Grantee:	Anthem United Homes

Site Characteristics

Number of Lots:	95 Lots
Typical Lot Size:	4,600 SF
Land Area:	24.38 AC
Density:	3.9 du/ac
Proposed Use:	Construction of a production homes
Land Status:	Finished Lots
Site Development Costs:	N/A
Permits and Fees:	$58,000 / Lot
Special Taxes Per Annum:	$2,483.06 per annum. In addition HOA Charges at $257.64 per month, per unit.

COMPARABLE LAND SALE NUMBER 8 (CONTINUED)

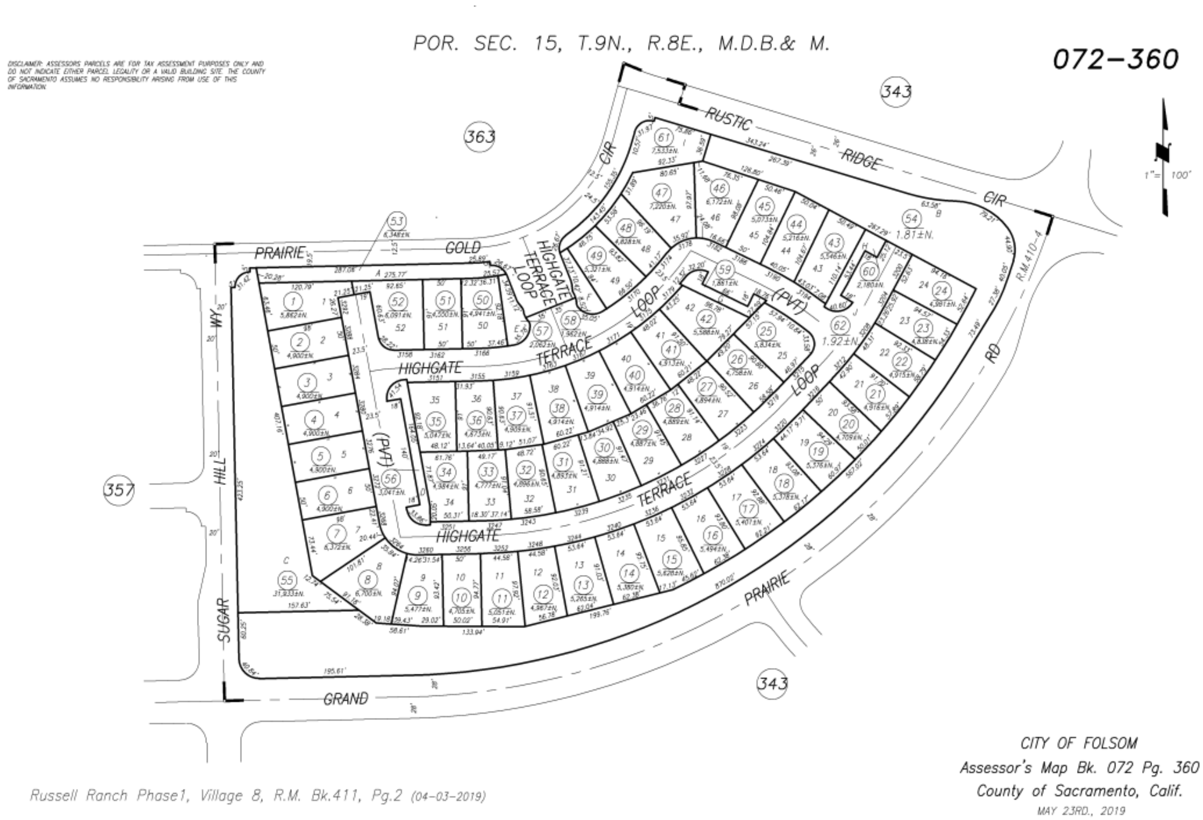
Sale Characteristics

Property Rights Transferred:	Fee Simple Estate
Conditions of Sale:	Arms-Length
Sale Date/Doc #:	October 29, 2019 COE / 20191029/1325
Prior Sales History (3 Years):	None Noted
Sale Price:	$16,575,000
Terms:	All cash transaction
PRICE PER LOT:	$174,474 per lot (Finished Lot)
	$0 per lot (Site Development Costs)
	$58,000 per lot (Permits & Fees)
	$232,474 per Lot (Loaded Finished Lot)
Confirmed By:	Buyer / County Records

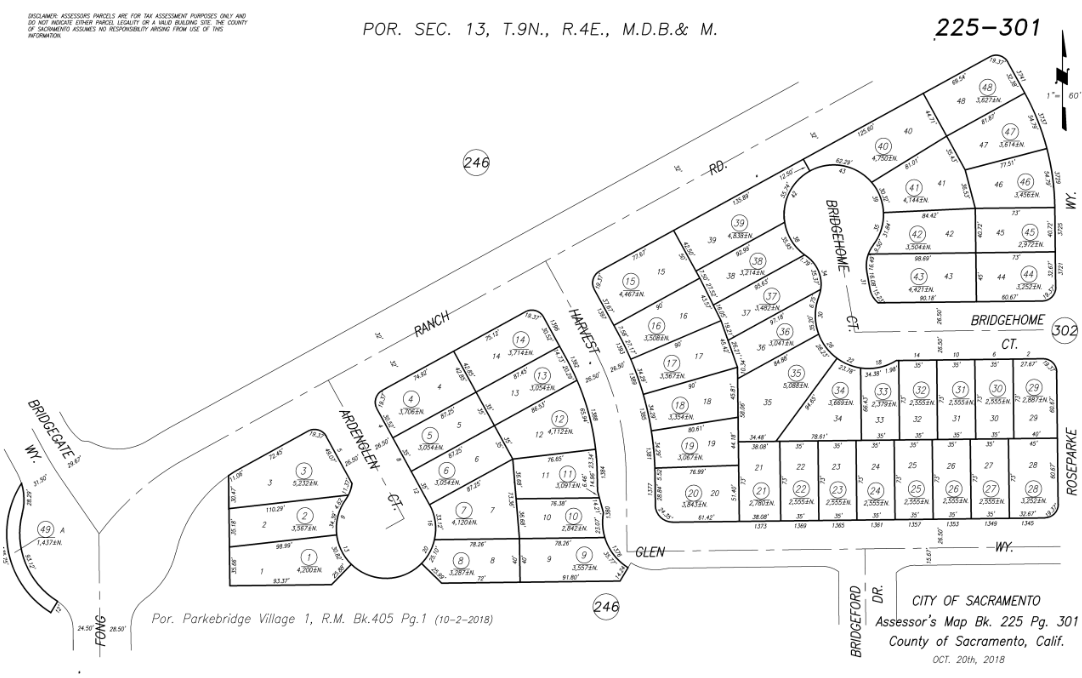
Comments

This transaction represents the acquisition of 95 finished lots in Russell Ranch. Lots in this project are a traditional design with a typical size of 4,600 square feet. It includes special assessments identified at $2,483.06 per annum and assumed with the finished lots. Permits and fees reported at $58,000 per unit. These elements show a loaded price per finished lot at $232,474 per lot.

COMPARABLE LAND SALE NUMBER 8 (CONTINUED)



COMPARABLE LAND SALE NUMBER 9



Identification

Location:	Parkebridge Village 3 S. side of Fong Ranch Road Sacramento, CA 95834
APN/Legal Description:	225-3010 (Por), 225-3020 (Por), 225-3030 (Por)
Grantor:	Jen California 7 LLC
Grantee:	Forestar USA (D.R. Horton)

Site Characteristics

Number of Lots:	116 Lots
Typical Lot Size:	3,000 SF
Land Area:	N/A – Finished Lots
Density:	N/A
Proposed Use:	Construction of a production homes
Land Status:	Sold as Finished Lots
Site Development Costs:	N/A
Permits and Fees:	$35,000 / Lot
Special Taxes Per Annum:	$1,415.00 per annum.

COMPARABLE LAND SALE NUMBER 9 (CONTINUED)

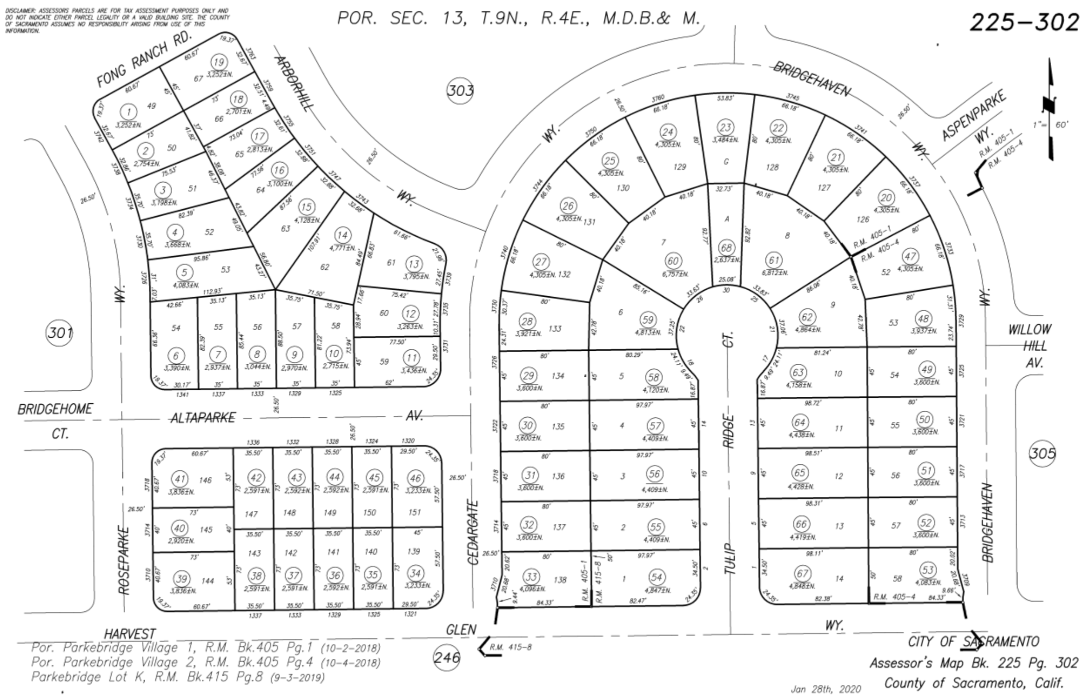
Sale Characteristics

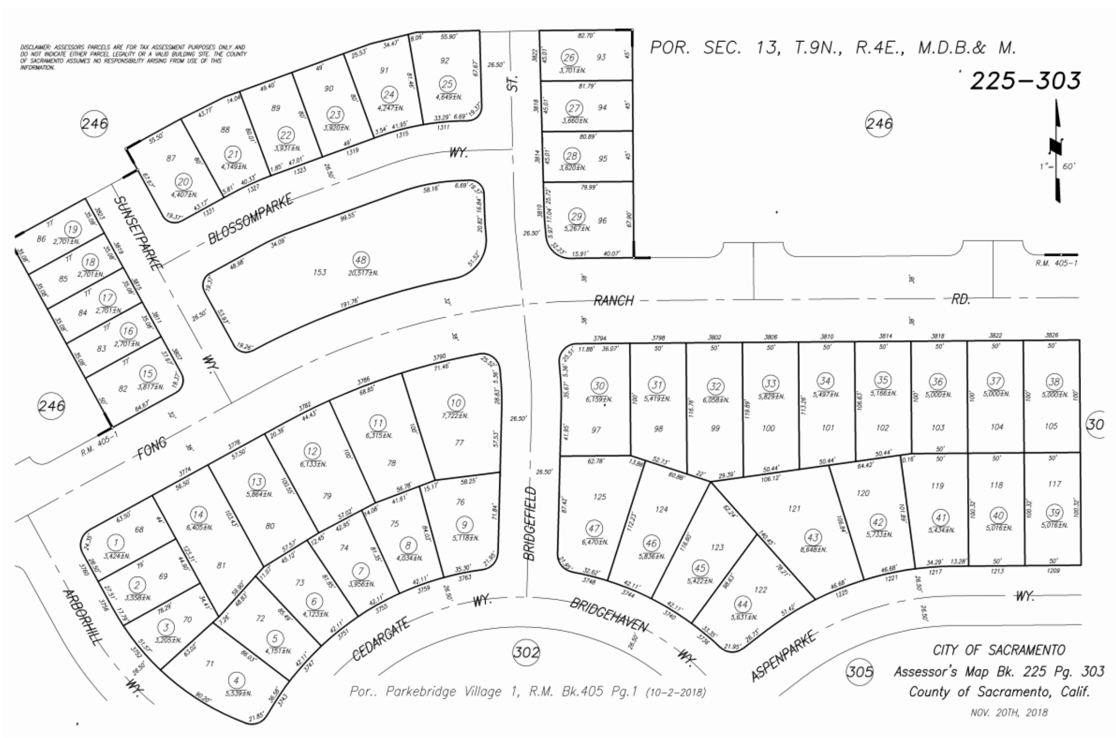
Property Rights Transferred:	Fee Simple Estate
Conditions of Sale:	Arms-Length
Sale Date/Doc #:	January 30, 2019 COE / 20190130/1086
Prior Sales History (3 Years):	None Noted
Sale Price:	$12,290,500
Terms:	All cash transaction
PRICE PER LOT:	$105,953 per lot (Finished Lot)
	$0 per lot (Site Development Costs)
	$35,000 per lot (Permits & Fees)
	$140,953 per Lot (Loaded Finished Lot)
Confirmed By:	Broker / County Records

Comments

This transaction represents the closing of 116 finished lots in Parkebridge by D.R. Horton. This transaction date for this closing was as of January 2019, however, the buyer has purchased numerous villages in this project dating back to 2018. Lots in this project are a traditional design with a typical size at 3,000 square feet. It includes special assessments identified at $1,415.00 per annum and assumed with the finished lots. Permits and fees reported at $35,000 per unit. However, it was identified that the buyer will secure SCIP bonds of approximately $15,000 per lot, to offset some of these fees. Ultimately, these payments are passed through to the buyer increasing the special assessments on this property. This transaction is analyzed on a fully loaded lot price at $140,953 per lot. SCIP financing was after this transaction.

COMPARABLE LAND SALE NUMBER 9 (CONTINUED)





APPLICATION OF ADJUSTMENTS

Prior to adjustments, the comparable sales ranged from $139,377 to $238,000 per fully loaded finished lot. The comparable sales are analyzed on this basis, and once the opinion of value is noted the permits and fees for this project are deducted from the opinion of value in order to develop a final opinion of value for the subject property. Once the value is identified, the values for each individual area can be developed based on lot size. The analysis of the sales comparison approach is predicated on a "benchmark" village for the subject property. This has been identified as the 4,500-square foot lot type with a hypothetical size of 100 lots. The following is a discussion of the adjustments made to the comparable sales.

Property Rights Conveyed

The comparable sales represent conveyance of the fee simple estate. No adjustments are necessary.

Financing

The comparable sales represent all cash transactions or their equivalent. No adjustments are necessary.

Condition of Sale

All of the properties presented for comparison are arm's length transactions. No adjustments are noted for the sales.

Market Conditions

If property values have appreciated or depreciated over time, the appropriate adjustment is required. The comparable sales range from 2019 to 2020. In order to isolate any adjustment for market conditions, trends in pricing are analyzed. This is examined using The Gregory Group for new home pricing changes and MLS for changes in the resale market. The table below summarizes home prices in the entire region, Sacramento County, as well as the Sacramento Submarket since 2016. It is based on 3rd quarter comparisons for each year.

	SACRAMENTO REGION (4-County)				SACRAMENTO COUNTY				NATOMAS SUB-MARKET			
YEAR	# OF PROJECTS	AVERAGE PRICE (NET)	AVERAGE SIZE (SF)	$/SF	# OF PROJECTS	AVERAGE PRICE (NET)	AVERAGE SIZE (SF)	$/SF	# OF PROJECTS	AVERAGE PRICE (NET)	AVERAGE SIZE (SF)	$/SF
2020	188	$547,839	2,313	$236.85	90	$506,031	2,173	$232.87	17	$399,525	1,866	$214.11
2019	192	$526,198	2,365	$222.49	106	$485,949	2,210	$219.89	21	$409,411	2,018	$202.88
2018	167	$532,828	2,442	$218.19	86	$476,773	2,198	$216.91	20	$399,011	1,964	$203.16
2017	157	$511,644	2,492	$205.31	66	$440,336	2,148	$205.00	21	$375,039	2,019	$185.75
2016	154	$499,478	2,562	$194.96	67	$439,236	2,255	$194.78	14	$339,602	1,892	$179.49
Total Change 2016-2020 ($/SF)				21.5%				19.6%				19.3%
Compounded Annual Change (2016-2020)				4.0%				3.6%				3.6%
Total Change 2019-2020 ($/SF)				6.5%				5.9%				5.5%

According to information identified by The Gregory Group, home pricing in the entire region has increased by 21.5% since 2016 (Based on 3Q comparisons). This is lower on average for Sacramento County at 19.6%, with the Natomas sub-market reflecting an overall change at 19.3%. Looking at this change on a compounded basis is from 3.6% to 4.0% per annum over the total timeframe. Changes in the past year were even higher from 5.5% to 6.5%.

The next measurable element for market improvement is in the resale market. Trends since 2016 in Sacramento County, and the immediate Natomas areas (Zip Code 95834, 95835) are noted as follows.

Sacramento County	**2016**	**2017**	**2018**	**2019**	**2020 YTD**	**ACTIVE**
# of Sales	20,069	19,672	19,112	18,410	14,125	1,281
Median Price	$303,000	$329,000	$354,500	$366,975	$400,000	$460,000
Median Size	1,514	1,494	1,523	1,542	1,557	1,675
Median $/SF	$200.13	$220.21	$232.76	$237.99	$256.90	$274.63
Natomas	**2016**	**2017**	**2018**	**2019**	**2020 YTD**	**ACTIVE**
# of Sales	1,178	1,132	1,320	1,168	880	44
Median Price	$325,000	$355,000	$381,000	$385,000	$415,000	$423,945
Median Size	1,769	1,800	1,869	1,802	1,859	1,721
Median $/SF	$183.72	$197.22	$203.85	$213.65	$223.24	$246.64

Source: Metrolist, YTD and Active information processed as of October 26, 2020

According to this data, price changes for the various jurisdictions is identified as follows.

ITEM	**SAC COUNTY**	**NATOMAS**
Total Change 2016-2020 ($/SF)	28.4%	21.5%
Compounded Annual Change (2016-2020)	5.1%	4.0%
Total Change 2019-2020 ($/SF)	7.9%	4.5%

Price changes in the resale market are consistent showing annual rates of change (Compounded) from 4.0% to 5.1% as noted above. Considering these rates, along with those identified for the new home markets, the comparable sales are adjusted upward at a factor of 4% per annum, or 0.33% per month since the time that these sales were transacted. These adjustments are based on the land and site development component only. Sales 1-3 are viewed as current transactions and no adjustments are applied to these transactions. Adjustments applied to comparable sales 4-9 are identified as follows.

ITEM	**COMP 4**	**COMP 5**	**COMP 6**	**COMP 7**	**COMP 8**	**COMP 9**
Land Price	$93,700	$105,000	$104,377	$180,000	$174,474	$105,853
Site Costs	$55,500	$0	$0	$0	$0	$0
Finished Lot Indicator	$149,200	$105,000	$104,377	$180,000	$174,474	$105,853
Transaction Date	2-2020	1-2020	10-2019	9-2019	10-2019	1-2019
# Months	8	9	12	13	12	21
Adjustment Factor	0.33%/Mo.	0.33%/Mo.	0.33%/Mo.	0.33%/Mo.	0.33%/Mo.	0.33%/Mo.
TOTAL % ADJUSTMENT	2.6%	3.0%	4.0%	4.3%	4.0%	6.9%
$ ADJUSTMENT	**$3,879**	**$3,150**	**$4,175**	**$7,740**	**$6,979**	**$7,304**
ROUNDED	**$3,900**	**$3,150**	**$4,200**	**$7,700**	**$7,000**	**$7,300**

Location

The location adjustment is oriented towards the concept that structures located in areas perceived as more desirable due to a number of factors, including accessibility, frontage, and land prices, may achieve a higher price. The subject property is deemed to have a good location in the Natomas sub-market in the City of Sacramento. The comparable sales are located throughout the region based on the built-up nature of the immediate area and the overall general characteristics of the new home market. Still, location adjustments are required to these sales and the best overall comparison is from analysis of projects in the immediate area to those from the sub-markets for the comparable sales.

The first element in this analysis is to establish a place holder for the subject property. This is applicable for the Natomas sub-market on an overall basis. In addition, the comparable sales are located in the Natomas area, along with Roseville and the city of Folsom. Information from The Gregory Group 3rd 2020 for these various sub-markets are illustrated as follows.

SUBMARKET	AVERAGE NET PRICE	SIZE (SF)	PRICE/SF
Natomas	$399,525	1,866 SF	$214.11
Roseville	$526,415	2,318 SF	$227.10
Folsom	$620,248	2,616 SF	$237.10

Pricing differences noted above show that Folsom and Roseville offer a superior location when compared to the Natomas Region. Based on overall comparisons noted above, Roseville pricing is approximately 5.7% higher than Natomas, whereas Folsom is 10.7% higher. For this analysis, downward adjustments of 5% are applied for the Roseville location, whereas a 20% adjustment is applied for the Folsom locations. The adjustment is higher for Folsom based on the overall variance in home size relative to the Natomas sub-market. While the Roseville region also includes larger home sizes, the overall location of the comparable sales in western Roseville tends to mitigate location adjustments based on the overall proximity to freeways.

Adjustments for this analysis are predicated on the land component only (Excluding Fees) and are calculated as follows.

ITEM	COMP 1	COMP 2	COMP 3	COMP 4	COMP 7	COMP 8
Land Price	$71,000	$52,500	$57,942	$93,700	$180,000	$174,474
Site Costs	$39,747	$45,130	$44,397	$55,500	$0	$0
Market Conditions Adj.	$0	$0	$0	$3,900	$7,700	$7,000
Finished Lot Indicator	$110,747	$97,630	$102,339	$153,100	$187,700	$181,474
Location Adjustment	(5%)	(5%)	(5%)	(20%)	(20%)	(20%)
TOTAL ADJUSTMENT	**($5,537)**	**($4,882)**	**($5,117)**	**($30,620)**	**($37,540)**	**($34,297)**
ROUNDED	**($5,500)**	**($4,880)**	**($5,100)**	**($30,600)**	**($37,500)**	**($34,300)**

It is noted that comparable sales 5, 6 and 9 are located in Natomas. These projects are located along the southern side of Interstate 80, west of Northgate Boulevard. While they reflect the most recent transactions in the subject's sub-market, the overall location is rated inferior to the subject property. This element is considered in the overall reconciliation of value.

Number of Lots

The adjustments applied to the comparable sales are based on the inclusion of 100 potential lots for the "benchmark" village. The comparable sales include transactions from 54 to 151 lots and no adjustments could be quantified.

Typical Lot Size

The benchmark village includes a typical lot size at 4,500 square feet. The comparable sales range in size from 3,000 to 5,775 square feet. Adjustments for this analysis were based on $12.00 per square foot. With increased demand for residential lots this adjustment is widening.

Annual CFDs

The subject property includes proposed CFDs at $2,039 per annum. The comparable sales noted in this report include slightly various CFDs and adjustments are noted for these transactions. Effectively, the higher level of special assessments lowers purchasing power for potential buyers and projects lacking special assessments can offer higher pricing. This adjustment is predicated on the actual payment over a 7-year holding period at 5%. Adjustments are noted as follows.

ITEM	COMPS 1-3	COMP 4	COMPS 5, 6, 9	COMP 7	COMP 8
Annual CFD's	$2,610	$3,327	$1,415	$3,806	$2,483
Subject CFD's	$2,039	$2,039	$2,039	$2,039	$2,039
Variance	$571.00	$1,288	$624	$1,767	$444
PV Factor **(1)**	5.786	5.786	5.786	5.786	5.786
ADJUSTMENT	**$3,304**	**$7,452**	**($3,610)**	**$10,224**	**$2,569**
ROUNDED	**$3,300**	**$7,450**	**($3,600)**	**$10,200**	**$2,600**

(1) PV factor reflects the PV of $1 for 7 years at 5%

Please refer to the following adjustment grid for a summary of the adjustments.

ELEMENTS OF COMPARISON	SUBJECT	1	2	3	4	5	6	7	8	9
Indicated Price per Lot (Loaded)		**$191,747**	**$176,099**	**$180,808**	**$197,121**	**$140,000**	**$139,377**	**$238,000**	**$232,474**	**$140,953**
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
-Adjustment		$0	$0	$0	$0	$0	$0	$0	$0	$0
-Adjusted Base		$191,747	$176,099	$180,808	$197,121	$140,000	$139,377	$238,000	$232,474	$140,953
Financing Terms	Cash	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
-Adjustment		$0	$0	$0	$0	$0	$0	$0	$0	$0
-Adjusted Base		$191,747	$176,099	$180,808	$197,121	$140,000	$139,377	$238,000	$232,474	$140,953
Conditions of Sale	Arms-Length	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
-Adjustment		$0	$0	$0	$0	$0	$0	$0	$0	$0
-Adjusted Base		$191,747	$176,099	$180,808	$197,121	$140,000	$139,377	$238,000	$232,474	$140,953
Market Conditions	Oct-20	Aug-20	Jul-20	Jul-20	Feb-20	Jan-20	Oct-19	Sep-19	Oct-19	Jan-19
-Adjustment		$0	$0	$0	$3,900	$3,150	$4,200	$7,700	$7,000	$7,300
-Adjusted Base		$191,747	$176,099	$180,808	$201,021	$143,150	$143,577	$245,700	$239,474	$148,253
Adjusted Price per Lot (Loaded)		**$191,747**	**$176,099**	**$180,808**	**$201,021**	**$143,150**	**$143,577**	**$245,700**	**$239,474**	**$148,253**
Physical Characteristics										
Location	Good	Superior (-5%)	Superior (-5%)	Superior (-5%)	Superior (-20%)	Similar	Similar	Superior (-20%)	Superior (-20%)	Similar
-Adjustment		$ (5,500)	$ (4,880)	$ (5,100)	$ (30,600)	$ -	$ -	$ (37,500)	$ (34,300)	$ -
Number of Lots	100 Lots	76 Lots	110 Lots	103 Lots	68 Lots	54 Lots	151 Lots	148 Lots	95 Lots	116 Lots
-Adjustment	"Benchmark"	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Typical Lot Size	4,500 SF	4,500 SF	3,275 SF	4,000 SF	3,075 SF	3,129 SF	3,500 SF	5,775 SF	4,600 SF	3,000 SF
-Adjustment		$ -	$ 14,700	$ 6,000	$ 17,100	$ 16,500	$ 12,000	$ (15,300)	$ -	$ 18,000
Annual Special Taxes	$2,039/YR	$2,610/Yr.	$2,610/Yr.	$2,610/Yr.	$3,327/Yr.	$1,415/Yr.	$1,415/Yr.	$3,806/Yr.	$2,483/Yr.	$1,415/Yr.
-Adjustment		$ 3,300	$ 3,300	$ 3,300	$ 7,450	$ (3,610)	$ (3,610)	$ 10,200	$ 2,600	$ (3,610)
Net Adjustment		**$ (2,200)**	**$ 13,120**	**$ 4,200**	**$ (6,050)**	**$ 12,890**	**$ 8,390**	**$ (42,600)**	**$ (31,700)**	**$ 14,390**
Indicated Price per Lot (Loaded)		**$189,547**	**$189,219**	**$185,008**	**$194,971**	**$156,040**	**$151,967**	**$203,100**	**$207,774**	**$162,643**

Conclusion – Sales Comparison Approach

The nine transactions demonstrate an adjusted price per finished lot range from $151,967 to $207,774 per lot, including fees. All of the sales are recent indicators of value based on their transaction date. All of the transactions in the overall validity in deriving the "benchmark" value. The following table shows the overall relationship of these comparable sales, as well as the overall comparability to the subject.

SALE	ADJUSTED UNIT PRICE	COMPARABILITY	COMMENTS
Comparable Sale 6	$151,967	Inferior	Inferior Natomas Location
Comparable Sale 5	$156,040	Inferior	Inferior Natomas Location
Comparable Sale 9	$162,643	Inferior	Inferior Natomas Location
Comparable Sale 3	$185,008	Similar	Roseville Location
Comparable Sale 2	$189,219	Similar	Roseville Location
Comparable Sale 1	$189,547	Similar	Roseville Location
Comparable Sale 4	$194,971	Superior	Folsom Location
Comparable Sale 7	$203,100	Superior	Folsom Location
Comparable Sale 8	$207,774	Superior	Folsom Location

The three comparable sales from the Natomas sub-market show an adjusted range between $151,967 and $162,643. As noted, the overall location within the Natomas community is inferior to the subject based on the overall location at the confluence of Interstate 80 and Northgate Boulevard. Effectively, while located in the Natomas sub-market, these projects offer a South Natomas location. The transactions in Roseville were adjusted for the slightly superior location and offer a reasonable value indication as the subject. Folsom properties were adjusted and a higher factor for location and provide the upper reaches to the potential value. Elements considered in deriving the overall "benchmark" value include the following:

- Overall location setting in a master planned community with numerous amenities. Home site with lake frontage are an enhancement to the overall project along with walking trails, community center and project wide amenities. This element is factored into the overall conclusion.

- Premier development site for the Natomas sub-market, as well as the entire region. Orientation of this project is well located in close proximity to Metro Air Park and is desirable site in Natomas. Most new development sites in Natomas configured on infill locations.

- Detached lots are desired in Natomas and the entire region.

Based on review of these elements, as well as the overall nature of the adjustments applied to the comparable sales, the "benchmark" lot value is identified at **$190,000 per lot.**

The next step is to isolate the various villages for the subject. Refinements for each specific project is applied for the lot size and adjustments are similar to that in the prior section. In addition, the permits and fees for each village are deducted from the overall totals in order to derive an opinion of value as finished lots. These calculations are noted on the following table.

PRODUCT TYPE	MINIMUM LOT SIZE (SF)	BENCHMARK VALUE	BENCHMARK LOT SIZE	ADJUSTMENT LOT SIZE	ADJUSTED VALUE	LESS NET PERMITS & FEES	FINSIHED LOT VALUE	ROUNDED
Shor	2,788 SF	$190,000	4,500 SF	($20,544)	$169,456	($26,212)	$143,244	**$144,000**
Lakelet	3,690 SF	$190,000	4,500 SF	($9,720)	$180,280	($27,327)	$152,953	**$153,000**
Watersyde	4,000 - 4,250 SF	$190,000	4,500 SF	$0	$190,000	($28,727)	$161,273	**$162,000**
Wavmor	4,500 SF	$190,000	4,500 SF	$0	$190,000	($28,822)	$161,178	**$162,000**
Crestvue	4,675 SF	$190,000	4,500 SF	$0	$190,000	($28,702)	$161,298	**$162,000**
Bleau	5,000 SF	$190,000	4,500 SF	$6,000	$196,000	($29,495)	$166,505	**$167,000**
Drifton	5,500 SF	$190,000	4,500 SF	$12,000	$202,000	($30,469)	$171,531	**$172,000**
Alta	6,600 SF	$190,000	4,500 SF	$25,200	$215,200	($33,150)	$182,050	**$182,000**

EXTRACTION METHOD

The extraction method is also processed for this analysis. The subject project includes various lot sizes, and the extraction method is applicable for each product type. Under this methodology, land value is developed by deducting the construction costs and all costs for the construction of homes from the proposed revenues in arriving at an estimated value of the finished lots.

REVENUE

Revenue is generated from the sale of completed homes, lot premiums and model home recapture (if any). Project revenues are based on the typical product that meets the highest and best use criteria for the subject project relative to the market area. Proposed revenues for each product line were developed in the Absorption Study prepared by the Gregory Group dated October 2020. The appraiser also surveyed this market area and concurs with the findings in this report. The following table summarizes the price points for the individual villages identified for review.

PROJECT NAME	MIN LOT SIZE (SF)	AVERAGE PRICE	AVERAGE SIZE (SF)	PRICE/SF
Shor	2,788 SF	$475,000	1,982	$241
Lakelet	3,690 SF	$518,000	2,233	$232
Watersyde	4,000 -4,250 SF	$561,600	2,650	$213
Wavmor	4,500 SF	$559,500	2,484	$227
Crestvue	4,675 SF	$570,200	2,558	$229
Bleau	5,000 SF	$596,250	2,776	$218
Drifton	5,500 SF	$628,750	3,031	$211
Alta	6,600 SF	$687,750	3,403	$205
PROJECT	**4,594 SF**	**$575,818**	**2,650**	**$217**

Revenue projections are based on a typical village for each product line at 100 units. Given this smaller number of units for each village, no trending or inflationary expenses are identified as the results of the extraction method are based on static conditions.

Lot premiums for the overall calculation of the extraction method are based on lots with lake frontage. This premium is calculated based on $40,000 per lot for this amenity. This element is based on review of comparable project with similar amenities in Northern California. The following table shows the overall premium for each product line relative to the total number of lots in order to isolate the contributory value of the premium on an overall basis.

PROJECT NAME	# OF LOTS	MIN LOT SIZE (SF)	PREMIUM LOTS	AVERAGE PREMIUM	TOTAL PREMIUM	PER LOT (TOTAL)
Shor	136	2,788 SF	0	$40,000	$0	$0
Lakelet	138	3,690 SF	0	$40,000	$0	$0
Watersyde	127	4,000-4,250 SF	31	$40,000	$1,240,000	$9,764
Wavmor	157	4,500 SF	29	$40,000	$1,160,000	$7,389
Crestvue	97	4,675 SF	26	$40,000	$1,040,000	$10,722
Bleau	230	5,000 SF	30	$40,000	$1,200,000	$5,217
Drifton	136	5,500 SF	0	$40,000	$0	$0
Alta	116	6,600 SF	17	$40,000	$680,000	$5,862
PROJECT	**1,137**	**4,594 SF**	**133**		**$5,320,000**	**$4,679**

Model Home Recapture

Based on the number of lots, it is projected that each product line would require model homes. This is based on three model homes allocated for each product line. Model upgrade expenses can vary widely depending upon the construction quality, targeted market, and anticipated length of time on the market. These upgrades, exterior and interior, including furniture, can range from $25,000 per model to over $250,000 per model. For purposes of calculations, model upgrades are identified at $150,000 per model. This estimate includes $80,000 per model for upgrades, $20,000 per model in personal property/furniture, $10,000 per model for sales office construction/conversion costs, and $60,000 for landscaping, including rear yards. This is applied for the Shor, Lakelet, Watersyde and Crestvue product lines. Model upgrade costs for the Bleau, Drifton and Alta projects are based on a total model upgrade cost of $200,000 per model. The overall variance is due to increased upgrades in these projects based on the overall price-points.

When the model homes are sold, the developer will recapture a portion of the expenses associated with the installation of premium upgrades in the model units. Model upgrades are based on all costs associated with model development – landscaping, upgrades, furniture, fixtures, and sales office set-up. Although not considered real estate, furniture is a real cost of tract development. To omit furniture would overstate land value. The model upgrades are a fixed expense and the number of models provided is based on the typical project size and market conditions. Builders typically recapture around 30% to 50% of model expenses. The difference between model costs and recapture upgrades reflects furniture costs (not real estate), upgrade depreciation and obsolescence, and sales office conversion costs. For this analysis, model home recapture is identified at 40% of model costs for each product line.

It is noted that there is additional revenues potential for this project in the form of additional lot premiums, upgrade proceeds, etc. The lot premiums noted in the above section are for lake frontage only, while additional premiums are likely for larger lots, as well as orientation in this project. Furthermore, additional revenues are likely for additional upgrade proceeds. This is difficult to project as developer's costs were not provided for review in preparation of this assignment. Accordingly, the overall values via Extraction exclude these costs. In recognition of this element, and the possibility for additional revenues noted for the elements noted above, the conclusions noted by Extraction are not less than conclusions and this element is considered in the overall reconciliation of value.

Expenses

The holding and selling costs typically associated with a development where home construction is completed are summarized as follows.

Sales Commissions, Closing Costs and Warranty expenses are typically non-financeable and paid at the time of closing. Sales commissions include both internal commissions and broker co-op. These are projected at 3% of gross revenue. Closing, title and escrow fees are at 0.25% of gross revenue, whereas warranty expenses are 1.0% of gross revenue.

Direct Construction Costs pertain the labor and material to build the project. Direct construction generally costs range from $80 to $100 per square foot. Cost comparables from other projects in the region over the past two years are summarized as follows.

DEVELOPER TYPE	DATE	# OF UNITS	AVG. HOME SIZE (SF)	AVG. LOT SIZE (SF)	AVG. DIRECT COSTS/SF
Local	2020	70+	2,355	3,825	$79.50
Local	2020	50+	2,153	3,075	$78.24
Local	2020	50+	2,061	6,600	$79.45
Regional	2020	50+	2,228	4,875	$79.02
Local	2020	40+	1,288	2,500	$100.77
National	2020	70+	2,118	4,500	$77.22
National	2020	100+	2,406	5,000	$76.77
Regional	2019	60+	2,952	6,825	$83.51
Regional	2019	60+	2,529	6,074	$78.07
Regional	2019	60+	2,182	5,117	$76.94
Regional	2019	100+	2,745	4,500	$85.95
Regional	2019	60+	2,467	4,600	$90.68
Regional	2019	75+	2,228	4,200	$80.00
Regional	2019	100+	1,551	4,250	$95.50
Regional	2019	200+	2,834	6,000	$84.64
Regional	2019	70+	2,818	4,590	$80.24
AVERAGES			**2,307**		**$82.91**

These projects show direct construction costs from $76.77 to $100.77 per square foot. The overall costs for the subject are applied at $80 to $90 per square foot. The weighted average construction costs for the project in its entirety are $84.14 per square foot, generally consistent with the projects identified above. Based on the varying size and price points for this project, direct construction costs are applied as follows.

PROJECT NAME	# OF LOTS	MIN LOT SIZE (SF)	AVERAGE SIZE (SF)	DIRECT COSTS/SF	TOTAL COSTS
Shor	136	2,788 SF	1,982	$90	$178,380
Lakelet	138	3,690 SF	2,233	$90	$200,970
Watersyde	127	4,000-4,250 SF	2,650	$85	$225,250
Wavmor	157	4,500 SF	2,484	$85	$211,140
Crestvue	97	4,675 SF	2,558	$85	$217,430
Bleau	230	5,000 SF	2,776	$85	$235,960
Drifton	136	5,500 SF	3,031	$80	$242,480
Alta	116	6,600 SF	3,403	$80	$272,240
PROJECT	**1,137**	**4,594 SF**	**2,650**		**$222,981**

Changes in Expenses (Expense Increases or Decreases) is not warranted given the absorption period projection for each hypothetical village.

Building Permits and Fees are based on actual projections provided for review. They reflect net fees after consideration of credits as noted in the eligible facilities. These costs are summarized as follows.

PROJECT	DIMENSIONS	MINIMUM LOT SIZE (SF)	# LOTS	PERMITS & FEES PER UNIT	ELIGIBLE FACILITIES CREDIT	PERMITS & FEES PER UNIT
SHOR	41' x 68'	2,788	136	$27,335	($1,123)	$26,212
LAKELET	41' x 90'	3,690	138	$28,450	($1,123)	$27,327
WATERSYDE	50' x 80', 50' x 85'	4,000 - 4,250	127	$29,850	($1,123)	$28,727
WAVMOR	45' x 100'	4,500	157	$29,945	($1,123)	$28,822
CRESTVUE	55' x 85'	4,675	97	$29,825	($1,123)	$28,702
BLEAU	50' x 100'	5,000	230	$30,618	($1,123)	$29,495
DRIFTON	55' x 100'	5,500	136	$31,592	($1,123)	$30,469
ALTA	60' x 110'	6,600	116	$34,273	($1,123)	$33,150
PROJECT			**1,137**	**$30,205**	**($1,123)**	**$29,082**

General and Administrative costs include all salaries for internal professionals (construction supervisors, support staff, etc.) and office overhead and supplies. This estimate is identified at 3% of gross proceeds.

Marketing Costs are projected at 1.25% of gross proceeds.

Other Indirect Costs are the costs and fees incurred in developing the project and during the construction cycle, which may include architectural and engineering, insurance/bonds, common costs, field overhead and project coordinator fees. These costs are projected at 5% of gross proceeds.

Real Estate Taxes are estimated based on the current tax rate at 1.1484% and applied to the estimated value via extraction. Based on the overall calculations on value identified for each product area, the allocation of taxes is calculated as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	6,600 SF
AVERAGE HOME SIZE	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	3,402 SF
Land Value Conclusion	$145,000	$154,000	$163,000	$172,000	$176,000	$172,000	$174,000	$189,000
Annual Base Taxes (1.1484%)	$1,665.18	$1,768.54	$1,871.89	$1,975.25	$2,021.18	$1,975.25	$1,998.22	$2,170.48
Per Month	$138.77	$147.38	$155.99	$164.60	$168.43	$164.60	$166.52	$180.87
Absorption Period - Months **(A)**	20	20	25	25	25	25	33	33
Total Expenditure/Lot	$2,775.30	$2,947.56	$3,899.78	$4,115.10	$4,210.80	$4,115.10	$5,495.09	$5,968.81
# of Units	100	100	100	100	100	100	100	100
Overall Totals	$277,530	$294,756	$389,978	$411,510	$421,080	$411,510	$549,509	$596,881
50% basis due to Absorption	$138,765	$147,378	$194,989	$205,755	$210,540	$205,755	$274,755	$298,440
Per Unit **(A)**	**$1,388**	**$1,474**	**$1,950**	**$2,058**	**$2,105**	**$2,058**	**$2,748**	**$2,984**

(A) Total absorption Period Based on 100 Units

Direct Levies include the charges applied to the vacant lots during construction. These direct levies show annual payments from $157.55 to $253.80 per annum. Calculations are illustrated as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	6,600 SF
AVERAGE HOME SIZE	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	3,402 SF
0168/Sac Area Flood Contol	$6.23	$8.30	$9.56	$10.12	$10.52	$11.25	$12.37	$14.85
0169/Natomas Basin	$27.15	$30.59	$36.61	$34.03	$35.04	$38.03	$41.52	$46.61
0198/SAFCA	$49.25	$65.65	$75.61	$80.06	$83.18	$88.96	$97.85	$117.42
0659/Sac. Additional Library	$35.94	$35.94	$35.94	$35.94	$35.94	$35.94	$35.94	$35.94
0612/Sac. Core Library	$13.98	$13.98	$13.98	$13.98	$13.98	$13.98	$13.98	$13.98
0738/RD #1000	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
TOTALS	**$157.55**	**$179.46**	**$196.70**	**$199.13**	**$203.66**	**$213.16**	**$226.66**	**$253.80**

Based on the overall calculations on value identified for each product area, the allocation of direct levies is calculated as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	6,600 SF
AVERAGE HOME SIZE	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	3,402 SF
Direct Levies Per Annum	$157.55	$179.46	$196.70	$199.13	$203.66	$213.16	$226.66	$253.80
Per Month	$13.13	$14.96	$16.39	$16.59	$16.97	$17.76	$18.89	$21.15
Absorption Period - Months **(A)**	20	20	25	25	25	25	33	33
Total Expenditure/Lot	$262.58	$299.10	$409.79	$414.85	$424.29	$444.08	$623.32	$697.95
# of Units	100	100	100	100	100	100	100	100
Overall Totals	$26,258	$29,910	$40,979	$41,485	$42,429	$44,408	$62,332	$69,795
50% basis due to Absorption	$13,129	$14,955	$20,490	$20,743	$21,215	$22,204	$31,166	$34,898
Per Unit **(A)**	**$131**	**$150**	**$205**	**$207**	**$212**	**$222**	**$312**	**$349**

(A) Total absorption Period Based on 100 Units

Special Taxes

The subject project is proposed for two special districts as described in the Taxes and Special Assessments section of this report. The overall allocation of these districts per product type are illustrated as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	**2,768 SF**	**3,690 SF**	**4,250 SF**	**4,500 SF**	**4,675 SF**	**5,000 SF**	**5,500 SF**	**6,600 SF**
CFD 2018-03	$1,333	$1,523	$1,807	$1,809	$1,918	$2,100	$2,461	$2,560
CFD 2018-05	$230	$230	$230	$230	$230	$230	$230	$230
TOTALS	**$1,563**	**$1,753**	**$2,037**	**$2,039**	**$2,148**	**$2,330**	**$2,691**	**$2,790**

Based on the overall calculations on value identified for each product area, the allocation of special assessments is calculated as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	**2,768 SF**	**3,690 SF**	**4,250 SF**	**4,500 SF**	**4,675 SF**	**5,000 SF**	**5,500 SF**	**6,600 SF**
AVERAGE HOME SIZE	**1,982 SF**	**2,233 SF**	**2,650 SF**	**2,484 SF**	**2,558 SF**	**2,776 SF**	**3,031 SF**	**3,402 SF**
Special Districts Per Annum	$1,563.00	$1,753.00	$2,037.00	$2,039.00	$2,148.00	$2,330.00	$2,691.00	$2,790.00
Per Month	$130.25	$146.08	$169.75	$169.92	$179.00	$194.17	$224.25	$232.50
Absorption Period - Months **(A)**	20	20	25	25	25	25	33	33
Total Expenditure/Lot	$2,605.00	$2,921.67	$4,243.75	$4,247.92	$4,475.00	$4,854.17	$7,400.25	$7,672.50
# of Units	100	100	100	100	100	100	100	100
Overall Totals	$260,500	$292,167	$424,375	$424,792	$447,500	$485,417	$740,025	$767,250
50% basis due to Absorption	$130,250	$146,083	$212,188	$212,396	$223,750	$242,708	$370,013	$383,625
Per Unit **(A)**	**$1,303**	**$1,461**	**$2,122**	**$2,124**	**$2,238**	**$2,427**	**$3,700**	**$3,836**

(A) Total absorption Period Based on 100 Units

HOA Dues

HOA is projected to be $98 per month, per unit. A prudent development would annex homes into a HOA in phases, after homes are built (typically on issuance of certificate of occupancy). As a result, the developer typically pays limited HOA fees. Primary exceptions include when homes fall out of contract after certificates of occupancy have been issued, or market conditions stall and the developer is left paying fees for a large group of homes. This analysis includes 50% of the HOA fees paid by the developer. Overall calculations are illustrated as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	**2,768 SF**	**3,690 SF**	**4,250 SF**	**4,500 SF**	**4,675 SF**	**5,000 SF**	**5,500 SF**	**6,600 SF**
AVERAGE HOME SIZE	**1,982 SF**	**2,233 SF**	**2,650 SF**	**2,484 SF**	**2,558 SF**	**2,776 SF**	**3,031 SF**	**3,402 SF**
HOA Per Annum	$1,176.00	$1,176.00	$1,176.00	$1,176.00	$1,176.00	$1,176.00	$1,176.00	$1,176.00
Per Month	$98.00	$98.00	$98.00	$98.00	$98.00	$98.00	$98.00	$98.00
Absorption Period - Months **(A)**	20	20	25	25	25	25	33	33
Total Expenditure/Lot	$1,960.00	$1,960.00	$2,450.00	$2,450.00	$2,450.00	$2,450.00	$3,234.00	$3,234.00
# of Units	100	100	100	100	100	100	100	100
Overall Totals	$196,000	$196,000	$245,000	$245,000	$245,000	$245,000	$323,400	$323,400
50% basis due to Absorption	$98,000	$98,000	$122,500	$122,500	$122,500	$122,500	$161,700	$161,700
Per Unit **(A)**	**$980**	**$980**	**$1,225**	**$1,225**	**$1,225**	**$1,225**	**$1,617**	**$1,617**

(A) Total absorption Period Based on 100 Units

DEVELOPER'S INCENTIVE

Developer's Incentive is the anticipated profit before a development, and profit being the actual earnings at the end of the development. Interviews with home builders provide support for a profit range from 7-15% of home price, as supported by the following profit survey. Profit is inversely correlated with sales velocity. Lower-priced, faster selling projects generally have profits closer to the low end of the range, while higher-priced, slower selling projects have profits closer to the high end of the range. Note that the profit survey about was based on respondents of suburban area projects.

Urban projects typically require much higher profits, as capital outlays for construction are nearly double that of suburban projects.

PRO-FORMA **Based on Market Acquisition**	**AREA**	**EXPECTATION**
National Homebuilder Acquiring 200+Lots (2020 Pro-Forma) Finished Lots	East Bay Area	11.8% net profit from production homes Averaging $540,000
Regional Homebuilder Acquiring 50+ Lots (2020 Pro-Forma) Vacant Land	Sacramento MSA	9.4% net profit from production homes Averaging $508,000
Regional Homebuilder Acquiring 50+ Lots (2020 Pro-Forma) Finished Lots	Sacramento MSA	7.5% net profit from production homes Averaging $540,000
Regional Homebuilder Acquiring 100+ Lots (2020 Pro-Forma) Vacant Land	Sacramento MSA	6.1% net profit from production homes Averaging $470,000 for Phase 1 and 19.3% for Phase 2. Variance attributed to site improvements. Overall at 13.8%
Regional Homebuilder Acquiring 100+ Lots (2020 Pro-Forma) Finished Lots	Central Valley	8.9% net profit from production homes Averaging $400,000
National Homebuilder Acquiring 100+Lots (2020 Pro-Forma) Finished Lots	Sacramento MSA	8.3% net profit from production homes Averaging $525,000
Regional Homebuilder Acquiring 100+ Lots (2019 Pro-Forma) Finished Lots	Sacramento MSA	8.0% net profit from production homes Averaging $544,000. Includes builder fee At 2.1% of proceeds
Regional Homebuilder Acquiring 100+ Lots (2019 Pro-Forma) Finished Lots	Sacramento MSA	11.8% net profit from production homes Averaging $620,000. Includes management fee At 4.0% of proceeds

The net profit noted implies net profit, net of debt financing only. Some builders do not use or report equity financing. In addition to product segment and expected sales rate, numerous other factors affect profit expectations, such as entitlements, location, lot condition, prior project history, as well as broader market conditions such as recessionary risks.

For this model, developer's incentive of 8% of revenues (gross sales proceeds) are projected for each product line. While two of these projects (Drifton, Alta) demonstrate a longer absorption period than the remainder of the product lines, larger homes are undersupplied in the immediate area somewhat mitigating the overall risk.

Cost of Funds

Cost of funds is the overall cost, or blended cost of debt and equity, i.e., the time value of money. Debt financing is typically less costly and is offered by conventional lenders, while equity financing carries higher risk and higher costs. Equity financing is typically paid on a waterfall basis. Preferred returns typically range from 8% to 20% and come with minimum IRR expectations. Private equity requirements vary based on project size and type. Smaller projects may rely on private equity financing based on a preferred return only (reflecting a minor premium on rates expected from "safe" commercial investments such as low-risk self-storage facilities), while larger projects—such as master planned communities—may require a preferred return, as well as multiples of 2X or 3X, in addition to project performance requirements such as sales rate (3+/month) and unleveraged IRR requirements (25+%).

Assuming typical loan costs, a discount rate (cost of funds) of 6.00% for the subject. The annual rate is applied to the calculated net income after profit figure for each product type and applied to the overall holding period. These calculations are identified as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	6,600 SF
AVERAGE HOME SIZE	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	3,402 SF
Net Income/Lot After Profit	$161,394	$171,181	$185,955	$196,345	$201,064	$196,649	$208,127	$226,193
Absorption Period - Months **(A)**	20	20	25	25	25	25	33	33
Rate (6% applied Monthly)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Overall Totals	**$16,139**	**$17,118**	**$23,244**	**$24,543**	**$25,133**	**$24,581**	**$34,341**	**$37,322**

Interaction of Developer's Incentive/Cost of Funds

The interaction of Developer's Incentive and the Cost of Funds considers the overall profitability for each specific project. The total of these components measured against gross retail sales proceeds for each project shows this overall relationship. Based on the calculations identified in this section, subject gross sale proceeds are noted as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	6,600 SF
AVERAGE HOME SIZE	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	3,402 SF
Developer's Incentive	$38,144	$41,584	$45,853	$45,495	$46,622	$48,309	$50,492	$55,681
Cost of Funds	$16,139	$17,118	$23,244	$24,543	$25,133	$24,581	$34,341	$37,322
TOTAL	**$54,283**	**$58,702**	**$69,097**	**$70,038**	**$71,755**	**$72,890**	**$84,833**	**$93,003**
Gross Sales Proceeds	$476,800	$519,800	$573,164	$568,689	$582,772	$603,867	$631,150	$696,012
% of GSP	**11.4%**	**11.3%**	**12.1%**	**12.3%**	**12.3%**	**12.1%**	**13.4%**	**13.4%**

The overall profit expectation for each village ranges from 11.4% to 13.4% of gross sales proceeds. This is supportive of the project feasibility and is attractive to home builders.

Calculations of the overall lot value based on each product type based on calculations noted in this section are identified on the following table.

PROJECT		SHOR	LAKELET	WATERSYDE	WAVMOR	CRESTVUE	BLEAU	DRIFTON	ALTA
Average Home Size		1,982	2,233	2,650	2,484	2,558	2,776	3,031	3,403
Number of Lots		100	100	100	100	100	100	100	100
Direct Construction Costs/SF		$90	$90	$85	$85	$85	$85	$80.00	$80.00
# of Models		3	3	3	3	3	3	3	3
Costs/Model		$150,000	$150,000	$150,000	$150,000	$150,000	$200,000	$200,000	$200,000
REVENUE									
--Base Home Revenue		$475,000	$518,000	$561,600	$559,500	$570,200	$596,250	$628,750	$687,750
--Lot Premium		$0	$0	$9,764	$7,389	$10,772	$5,217	$0	$5,862
--Model Recapture (40%)		$1,800	$1,800	$1,800	$1,800	$1,800	$2,400	$2,400	$2,400
TOTAL REVENUE (Gross Sales Proceeds)		**$476,800**	**$519,800**	**$573,164**	**$568,689**	**$582,772**	**$603,867**	**$631,150**	**$696,012**
EXPENSES									
-Sales Commissions	3.00%	$14,304	$15,594	$17,195	$17,061	$17,483	$18,116	$18,935	$20,880
-Closing, Title, Escrow	0.25%	$1,192	$1,300	$1,433	$1,422	$1,457	$1,510	$1,578	$1,740
-Warranty	1.00%	$4,768	$5,198	$5,732	$5,687	$5,828	$6,039	$6,312	$6,960
-Direct Construction Costs		$178,380	$200,970	$225,250	$211,140	$217,430	$235,960	$242,480	$272,240
-Permits and Fees		$26,212	$27,327	$28,727	$28,822	$28,702	$29,495	$30,469	$33,150
-General and Administrative	3.00%	$14,304	$15,594	$17,195	$17,061	$17,483	$18,116	$18,935	$20,880
-Marketing	1.25%	$5,960	$6,498	$7,165	$7,109	$7,285	$7,548	$7,889	$8,700
-Other Indirects (Construction/Insurance/Contingency)	5.00%	$23,840	$25,990	$28,658	$28,434	$29,139	$30,193	$31,558	$34,801
-Model Costs		$4,500	$4,500	$4,500	$4,500	$4,500	$6,000	$6,000	$6,000
-Ad Valorem Taxes	1.1484%	$1,388	$1,474	$1,950	$2,058	$2,105	$2,058	$2,748	$2,984
-Direct Levies		$131	$150	$205	$207	$212	$222	$312	$349
-Special Taxes		$1,303	$1,461	$2,122	$2,124	$2,238	$2,427	$3,700	$3,836
-HOA (at 50%)		$980	$980	$1,225	$1,225	$1,225	$1,225	$1,617	$1,617
TOTAL EXPENSES		**$277,262**	**$307,035**	**$341,356**	**$326,849**	**$335,086**	**$358,909**	**$372,531**	**$414,138**
NET INCOME BEFORE PROFIT		$199,538	$212,765	$231,808	$241,840	$247,686	$244,958	$258,619	$281,874
-Implied Developer's Incentive	8.0%	$38,144	$41,584	$45,853	$45,495	$46,622	$48,309	$50,492	$55,681
NET INCOME AFTER PROFIT		$161,394	$171,181	$185,955	$196,345	$201,064	$196,649	$208,127	$226,193
-Implied Costs of Funds	6.0%	$16,139	$17,118	$23,244	$24,543	$25,133	$24,581	$34,341	$37,322
VALUE INDICATION (PER LOT)		**$145,255**	**$154,063**	**$162,710**	**$171,802**	**$175,931**	**$172,068**	**$173,786**	**$188,872**
ROUNDED		**$145,000**	**$154,000**	**$163,000**	**$172,000**	**$176,000**	**$172,000**	**$174,000**	**$189,000**

RECONCILIATION – TOTAL REVENUES

The sales comparison approach and the extraction method were utilized to develop an opinion of value as finished lots. The following table shows this overall relationship.

PRODUCT TYPE	MINIMUM LOT SIZE (SF)	SALES COMPARISON APPROACH	EXTRACTION	CONCLUDED LOT VALUE
Shor	2,788 SF	$144,000	$145,000	**$145,000**
Lakelet	3,690 SF	$153,000	$154,000	**$154,000**
Watersyde	4,000 - 4,250 SF	$162,000	$163,000	**$163,000**
Wavmor	4,500 SF	$162,000	$172,000	**$165,000**
Crestvue	4,675 SF	$162,000	$176,000	**$165,000**
Bleau	5,000 SF	$167,000	$172,000	**$170,000**
Drifton	5,500 SF	$172,000	$174,000	**$174,000**
Alta	6,600 SF	$182,000	$189,000	**$185,000**

HYPOTHETICAL MARKET VALUE
1,137 RESIDENTIAL LOTS

The Hypothetical Market Value will be estimated by employing the use of the Income Approach through discounted cash flow analysis. Essentially, the expected revenue, absorption period, expenses and discount rate associated with the development and sell-off of the land will be taken into consideration. A discounted cash flow analysis is a procedure in which a discount rate is applied to a projected revenue stream generated from the sale of individual components of a project. In this method of valuation, the quantity, variability, timing, and duration of the revenue streams are calculated and discounted to a present value at a specified yield rate.

The four main items of discounted cash flow analysis are summarized as follows.

⇒ **Revenue** – The gross income is based on the individual component values.

⇒ **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 estimate of an appreciation factor (if any).

⇒ **Expenses** – The expenses associated with the sell-off are calculated in this section – including infrastructure costs (if any), administration, marketing, and commission costs, as well as taxes and special assessments.

⇒ **Discount Rate** – An appropriate discount rate is derived employing a variety of data.

Revenues

The revenues for this model are predicated on those identified in the prior section. The total revenues are illustrated as follows.

PRODUCT TYPE	MINIMUM LOT SIZE (SF)	CONCLUDED LOT VALUE	NUMBER OF LOTS	TOTALS
Shor	2,788 SF	$145,000	136	$19,720,000
Lakelet	3,690 SF	$154,000	138	$21,252,000
Watersyde	4,000 - 4,250 SF	$163,000	127	$20,701,000
Wavmor	4,500 SF	$165,000	157	$25,905,000
Crestvue	4,675 SF	$165,000	97	$16,005,000
Bleau	5,000 SF	$170,000	230	$39,100,000
Drifton	5,500 SF	$174,000	136	$23,664,000
Alta	6,600 SF	$185,000	116	$21,460,000
TOTALS			**1,137**	**$187,807,000**
PER LOT				**$165,178**

Revenues for this model include appreciation at a factor of 2.5% per annum. Based on the overall absorption projection for this project, as well as the overall size, the cash flow model is predicated on annual discounting. Total revenues are trued-up in the final period.

Absorption Analysis

Absorption rates for the residential lots were identified in the Market Analysis section of this report. This element considered the overall position of the projects relative to current and future competition. This element is noted as follows.

YEAR	1	2	3	4	5	TOTALS
Subject Lots Absorbed	397	345	259	112	24	1,137

The absorption rate for the subject project is identified over a 5-year period.

Expenses

There are ongoing expenses associated with this analysis which are included in the cash flow model. They are summarized as follows.

FIXED EXPENSES – Fixed expenses for this project include the remaining site development cost for this project. These include backbone infrastructure costs, amenities, as well as in-tract costs.

Remaining backbone costs are identified at $13,687,848 and are identified as follows.

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
GRADING AND EARTHWORK	$6,570,123	$6,470,586	$99,537	98.5%
SEWER	$5,842,807	$5,842,807	$0	100.0%
DRAINAGE	$10,695,028	$10,406,783	$288,245	97.3%
WATER	$8,309,730	$7,358,558	$951,172	88.6%
CONCRETE/ROADWAY	$7,687,855	$6,444,531	$1,243,324	83.8%
LANDSCAPING	$6,760,461	$1,866,814	$4,893,647	27.6%
DRY UTILITIES	$5,411,997	$5,202,140	$209,857	96.1%
CONSULTANTS (SOFT COSTS)	$2,323,818	$2,275,099	$48,719	97.9%
PERMITS & FEES	$4,398,693	$2,053,634	$2,345,059	46.7%
PERFORMANCE BONDS	$1,365,266	$569,123	$796,143	41.7%
SUB-TOTAL	**$59,365,778**	**$48,490,075**	**$10,875,703**	**81.7%**
Hard Cost Contingency	$2,812,145	$0	$2,812,145	0.0%
TOTAL BACKBONE COSTS	**$62,177,923**	**$48,490,075**	**$13,687,848**	**78.0%**

Remaining costs for project amenities are identified at $7,878,214. These costs are identified as follows.

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
NEIGHBORHOOD PARK	$970,606	$131,734	$838,872	13.6%
COMMUNITY PARK	$5,117,894	$607,400	$4,510,494	11.9%
COMMUNITY CENTER	$3,223,381	$694,533	$2,528,848	21.5%
SUB-TOTAL	**$9,311,881**	**$1,433,667**	**$7,878,214**	**15.4%**

Lastly, the remaining costs for in-tract improvements are considered. Intract improvements reflect the overall costs to complete the interior subdivision improvements for each village. Budgets were provided for these costs and the following table summarizes the total costs allocated to intract improvements. It is noted that these costs are based on 1,048 lots. The remaining 89 lots for this project include the lots allocated to Village East and West. The intract improvements for Village East and West are incorporated into backbone costs. Remaining intract improvements are identified as follows.

VILLAGE	# OF LOTS	MINIMUM LOT SIZE (SF)	TOTAL COSTS	TOTAL COSTS/LOT	COSTS INCURRED	% INCURRED	REMAINING COSTS
Village 1	23	5,000 SF (50' x 100')	$1,272,756	$55,337	$83,235	6.5%	$1,189,521
Village 2	45	6,600 SF (60' x 110')	$1,704,533	$37,879	$189,050	11.1%	$1,515,483
Village 2B	71	6,600 SF (60' x 110')	$3,184,641	$44,854	$2,767,585	86.9%	$417,056
Village 3A	63	5,500 SF (55' x 110')	$2,705,709	$42,948	$203,885	7.5%	$2,501,824
Village 3B	47	5,500 SF (55' x 110')	$2,367,815	$50,379	$2,267,110	95.7%	$100,705
Village 4A	30	5,000 SF (50' x 110')	$1,210,369	$40,346	$141,800	11.7%	$1,068,569
Village 4B	38	5,000 SF (50' x 110')	$1,854,319	$48,798	$1,739,491	93.8%	$114,828
Village 5A	60	4,500 SF (45' x 100')	$2,558,376	$42,640	$2,404,733	94.0%	$153,643
Village 5B	34	4,500 SF (45' x 100')	$1,240,284	$36,479	$152,880	12.3%	$1,087,404
Village 5C	53	4,500 SF (45' x 100')	$1,982,066	$37,397	$1,744,610	88.0%	$237,456
Village 6	67	4,250 SF (50' x 85')	$3,106,140	$46,360	$222,050	7.1%	$2,884,090
Village 7A	60	4,675 SF (55' x 85')	$2,712,993	$45,217	$2,371,999	87.4%	$340,994
Village 7B	42	4,675 SF (55' x 85')	$1,921,283	$45,745	$165,990	8.6%	$1,755,293
Village 8	58	3,690 SF (41' x 90')	$2,235,760	$38,548	$190,510	8.5%	$2,045,250
Village 9	38	3,690 SF (41' x 90')	$1,605,314	$42,245	$1,162,748	72.4%	$442,566
Village 10A	85	2,788 SF (41' x 68')	$3,280,315	$38,592	$2,737,280	83.4%	$543,035
Village 10B1&2	51	2,788 SF (41' x 68')	$2,217,877	$43,488	$904,389	40.8%	$1,313,488
Village 11	64	4,000 SF (50' x 80')	$3,740,113	$58,439	$3,894,618	104.1%	-$154,505
Village 12	77	5,000 SF (50' x 100')	$3,683,608	$47,839	$496,978	13.5%	$3,186,630
Village 12B	42	5,000 SF (50' x 100')	$1,762,397	$41,962	$175,990	10.0%	$1,586,407
SUB-TOTAL	**1,048**	**$0**	**$46,346,668**		**$24,016,931**	**51.8%**	**$22,329,737**

Overall, the total remaining site development costs for this project are identified as follows.

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
Backbone Costs	$62,177,923	$48,490,075	$13,687,848	78.0%
Amenties	$9,311,881	$1,433,667	$7,878,214	15.4%
In-Tract Costs	$46,346,668	$24,016,931	$22,329,737	51.8%
TOTALS	**$117,836,472**	**$73,940,673**	**$43,895,799**	**62.7%**

The remaining site development costs for this project, as of the effective date of valuation equate to $43,895,799 or approximately $38,607 per lot. However, since this analysis reflects a hypothetical condition that bonds have been issued, the applicable reimbursements are used to offset these costs. The total reimbursements identified for various site improvements are identified at $36,722,731.

Subtracted from the remaining costs noted above, equates to $7,173,068 ($43,895,799 - $36,722,731) or approximately $6,309 per lot. As the total reimbursements more than exceed the remaining backbone costs and amenities for this project, they are applied to the in-tract costs. These costs are allocated at the unit price noted above, based on absorption of this project since it is predicated on annual discounting. Total costs are trued up in the final period. It is noted that there are contingencies identified in all of the costs components which are more than adequate to cover any inflationary expenses.

VARIABLE EXPENSES – These expenses are applied for property taxes, CFD Payments, administration and overhead, as well as Sales and Marketing Expenses. Ultimately, this project includes HOA dues, however, since this model is predicated on sales of lots, no expenses for HOA dues are in this modeling.

Ad Valorem Taxes – This appraisal is predicated on the assumption of a sale of the appraised property in bulk. The overall tax rate for the area is identified at 1.1484%. This expense is gradually reduced over the absorption period, as the land components are sold off. For purposes of calculating property taxes, the total costs area allocated based on the total number of units. Property taxes are increased at 2% per annum. Calculations of this element are identified as follows.

ITEM	TAXES
Overall Value **(A)**	$137,800,000
Per Potential Lot	$121,196
Base Taxes (1.1484%)	$1,391.81
TAXES PER LOT	**$1,390**

Property taxes are allocated on an annual basis and increased at 2% per annum.

Direct Levies/Special Assessments – In addition to the base property taxes, there are payments for direct levies and special assessments for this project.

Direct levies for this project show annualized expense per project from $157.55 to $253.80 per annum. The weighted average equates to $204.00 per annum (Rounded from $203.55). Calculations are noted as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA	
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	6,600 SF	
AVERAGE HOME SIZE	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	3,402 SF	AVERAGE
Direct Levies Per Annum	$157.55	$179.46	$196.70	$199.13	$203.66	$213.16	$226.66	$253.80	**$203.55**

The overall expense for direct levies is based on the weighted average relative to the number of unsold units. These costs are escalated at 2% per annum.

The proposed payments for the CFD's show annualized expense from $1,563 to $2,790 per annum. The weighted average equates to $2,170 per annum (Rounded from $2,169.94). Calculations are noted as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	ALTA	
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	6,600 SF	
AVERAGE HOME SIZE	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	3,402 SF	AVERAGE
Special Districts Per Annum	$1,563.00	$1,753.00	$2,037.00	$2,039.00	$2,148.00	$2,330.00	$2,691.00	$2,790.00	**$2,170**

The overall expense for special assessments is based on the weighted average relative to the number of unsold units. These costs are escalated at 2% per annum.

General and Administrative Costs – The general and administrative expense covers the various administrative costs associated with managing the overall development. A review of budget from other similar sized residential communities shows general and administrative costs between 1% and 3%. An estimate of 1% of sales proceeds is applied based on the nature of this project. This would include management, legal and accounting fees, and other professional services common to a development project. This expense is estimated at 1% of the total gross sales proceeds and is applied evenly over the sell-off period. Calculations are illustrated as follows.

ITEM	TOTAL PROJECT
Total Proceeds (W/Appreciation)	$193,231,428
Administration and Overhead (1%)	$1,932,314
# of Periods	5
Costs Per Period	**$386,463**

Marketing and Sales Costs – The costs associated with marketing, commissions and closing costs relative to the disposition of the subject's components are estimated at 2% of gross sales proceeds.

Discount Rate/Development Profit

The final element in the discounted cash flow is the discount rate that is applied to the individual cash flows. The discount rate is a rate of return commensurate with perceived risk to convert future payments or receipts to present value. This rate reflects the compensation offered to an investor for assuming the inherent risk associated with the property. Naturally, the discount rate varies with the size and complexity of the project and can be affected by numerous other factors.

The assumed buyer for the whole property is a developer. The motivation of this type of buyer is profit. The DCF must account for anticipated profit, otherwise; there would be no motivation for purchase of the entire property.

The project yield rate is the return in the total un-leveraged investment in a development, including both equity and debt. The leveraged yield rate is the rate of return to the "base" equity position when a portion of the development is financed. The "base" equity position represents the total equity contribution. The developer/builder may have funded all of the equity contribution or a consortium of investors/builders in a joint venture may fund it. Most surveys indicate that the threshold yield requirements are about 20% to 30% for production home type projects. This rate often includes costs from site development through production home development.

According to the PwC Real Estate Investor Survey (2nd quarter 2020), free-and-clear discount rates including developer's profit ran from 10.00% to 25.00% and average 15.20% this quarter. This average is 70 basis points lower than six months ago, 30 basis points lower than a year ago, and assumes entitlements are in place. Without entitlements in place, certain investors will increase the discount rate between 100 and 1,500 basis points (an average increase of 338 basis points).

Other highlights from the most recent survey from PwC (2nd quarter 2020) include the following:

⇒ **Discount Rates –** Free and clear discount rates including developer's profit range from 10.0% to 20.0% and average 15.20% this quarter.

NATIONAL DEVELOPMENT LAND MARKET – SELECT SURVEY RESPONSES

Second Quarter 2020

	PROPERTY TYPES	PREFERRED ABSORPTION	CHANGE RATES		MARKET CONDITIONS	DISCOUNT RATE (IRR)		FORECAST VALUE CHANGE NEXT 12 MONTHS	MARKETING PERIOD
		YEARS	LOT PRICES	DEVELOPMENT COSTS (1)	FAVOR	FREE & CLEAR	DEVELOPER' PROFIT	RANGE	MONTHS
DEVELOPER Primary method of pricing is comparable sales; analysis is prepared subject to financing; project size ranges from 300 to 2000 acres; value of land currently under development ranges from $400.0 million to $1.0 billion; development is concentrated in Hawaii, California, Mexico, Montana, New York, Nevada, Texas, and Tennessee.	Single-family luxury	11 to 20	3.0% to 5.0%	3.0% to 5.0%	Buyers	18.00% to 20.00%	Included in the discount rate	2.0% to 3.0%	12 to 36
PRIVATE INVESTMENT COMPANY Primary method of pricing is DCF; analysis is prepared free and clear of financing; project size ranges from one to 15 acres; value of land currently under development ranges from $5.0 to $10.0 million; prefers Texas markets.	Retail	1 to 5	0.0%	% of specific revenue	Buyers	10.00% to 15.00%	Included in the discount rate	(5.0%) to 5.0%	3 to 12
DEVELOPER Primary method of pricing is comparable sales; analysis is prepared free and clear of financing; project size ranges from 5 to 250 acres; value of land currently under development totals between $15.0 and $20.0 million; development is concentrated in the Midwest.	Industrial and commercial	Over 20	2.5%	% of specific revenue	Buyers	10.00% to 15.00%	Included in the discount rate	Did not disclose	12 to 24
DEVELOPER Primary method of pricing is DCF; analysis is prepared free and clear of financing; project size ranges from 1 to 400 acres; development is concentrated in Arizona, California, and Washington; value of land currently under development ranges from $75.0 to $85.0 million.	Office; industrial; R & D; wetlands	1 to 5	0.0%	1.0% to 2.0%	Both buyers and sellers equally	10.00% to 14.00%	Included in the discount rate	(40.0%) to (20.0%)	9 to 15
DEVELOPER Primary method of pricing is comparable sales; analysis is prepared free and clear of financing; value of land currently under development is between $225.0 and $250.0 million; development is concentrated in Texas.	Industrial	1 to 5	2.0% to 5.0%	0.0% to 3.0%	Sellers	15.00% to 25.00%	Included in the discount rate	0.0%	3 to 9

For additional support, current rates were identified from RealtyRates for development models. These factors reflect applicable rates for California/Pacific Islands for Third Quarter 2020 and are noted on the following table.

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2020* California/Pacific Islands - Subdivisions & PUDs	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.83%	37.33%	24.63%	15.20%	35.84%	23.65%
-100 Units	15.83%	32.18%	23.53%	15.20%	30.89%	22.59%
100-500 Units	16.23%	35.40%	24.78%	15.58%	33.98%	23.79%
500+ Units	16.63%	37.01%	25.21%	15.96%	35.53%	24.20%
Mixed Use	17.02%	37.33%	25.00%	16.34%	35.84%	24.00%
Manufactured Housing	15.56%	40.42%	25.92%	14.94%	38.81%	24.88%
-100 Units	15.56%	35.15%	24.85%	14.94%	33.75%	23.86%
100-500 Units	15.95%	38.67%	26.22%	15.32%	37.12%	25.17%
500+ Units	16.34%	40.42%	26.68%	15.69%	38.81%	25.61%
Business Parks	15.84%	36.74%	24.39%	15.21%	35.27%	23.42%
-100 Acres	15.84%	31.95%	23.42%	15.21%	30.67%	22.48%
100-500 Acres	16.24%	35.14%	24.66%	15.59%	33.74%	23.68%
500+ Acres	16.64%	36.74%	25.09%	15.97%	35.27%	24.08%
Industrial Parks	16.04%	31.91%	22.30%	15.40%	30.63%	21.41%
-100 Acres	16.04%	27.74%	21.45%	15.40%	26.64%	20.60%
100-500 Acres	16.44%	30.52%	22.54%	15.78%	29.30%	21.64%
500+ Acres	16.84%	31.91%	22.91%	16.17%	30.63%	21.99%

*2nd Quarter 2020 Data

The information from RealtyRates is applicable for Ground-up construction through completed improvements. For site built residential, the IRR ranges from 15.2% to 35.84% based on average rates noted throughout. These rates are likely overstated as the subject revenues are based on finished lots.

Developers surveyed in this market climate noted that projects are being looked at based on IRR Requirements. A larger national developer noted minimum requirements of 20% IRR (unleveraged) for their development requirements (Vacant Land); representatives from a larger regional builder noted a minimum IRR requirement (unleveraged) of 10% to 20% for smaller vacant land properties; Regional Builder reported a minimum requirement (unleveraged) of 15% for vacant land; and another local builder reported a minimum requirement of 10% IRR for the project.

As reflected by the developer survey, IRR expectations are from 10% to 20%, for land development projects. The subject properties are valued under the **Hypothetical Condition** that the land components are vacant and available for development to their highest and best use. While the subject area seems optimal for development, there is still risk in the overall project based on changes in market conditions and shifts in the employment market. Also factored into the discount rate is the inclusion of appreciation, although slight relative to the overall property value. Based on all of these elements, the IRR (profit and discount rate) identified for the subject property is concluded at 12%. This is toward the lower end of the range as most of the capital on delivery of finished lots is incurred and reflects the risk in selling finished lots in the current market environment.

Conclusion

Based on the elements described in this section, the opinion of value for the subject property is identified at $137,800,000. A copy of this model is noted on the following page.

Annual Discounting Item		Year 1	Year 2	Year 3	Year 4	Year 5	TOTALS
Single Family Residential Lots							
Lots Sold		397	345	259	112	24	1137
Average Selling Price/Lot		$165,178	$165,178	$165,178	$165,178	$165,178	
TOTAL REVENUES		**$65,575,666**	**$56,986,410**	**$42,781,102**	**$18,499,936**	**$3,963,886**	**$187,807,000**
Market Appreciation (Annual)	2.50%	$0	$1,424,660	$2,165,793	$1,422,472	$411,502	**$5,424,428**
TOTAL REVENUE		**$65,575,666**	**$58,411,070**	**$44,946,895**	**$19,922,408**	**$4,375,388**	**$193,231,428**
FIXED EXPENSES							
--Remaining Site Development Costs	$ 6,309	($2,504,673)	($2,176,605)	($1,634,031)	($706,608)	($151,416)	($7,173,333)
TOTAL FIXED EXPENSES		($2,504,673)	($2,176,605)	($1,634,031)	($706,608)	($556,015)	($7,577,932)
Inflation (Quarterly)	0.00%	$0	$0	$0	$0	$0	$0
TOTAL FIXED EXPENSES		**($2,504,673)**	**($2,176,605)**	**($1,634,031)**	**($706,608)**	**($556,015)**	**($7,577,932)**
VARIABLE EXPENSES							
Ad Valorem Taxes	$1,390	($1,028,600)	($560,031)	($196,677)	($35,402)	$0	($1,820,710)
Direct Levies	$203.55	($150,627)	($82,010)	($28,801)	($5,184)	$0	($266,623)
CFD - Payments - Residential Lots (Per Lot)	$2,170	($1,605,800)	($874,293)	($307,043)	($55,268)	$0	($2,842,404)
Administration and Overhead	1.0%	($386,463)	($386,463)	($386,463)	($386,463)	($386,463)	($1,932,314)
Sales and Marketing	2.0%	($1,311,513)	($1,168,221)	($898,938)	($398,448)	($87,508)	($3,864,629)
TOTAL VARIABLE EXPENSES		**($4,483,003)**	**($3,071,019)**	**($1,817,922)**	**($880,765)**	**($473,971)**	**($10,726,679)**
TOTAL FIXED AND VARIABLE EXPENSES		**($6,987,676)**	**($5,247,624)**	**($3,451,953)**	**($1,587,373)**	**($1,029,986)**	**($18,304,611)**
Net Proceeds		**$58,587,990**	**$53,163,447**	**$41,494,942**	**$18,335,035**	**$3,345,403**	**$ 174,926,816**

Blended Profit/Discount Rate	12%	0.89286	0.79719	0.71178	0.63552	0.56743
Net Cash Flow		$52,310,705	$42,381,574	$29,535,280	$11,652,246	$1,898,271

NET PRESENT VALUE	**$137,778,077**
ROUNDED	**$137,800,000**

RECONCILIATION
HYPOTHETICAL MARKET VALUE

With only one approach to value completed for this analysis, there is no reconciliation. Based on the analysis described in the attached report, in connection with the Assumptions and Limiting Conditions, and the Hypothetical Conditions, as of December 11, 2020, the effective date of valuation, my opinion of value is as follows.

VALUE	INTEREST	OPINION OF VALUE
Hypothetical Market Value	Fee Simple	**$137,800,000**
		(Bulk Value)

The value noted above is presented in conjunction with the **Hypothetical Condition** that as of the effective date of valuation, the Bonds had just been sold and the properties were encumbered by CFD Bonds supported by Special Taxes as described herein. The market value estimates account for the impact of the lien of the Special Tax securing the Bonds.

Opinion of Probable Exposure Time

A most likely purchaser of the property would be an investor seeking adequate return on their investment. Based on the location of the subject property, in conjunction with the potential upside in values for this property, a typical exposure period of 9 months is more than adequate to facilitate a sale based on the opinions of value expressed above.

ADDENDA

Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

The Certification of the appraiser(s) appearing in this report is subject to the following assumptions and limiting conditions.

1. The appraiser(s) assumes no responsibility for the legal description provided for matters pertaining to the legal or title considerations. Title is assumed to be good and marketable and the property is appraised free and clear of any encumbrances, unless otherwise stated. It is assumed that the property is under responsible ownership and management.

2. Information, estimates and opinions furnished to the appraiser(s) and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, the appraiser(s) give no warranty of the accuracy of such items furnished by others.

3. The appraiser(s) is not required to give testimony or appear in court in connection with this appraisal unless prior arrangements have been made.

4. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser(s) has made no survey of the property and assumes no responsibility in connection with such matters.

5. The appraiser(s) assumes that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. The appraiser(s) assumes no responsibility for such conditions or for engineering which might be required to discover such factors.

6. The appraiser(s) assumes the property in full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal. The appraiser(s) assumes the property contains no hazardous materials or substances or for engineering which might be required to discover such factors.

7. The appraiser(s) assumes all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinions contained in the report is based.

8. The appraiser(s) assumes that the property complies with applicable zoning requirements, use regulations and other restrictions, unless a lack of conformity has been stated, defined, and considered in the appraisal report.

9. Any allocation of the total value opinion stated in this report between the site and improvements applies only under the stated program of use. The separate values allocated to the site and improvements may not be used in connection with any other appraisal and are invalid if so used. Any value opinions provided in the appraisal report apply to the entire property and any proration or division of the total into fractional interests will invalidate the value opinion unless such proration or division of interests has been stated in the report.

10. Disclosure of the contents of the appraisal report is governed by the Code of Professional Ethics of the Appraisal Institute and is subject to peer review.

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

11. The appraiser(s) assumes that the site and improvements are contained within the boundaries or property lines of the property described and that there are no encroachments unless noted in this report.

12. If only preliminary plans and specifications were available for use in the preparation of this assignment, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and the appraiser(s) reserves the right to amend this appraisal if substantial deviations exist.

13. The dates of value to which the opinions expressed in this report apply are set forth in this report. The appraiser(s) assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.

14. This appraisal was prepared for the sole and exclusive use of the client for the intended use outlined in this report. Any party who is not the client or intended user identified in the appraisal or the engagement letter is not entitled to rely upon the contents of this appraisal without the express written consent of Smith & Associates, Inc. The appraiser assumes no obligation, liability, or accountability to any third party.

15. The Americans with Disabilities Act (ADA became effective January 26, 1992. The appraiser(s) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser(s) have no direct evidence relating to this issue, possible non-compliance was not considered in estimating the value of the property.

16. No part of the appraisal report (nor any copy of it) shall be used for any purpose by any party except the client without the previous written consent of the appraiser(s). No portion of the appraisal report may be reproduced. The report shall not be used for advertising, public relations, news, or other media without the consent of the appraiser(s).

17. Acceptance and/or use of this appraisal report by the client or any third party constitutes acceptance of the previously stated assumptions and limiting conditions.

18. Any estimate of the Insurable Replacement Costs, if included within the scope of work and presented herein, is based on figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from estimates noted in this report and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. It is highly recommended that the client obtains estimates from professionals experienced in providing insurance coverage. The appraiser(s) make no warranties regarding the accuracy of estimates for Insurable Replacement Costs noted in this report.

Certification of The Appraisers

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions and conclusions.

3. I 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. I have no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

8. My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

9. I have made a personal exterior inspection of the property that is the subject of this report. Furthermore, I have the appropriate knowledge and experience to appraise this property in this location.

10. No one provided significant real property appraisal assistance to the person signing this certification.

11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

12. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

13. As of the date of this report, I John E. Carrothers, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.

John E. Carrothers, MAI
State Certified General Real Estate Appraiser
AG014187, Expiration 04/11/21

Glossary

GLOSSARY

Definitions are taken from the Dictionary of Real Estate Appraisal, 5th Edition, the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA)

ABSOLUTE NET LEASE
A lease in which the tenant pays all operating expenses including structural maintenance, building reserves, and management, often a long-term lease to a credit tenant. **(Dictionary)**

AGGREGATE OF RETAIL VALUES (ARV)
The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simply the total of multiple market value conclusions. **(Dictionary)**

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. **(Dictionary)**

ASSUMPTION
That which is taken to be true. **(USPAP)**

BUILDING RENTABLE AREA
The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of the floor the major vertical penetrations on the same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. **(BOMA)**

CASH EQUIVALENCY
An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash. **(Dictionary)**

CLIENT
The party or parties who engage, by employment or contract, an appraiser in a specific assignment. The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly or through an agent. **(USPAP)**

CONDOMINIUM
A form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common area. A multi-unit structure or a unit within such a structure with a condominium form of ownership. **(Dictionary)**

COVERAGE
The proportion of the net or gross land area of a site that is occupied by a building or buildings. **(Dictionary)**

DEED RESTRICTON
A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. **(Dictionary)**

DEPRECIATION
1) In appraising, the loss is a property value from any cause; the difference between the cost of an improvement on an effective date of the appraisal and the market value of the improvement on the same date. **(Dictionary)**

DISPOSITION VALUE
The most probable price that a specified interest in real property is likely to bring under the following conditions:

- Consummation of a sale within an exposure time specified by the client;
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time specified by the client;
- Payment will be made in 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. **(Dictionary)**

EASEMENT
The right to use another’s land for a stated purpose. **(Dictionary)**

EFFECTIVE AGE
The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. **(Dictionary)**

EFFECTIVE DATE
1) The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect. **(Dictionary)**

EFFECTIVE RENT
The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs). **(Dictionary)**

EXCESS LAND
Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. **(Dictionary)**

EXPOSURE TIME
Estimated length of time that the property interest being appraised would have been 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. **(USPAP)**

EXTRAORDINARY ASSUMPTION
An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. **(USPAP)**

EXTERNAL OBSOLESCENCE
An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant. **(Dictionary)**

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. **(Dictionary)**

FLOOR AREA RATIO (FAR)
The relationship between the above-ground floor area of a building, as described by the 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. **(Dictionary)**

FULL SERVICE GROSS LEASE
A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a full service lease. **(Dictionary)**

FUNCTIONAL OBSOLESCENCE
The impairment of functional capacity of a property according to market tastes and standards. **(Dictionary)**

GOING CONCERN VALUE
1) The market value of all of the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern. 2) The value of an operating business enterprise. Goodwill may be measured separately but is an integral component of going-concern value when it exists and is recognizable. **(Dictionary)**

GROSS BUILDING AREA
The total constructed area of a building. It is generally not used for leasing purposes. **(BOMA)**

GROUND LEASE
A lease that grants the right to use and occupy land. Improvements made by the ground lease typically revert to the ground lessor at the end of the lease term. **(Dictionary)**

HIGHEST & BEST USE
The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are 1) legal permissibility; 2) physical possibility; 3) financial feasibility; and 4) maximally profitability. Alternatively, the probable use of land or improved property-specific with respect to the user and timing of the use – that is adequately supported and results in its highest present value. **(Dictionary)**

HYPOTHETICAL CONDITION
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. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions or trends; or about the integrity of data used in an analysis. **(USPAP)**

INTENDED USE
The use or uses of an appraiser's reported appraisal or appraisal review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment. **(USPAP)**

INTENDED USER
The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. **(USPAP)**

INDUSTRIAL GROSS LEASE
A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay operating expenses, often structural maintenance, insurance and real estate taxes as

specified in the lease. There are significant regional and local differences in the use of this term. **(Dictionary)**

INSURABLE VALUE
A type of value used for insurance purposes. **(Dictionary)**

LEASED FEE INTEREST
A freehold (ownership-interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). **(Dictionary)**

LEASEHOLD INTEREST
The tenant's possessory interest caused by a lease. **(Dictionary)**

LESSEE (TENANT)
One who has the right to occupancy and use of the property for a period of time according to a lease agreement. **(Dictionary)**

LESSOR (LANDLORD)
One who conveys the right of occupancy and use to others under a lease agreement. **(Dictionary)**

LIMITING CONDITIONS
Constraints which are imposed on valuations by clients, the Valuer, or local statutory law. **(Dictionary)**

LIQUIDATION VALUE
The most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a short period;
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgably;
- The seller is under extreme compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- A normal marketing effort is not possible due to the brief exposure time;
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto;
- 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. **(Dictionary)**

MARKET ANALYSIS
A process for estimating the productive attributes of a specific property, its demand and supply, and its geographic market area. Marketability analysis (often referred to erroneously as market analysis) is an essential part of the highest and best use for every valuation assignment. **(Dictionary)**

MARKET RENT
The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). **(Dictionary)**

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 knowledgably, 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:

a. Buyer and seller are typically motivated;
b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
c. A reasonable time if allowed for exposure in the open market;
d. Payment is made in terms of cash in U.S. dollars or in financial arrangements comparable thereto;
e. 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. **(Office of the Comptroller of the Currency)**

MARKET VALUE "AS IF COMPLETE"
A hypothetical scenario representing the market value of the property with all proposed construction, conversion or rehabilitation completed under specified hypothetical conditions as of the date of the appraisal.

MARKET VALUE "AS IF STABILIZED"
A hypothetical scenario representing the market value of the property at a current point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long term occupancy under specified hypothetical conditions as of the date of the appraisal.

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 immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) **(Dictionary)**

MODIFIED GROSS LEASE

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. **(Dictionary)**

PARTIAL INTEREST

Divided or undivided rights in real estate that represent less than the whole (a fractional interest). **(Dictionary)**

PHYSICAL DETERIORATION

The wear and tear that begins when a building is completed and placed into service. **(Dictionary)**

PROSPECTIVE OPINION OF VALUE

A value opinion effective as of a specified date in the future. 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 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. **(Dictionary)**

REMAINING ECONOMIC LIFE (REL)

The estimated period during which improvements will continue to represent the highest and best use of the property; an estimate of the number of years remaining in the economic life of the structure of structural components as of the date of the appraisal; used in the economic age-life method of estimating depreciation. **(Dictionary)**

REPLACEMENT COSTS

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. **(Dictionary)**

REPRODUCTION COSTS

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, super-adequacies, and obsolescence of the subject building. **(Dictionary)**

RETROSPECTIVE VALUE OPINION

A value opinion as of a specified historical date. The term does not define a type of value. Instead, it identifies a value as being effective at some specific prior date. Value as of a historic date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." **(Dictionary)**

SANDWICH LEASEHOLD ESTATE

The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate. **(Dictionary)**

SCOPE OF WORK

The type and extent of research and analyses in an appraisal or appraisal review assignment. **(USPAP)**

SURPLUS LAND

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved property. **(Dictionary)**

TRIPLE NET (NET NET NET) LEASE

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net lease, or fully net lease. **(Dictionary)**

USABLE AREA

The measured area of an office area, store area, or building common area on a floor. The total of all of the useable areas of a floor shall equal floor usable area of that same floor. The amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. **(Dictionary)**

Qualifications of the Appraiser

John E. Carrothers, MAI

Certified General Real Estate Appraiser
California BREA Appraisal License No. AG014187

SUMMARY

Over twenty-five years of appraisal experience in Sacramento, Placer, Solano, Sutter, Yolo, Stanislaus, Contra Costa and Alameda Counties. Extensive experience focusing on the analysis of residential subdivisions over the past twenty years.

Property types valued and analyzed include the following:

- Single and Multi-Family Residential
- Vacant Land – Improved and Unimproved
- Commercial – Retail and Industrial
- Subdivision – Feasibility and Valuation

WORK HISTORY

1998 – Present	Managing Partner	Smith & Associates, Inc.
1991 – 1998	Staff Appraiser	Smith Denton Associates, Inc.
1990 – 1991	Staff Appraiser	Professional Appraisal Services, Inc.

EDUCATION

University of California, Davis, CA
Bachelor of Science

Appraisal Institute Courses

Real Estate Appraisal Principles • Valuation Procedures • Capitalization Theory and Techniques, A • Capitalization Theory and Techniques, B • Farm Valuation Seminar • Standards of Professional Practice, A and B • Real Estate Principles • Subdivision Analysis • Assessment Bond Mello Roos Seminar • Report Writing • Advanced Sale Comparison and Cost Approach • National USPAP Equivalent Course

PROFESSIONAL AFFILIATIONS

- Appraisal Institute, MAI

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

John E. Carrothers

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 014187

Effective Date: April 12, 2019
Date Expires: April 11, 2021

Jim Martin, Bureau Chief, BREA

3044862

Preliminary Title Report

First American Title

First American Title Company
4750 Willow Road, Suite 275
Pleasanton, CA 94588

File No.: 0131-624206ala (st)

This report has been amended/updated to reflect the following matters:

[ ] No changes made to the report other than the Effective Date

[ ] Property address has been revised

[ ] Vesting has been revised

[X] Legal Description has been revised

[ ] Taxes have been updated

[X] Original item number(s) 11, 13 through 17, 21 through 23, 45 have been removed

[ ] New item number(s) have been added

[X] Original item number(s) 32, 36 through 40, 42 and 43 have been revised

[ ] Other: Removed tax parcels from Informational notes

AMENDED

First American Title

First American Title Company

4750 Willow Road, Suite 275
Pleasanton, CA 94588
California Department of Insurance License No. 151

Escrow Officer:	Diane Burton
Phone:	(925)738-4050
Fax No.:	(866)648-7806
E-Mail:	dburton@firstam.com
Title Officer:	Sheryl Taylor
Phone:	(559)470-8819
Fax No.:	
E-Mail:	ShTaylor@firstam.com
E-Mail Loan Documents to:	Lenders please contact the Escrow Officer for email address for sending loan documents.
Buyer:	
Owner:	The Greenbriar Project Owner, LLC
Property:	Parcels 1-26 & A-E Master Parcel, Map Greenbriar Phase 1,, Subdivision Z18-096 Sacramento, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties*. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of September 23, 2020 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Extended Loan Policy - 2006

ALTA Extended Owner Policy - 2006

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

THE GREENBRIAR PROJECT OWNER, LLC, A DELAWARE LIMITED LIABILITY COMPANY

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2020-2021, a lien not yet due or payable.

2. Assessment liens, if applicable, collected with the general and special taxes, including but not limited to those disclosed by the reflection of the following on the tax roll:

   1915 Bond for Safca Consolidated Cap Asmt #2.

   1915 Bond for Safca Natomas Basin Local Assessment District.

3. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 2018-05, as disclosed by Notice of Special Tax Lien recorded December 13, 2018 as Book 20181213, Page 0487 of Official Records; a lien not yet delinquent.

4. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 2018-03 (Improvements) Improvement Area No 1, as disclosed by Notice of Special Tax Lien recorded December 13, 2018 as BOOK 20181213, PAGE 0488 of Official Records; a lien not yet delinquent.

5. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 2, as disclosed by Notice of Special Tax Lien recorded December 13, 2018 as Book 20181213, Page 0489 of Official Records; a lien not yet delinquent..

6. Taxes and assessments for the Reclamation Dist. #1000 M & O District, which are collected with the county taxes.

7. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

8. Any unpaid amounts for delinquent utilities owed to, or resultant liens in favor of, the County of Sacramento and/or any incorporated Cities within the County of Sacramento.

   Contact the City of Elk Grove at (916) 478-3642, the City of Folsom at (916) 355-7200, the City of Galt at (209) 366-7150, or the City of Sacramento at (916) 264-5454 for information on amounts due to those cities for properties within those locations. Contact the County of Sacramento at (916) 875-5555 for information on amounts due to any other incorporated cities, and also for information on amounts due to the County.

9. An easement for right to dig, construct, replace, renew, repair, maintain and operate drainage canals and incidental purposes, recorded in Book 76, Page 388 of Official Records.
   In Favor of: Reclamation District No. 1000
   Affects: Parcel 21

10. An easement for public highway or road and incidental purposes, recorded in Book 264, Page 391 of Official Records.
    In Favor of: County of Sacramento
    Affects: As described therein

11. Intentionally Deleted

12. Lack of abutters rights in and to the freeways (Interstate 5 and State Highway 99) adjacent to said property, said rights having been released, relinquished, excepted and/or reserved in the following instruments to and/or from the State of California:

    a. Recorded: August 6, 1965, Book 5301, Page 467, of Official Records
    Affects: APN: 201-0300-071

    b. Recorded: April 11, 1967, Book 670411, Page 373, of Official Records
    Affects: APN: 201-0300-080 and 083

    c. Recorded: September 27, 1968, Book 680927, Page 495, of Official Records
    Affects: APN: 201-0300-076

    d. Recorded: December 30, 1987, Book 871230, Page 1277, of Official Records
    Affects: APN: 201-0300-076 and a portion of 201-0300-077

    e. Recorded: April 4, 1986, Book 860404, Page 526, of Official Records
    Affects: APN: A portion of 201-0300-076

    f. Recorded: June 16, 1994, Book 940616, Page 402, of Official Records
    Affects: APN: 201-0300-081 and 083

    g. Recorded: June 16, 1994, Book 940616, Page 403, of Official Records
    Affects: APN: 201-0300-079 and 080

13. Intentionally Deleted

14. Intentionally Deleted

15. Intentionally Deleted

16. Intentionally Deleted

17. Intentionally Deleted

18. An easement for electrical facilities and incidental purposes, recorded in Book 820319, Page 722 of Official Records.
    In Favor of: Sacramento Municipal Utility District
    Affects: Parcels 4 through 7, 9, 10, 21 and 22 of Parcel 1 and Portion of Parcels 3 through 5

    A portion of said easement was Quitclaim by document recorded January 9, 2019 as Instrument No. 201901090891 of Official Records.

19. An easement for drainage and irrigation and incidental purposes, recorded in Book 871230, Page 1281 of Official Records.
    In Favor of: The State of California
    Affects: As described therein

    The State of California conveyed a portion of said easement for drainage purposes to Reclamation District No. 1000 in deed recorded in Book 960123, Page 1366, of Official Records.

20. An easement for road and incidental purposes, recorded in Book 871230, Page 1285 of Official Records.
    In Favor of: The State of California
    Affects: As described therein

    Said easement was conveyed by the State of California to Reclamation District No. 1000 by deed recorded in Book 960123, Page 1365, of Official Records.

21. Intentionally Deleted

22. Intentionally Deleted

23. Intentionally Deleted

24. The terms and provisions contained in the document entitled "Water Company Stock Certificate" recorded March 21, 2005 as Book 20050321, Page 526 of Official Records.

25. The terms and provisions contained in the document entitled "Memorandum of Agreement" recorded August 24, 2006 in Book 20060824, Page 537 of Official Records.

    The interest of the assignor has been assigned to North Natomas Sac Region LLC, a California limited liability company by Assignment of Memorandum of School Agreement, recorded February 11, 2009, Book 20090211, Page 1042, of Official Records.

    Document(s) declaring modifications thereof recorded June 12, 2020 as Instrument No. 202006121291 of Official Records.

26. An easement for sanitary sewer and incidental purposes, recorded in Book 20090827, Page 845 of Official Records.
    In Favor of: Sacramento Area Sewer District
    Affects: Parcels 20, 22, 23 and D of Parcel 1

27. An easement for sanitary sewer and incidental purposes, recorded in Book 20090827, Page 846 of Official Records.
    In Favor of: Sacramento Area Sewer District
    Affects: Parcel D of Parcel 1

28. The terms and provisions contained in the document entitled "Development Agreement" recorded August 25, 2017 in Book 20170825, Page 0771 of Official Records.

    Document(s) declaring modifications thereof recorded January 11, 2018 in Book 20180111, Page 0629 of Official Records.

    Document(s) declaring modifications thereof recorded May 22, 2018 in Book 20180522, Page 0534 of Official Records.

29. A Deed of Trust to secure an original indebtedness of $65,000,000.00 recorded July 12, 2019 as Book 20190712, Page 1151 of Official Records.

Dated:	July 12, 2019
Trustor:	The Greenbriar Project Owner, LP, a Delaware limited partnership
Trustee:	First American Title Company
Beneficiary:	Goldman Sachs Bank USA
Affects:	The land and other property.

    The above deed of trust states that it is a construction deed of trust.

    The above deed of trust states that it secures an equity line/revolving line of credit.

    A document entitled "Building Loan Assignment of Leases and Rents" recorded July 12, 2019 as Book 20190712, Page 1152 of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust recorded July 12, 2019 as Book 20190712, Page 1151 of Official Records.

    Document(s) declaring modifications thereof recorded June 04, 2020 as Instrument No. 202006040894 of Official Records.

    The above referenced Deed of Trust has been restated by a document entitled Amended and Restated Deed of Trust, Security Agreement and Fixture Filing recorded June 04, 2020 as Instrument No. 202006040893 of Official Records.

30. Any statutory lien for labor or materials arising by reason of a work of improvement, as disclosed by a document recorded July 12, 2019 as Book 20190712, Page 1151 of Official Records.

31. An easement for access and incidental purposes, recorded August 16, 2019 as Book 20190816, Page 1386 of Official Records.

In Favor of:	Reclamation District No. 1000, a public entity of the State of California created under Cal. Stats. 1911, Chapter 412, its successors and assigns
Affects:	Parcels 19, 20, 22, 23 and D of Parcel 1

    Terms and provisions contained in the above document.

32. An easement for facility and incidental purposes, recorded August 16, 2019 as Book 20190816, Page 1387 of Official Records.
    In Favor of: Reclamation District No. 1000, a public entity of the State of California created under Cal. Stats. 1911, Chapter 412, its successors and assigns
    Affects: Parcels 21 and D

    Terms and provisions contained in the above document.

33. A financing statement recorded August 28, 2019 as Book 20190828, Page 1564 of Official Records.

    Debtor: The Greenbriar Project Owner, LP
    Secured party: Goldman Sachs Bank USA
    Affects: The land and other property.

    An amendment to the financing statement was recorded June 10, 2020 as Instrument No. 202006101211 of Official Records.

34. The Terms, Provisions and Easement(s) contained in the document entitled "Grant of Well, Water Conveyance Facilities and Access Easements" recorded October 3, 2019 as Book 20191003, Page 626 of Official Records.

35. The Terms, Provisions and Easement(s) contained in the document entitled "Memorandum of Agreement" recorded October 3, 2019 as Book 20191003, Page 627 of Official Records.

    The location of the easement cannot be determined from record information.

36. An easement for overhead facilities and incidental purposes, recorded November 5, 2019 as Book 20191105, Page 1269 of Official Records.
    In Favor of: Sacramento Municipal Utility District
    Affects: Parcels 22, 23, 24 and D

37. An easement shown or dedicated on the Map as referred to in the legal description

    For: Public utility and incidental purposes.

    Affects: 1, 2, 4 through 7, 9 through 12,14, 16 through 18, 20 through 24, 26, and A through E of Parcel 1

38. An easement shown or dedicated on the Map as referred to in the legal description

    For: Road irrevocable offer of dedication and incidental purposes.

    Affects: Lots 1, 2, 5 through 7, 9 through 12, 14, 16 through 18, 21, 22, 24, 25, B, C and D of Parcel 1

39. An easement shown or dedicated on the Map as referred to in the legal description

    For: Drainage and incidental purposes.

    Affects: Lots 1, 11, 12, 14, 16 through 18, 21, B and C

40. An easement shown or dedicated on the Map as referred to in the legal description

    For: Sanitary sewer and incidental purposes.

    Affects: Lots 1, 2, 5, 11, 12, 14, 16, 17, 20, B, C and D

41. An easement shown or dedicated on the Map as referred to in the legal description

    For: Public road and incidental purposes.

    Affects: Lots 4, 5, 6, 7, 9, 10, 21 and 22 of Parcel 1

42. An easement shown or dedicated on the Map as referred to in the legal description

    For: Emergency vehicle access and incidental purposes.

    Affects: Lots 14, 16, 18 and B

43. An easement shown or dedicated on the Map as referred to in the legal description

    For: Water line and incidental purposes.

    Affects: Lots 14, 16, 17 and B

44. An easement shown or dedicated on the Map as referred to in the legal description

    For: Slope and incidental purposes.

    Affects: Lot 24 of Parcel 1

45. Intentionally Deleted

46. The following matters shown or disclosed by the filed or recorded map referred to in the legal description:

    1. Parcels A and E are to be granted I.O.D. in fee title to the City of Sacramento for park purposes.

    2. Parcel D are to be granted I.O.D. in fee title to the City of Sacramento for open space purposes.

    3. Parcels B and C are to be granted I.O.D. in fee title to the City of Sacramento as detention and water quality basins/lakes.

    4. Parcel 25 is to be granted in fee title to Sacramento Municipal Utility District (SMUD) for substation purposes.

5. Parcel 26 is to be granted in fee title to the homeowners associated for community center purposes.

6. This master parcel map does not authorize construction of any improvement on the land subject to the map; prior to any improvement or construction, all required land use entitlements, including but not limited to a conditional use permit, must be applied for and approved, and all applicable conditions of approval must be satisfied.

Affects: Parcel 1

47. An offer of dedication for Public and incidental purposes, recorded December 11, 2019 as Book 20191211, Page 0793 of Official Records.
To: City of Sacramento, a municipal corporation

Affects: Parcels A through E of Parcel 1

48. The terms and provisions contained in the document entitled "Agreement to Construct and Maintain Private Recreational Facilities" recorded December 11, 2019 as Book 20191211, Page 0794 of Official Records.

49. An easement for Avigation and Noise and incidental purposes, recorded January 28, 2020 as Book 20200128, Page 1634 of Official Records.
In Favor of: County of Sacramento, a Political Subdivision of the State of California
Affects: as described therein

The location of the easement cannot be determined from record information.

50. The terms and provisions contained in the document entitled "Memorandum of Agreement" recorded July 07, 2020 as Instrument No. 202007070911 of Official Records.

51. The terms and provisions contained in the document entitled "Stormwater Treatment Device Access and Maintenance Agreement" recorded July 17, 2020 as Instrument No. 202007171130 of Official Records.

Affects: Parcel 26 of Parcel 1

52. The terms and provisions contained in the document entitled "Agreement for Construction of Drainage Improvements" recorded August 6, 2020 as Instrument No. 202008061789 of Official Records.

53. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 7, 2020 as Instrument No. 202008070599 of Official Records.

Affects: Parcel 6

54. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 7, 2020 as Instrument No. 202008070645 of Official Records.

Affects: Parcel 11

55. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 7, 2020 as Instrument No. 202008070646 of Official Records.

    Affects: Parcel 8

56. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 7, 2020 as Instrument No. 202008070656 of Official Records.

    Affects: Parcel 7

57. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 7, 2020 as Instrument No. 202008070657 of Official Records.

    Affects: Parcel 5

58. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 10, 2020 as Instrument No. 202008100879 of Official Records.

    Affects: Parcel 9

59. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 10, 2020 as Instrument No. 202008100884 of Official Records.

    Affects: Parcel 2

60. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 11, 2020 as Instrument No. 202008110436 of Official Records.

    Affects: Parcel 3

61. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 11, 2020 as Instrument No. 202008110471 of Official Records.

    Affects: Parcel 10

62. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 11, 2020 as Instrument No. 202008110604 of Official Records.

    Affects: Parcel 4

63. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded August 11, 2020 as Instrument No. 202008111971 of Official Records.

    Affects: Parcel 12

64. A temporary easement for vehicle turnaround and incidental purposes, recorded August 19, 2020 as Instrument No. 202008191372 of Official Records.
    In Favor of: City of Sacramento, a municipal corporation
    Affects: Parcel 14 of Parcel 1

65. The terms and provisions contained in the document entitled "Hold Harmless Agreement" recorded August 20, 2020 as Instrument No. 202008201488 of Official Records.

66. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

    All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

    Lots A and B shall be owned and maintained by the homeowners association for landscaping, pedestrian and drainage purposes.

    Affects: Parcel 2

67. An easement shown or dedicated on the Map as referred to in the legal description

    For: public utility and incidental purposes.

    Affects: Parcel 2

68. An easement shown or dedicated on the Map as referred to in the legal description

    For: Drainage, Irrevocable Offer of Dedication for landscape easement and incidental purposes.

    Affects: Lots A and B of Parcel 2

69. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

    All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

    Lot A shall be owned and maintained by the homeowners association for landscaping purposes.

    Affects: Parcel 3

70. An easement shown or dedicated on the Map as referred to in the legal description

    For: public utility and incidental purposes.

    Affects: Lots 1 through 47 and Lot A of Parcel 3

71. An easement shown or dedicated on the Map as referred to in the legal description

For: emergency vehicle access, waterline, Irrevocable Offer of Dedication for landscape easement and incidental purposes.

Affects: Lot A of Parcel 3

72. An easement shown or dedicated on the map filed or recorded December 11, 2019 as Book 238, Page 9 of of Parcel Maps
For: public utility and public road and incidental purposes.

Affects: Designated Remainder 1 of Parcel 3

73. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

Lot A shall be owned and maintained by the homeowners association for landscaping purposes.

Affects: Parcel 4

74. An easement shown or dedicated on the Map as referred to in the legal description

For: public utility and incidental purposes.

Affects: Parcel 4

75. An easement shown or dedicated on the Map as referred to in the legal description

For: Irrevocable Offer of Dedication for landscape easement and incidental purposes.

Affects: Lot A of Parcel 4

76. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

Lot A shall be owned and maintained by the homeowners association for landscaping purposes

Affects: Parcel 5

77. An easement shown or dedicated on the Map as referred to in the legal description

For: public utility and incidental purposes.

Affects: Parcel 5

78. An easement shown or dedicated on the Map as referred to in the legal description

For: Irrevocable Offer of Dedication for landscape easement and incidental purposes.

Affects: Lot A of Parcel 5

79. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

Lot A shall be owned and maintained by the homeowners association for landscaping, pedestrian and drainage purposes.

Affects: Parcel 6

80. An easement shown or dedicated on the Map as referred to in the legal description

For: public utility and incidental purposes.

Affects: Parcel 6

81. An easement shown or dedicated on the Map as referred to in the legal description

For: Drainage, Irrevocable Offer of Dedication for landscape easement and incidental purposes.

Affects: Lot A of Parcel 6

82. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

Lot A shall be owned and maintained by the homeowners association for landscaping purposes.

Lots B and C shall be owned and maintained by the homeowners association for landscaping, pedestrian and drainage purposes.

Affects: Parcel 7

83. An easement shown or dedicated on the Map as referred to in the legal description

For: public utility and incidental purposes.

Affects: Lots 1 through 60 and Lot A of Parcel 7

84. An easement shown or dedicated on the Map as referred to in the legal description

For: drainage and incidental purposes.

Affects: Lots B and C of Parcel 7

85. An easement shown or dedicated on the Map as referred to in the legal description

For: water line and incidental purposes.

Affects: Lot B of Parcel 7

86. An easement shown or dedicated on the Map as referred to in the legal description

For: Irrevocable Offer of Dedication for landscape easement and incidental purposes.

Affects: Lots A, B and C of Parcel 7

87. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

Lot A shall be owned and maintained by the homeowners association for landscaping purposes.

Affects: Parcel 8

88. An easement shown or dedicated on the Map as referred to in the legal description

For: public utility and incidental purposes.

Affects: Parcel 8

89. An easement shown or dedicated on the Map as referred to in the legal description

For: emergency vehicle access, sanitary sewer, water line, drainage, Irrevocable Offer of Dedication for landscape easement and incidental purposes.

Affects: Lot A of Parcel 8

90. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

Affects: Parcel 9

91. An easement shown or dedicated on the Map as referred to in the legal description

For: public utility and incidental purposes.

Affects: Parcel 9

92. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

Lot A shall be owned and maintained by the homeowners association for landscaping purposes.

Affects: Parcel 10

93. An easement shown or dedicated on the Map as referred to in the legal description

For: public utility and incidental purposes.

Affects: Parcel 10

94. An easement shown or dedicated on the Map as referred to in the legal description

    For: emergency vehicle access, sanitary sewer, water line, Irrevocable Offer of Dedication for landscape easement and incidental purposes.

    Affects: Lot A of Parcel 10

95. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

    All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

    Affects: Parcel 11

96. An easement shown or dedicated on the Map as referred to in the legal description

    For: public utility and incidental purposes.

    Affects: Parcel 11

97. The following matters shown or disclosed by the filed or recorded map referred to in the legal description: An easement for construction and maintaining centralized mail delivery boxes, pedestals and slabs, together with any and all appurtenances pertaining thereto, including pedestrian access for delivery and receipt of mail on, over, under and across those strips of land five (5.00) feet in width, lying contiguous to the avenue, way and streets shown hereon.

    All lots being created by this map include fee title to the centerline of the avenues, way and streets shown hereon, except where the public road easement line is also the common line of the subdivision boundary, then the fee title is to the subdivision boundary.

    Affects: Parcel 12

98. An easement shown or dedicated on the Map as referred to in the legal description

    For: public utility and incidental purposes.

    Affects: Parcel 12

99. Rights of the public in and to that portion of the Land lying within any Road, Street, Alley or Highway.

100. Water rights, claims or title to water, whether or not shown by the Public Records.

101. Rights of parties in possession.

102. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.

Prior to the issuance of any policy of title insurance, the Company will require:

103. With respect to The Greenbriar Project Owner, LLC, a Delaware limited liability company:
a. A copy of its operating agreement and any amendments thereto;
b. If it is a California limited liability company, that a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) be recorded in the public records;
c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) be recorded in the public records;
d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, that such document or instrument be executed in accordance with one of the following, as appropriate:
(i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such document must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
(ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
e. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require

104. An ALTA/NSPS survey of recent date which complies with the current minimum standard detail requirements for ALTA/NSPS land title surveys.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. General and special taxes and assessments for the fiscal year 2019-2020.

Affects	APN	TRA	1st Half, STATUS	Penalty	2nd half, STATUS	Penalty
Parcels 2 through 12, Portion of Parcel 1 and other property	201-0300-155-0000	03-350	$104,114.66, PAID	$0.00	$104,114.65, PAID	$0.00

2. The property covered by this report is vacant land.

3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

   None

4. It appears that a work of improvement is in progress or recently completed on the land. The Company will require various documents and information, including but not limited to a completed mechanics' lien risk analysis, construction contract(s), lien waivers, loan agreement, disbursement information, executed indemnity agreement and current financial information from proposed indemnitors, in order to determine whether mechanics' lien insurance can be issued. Other requirements may be made following the review of such documents and information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of Sacramento , County of Sacramento, State of California, described as follows:

PARCEL 1:

PARCELS 1, 2, 4 THROUGH 7, INCLUSIVE, 9 THROUGH 12, INCLUSIVE, 14, 16 THROUGH 18, INCLUSIVE, 20 THROUGH 26, INCLUSIVE, PARCELS A THROUGH E, INCLUSIVE AS SHOWN ON PARCEL MAP ENTITLED "MASTER PARCEL MAP OF GREENBRIAR PHASE 1 SUBDIVISION NO. Z18-096", RECORDED DECEMBER 11, 2019, IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, IN BOOK 238 OF PARCEL MAPS, AT PAGE 9.

EXCEPTING FROM LOTS 4, 5, 7, 9, 17 AND 18 THOSE PORTION LYING WITHIN THE FOLLOWING MAPS:
FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 2B, RECORDED AS BOOK 423 OF MAPS, AT PAGE 8;
FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 3B, RECORDED AS BOOK 423 OF MAPS, AT PAGE 6;
FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 4B, RECORDED AS BOOK 423 OF MAPS, AT PAGE 5;
FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 5A, RECORDED AS BOOK 423 OF MAPS, AT PAGE 4;
FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 9, RECORDED AS BOOK 423 OF MAPS, AT PAGE 10;
FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE EAST, RECORDED AS BOOK 423 OF MAPS, AT PAGE 2 AND IN FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE WEST, RECORDED AS BOOK 423 OF MAPS, AT PAGE 1.

EXCEPTING THEREFROM ALL OIL, OIL RIGHTS, MINERALS, MINERAL LIGHTS, NATURAL GAS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFORE AND REMOVING THE SAME FROM SAID LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND HEREINABOVE DESCRIBED, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, EXPLORE AND OPERATE THROUGH THE SURFACE OR THE UPPER 100 FEET OF THE SUBSURFACE OF THE LAND HEREINABOVE DESCRIBED OR OTHERWISE SUCH MANNER AS TO ENDANGER THE SAFETY OF ANY HIGHWAY THAT MAY BE CONSTRUCTED ON SAID LANDS, AS EXCEPTED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED AUGUST 6, 1965, IN BOOK 5301, PAGE 601, OFFICIAL RECORDS AND AS EXCEPTED IN THE FINAL ORDER OF CONDEMNATION OF THE STATE OF CALIFORNIA, RECORDED APRIL 11, 1967, IN BOOK 67-04-11, PAGE 373, OFFICIAL RECORDS, AS TO PORTIONS OF THE DESIGNATED REMAINDER.

FURTHER EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL,

GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 2:

LOTS 1 THROUGH 71, INCLUSIVE AND LOTS A AND B, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 2B", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 8.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 3:

LOTS 1 THROUGH 47, INCLUSIVE, LOT A AND DESIGNATED REMAINDERS 1 AND 2, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 3B", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 6.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 4:

LOTS 1 THROUGH 38, INCLUSIVE AND LOT A, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 4B", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 5.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 5:

LOTS 1 THROUGH 60, INCLUSIVE AND LOT A, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 5A", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 4.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 6:

LOTS 1 THROUGH 53, INCLUSIVE AND LOT A, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 5C", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 7.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 7:

LOTS 1 THROUGH 60, INCLUSIVE AND LOTS A THROUGH C, INCLUSIVE, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 7A", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 3.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 8:

LOTS 1 THROUGH 38, INCLUSIVE AND LOT A, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 9", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 10.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 9:

LOTS 1 THROUGH 85, INCLUSIVE, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 10A", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 9.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 10:

LOTS 1 THROUGH 64, INCLUSIVE AND LOT A, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 11", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 11.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 11:

LOTS 1 THROUGH 42, INCLUSIVE, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE EAST", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 2.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO

PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS, AND METALS, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND AND REAL PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING BUT NOT LIMITED TO THE RIGHTS TO EXPLORE FOR, DEVELOP, AND REMOVE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, INERT GASES, MINERALS AND METALS WITHOUT HOWEVER ANY RIGHT TO USE THE SURFACE OF SUCH LAND.

PARCEL 12:

LOTS 1 THROUGH 47, INCLUSIVE, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE WEST", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON SEPTEMBER 02, 2020, IN BOOK 423 OF MAPS, AT PAGE 1.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS AND MINERAL AND OTHER HYDROCARBON SUBSTANCES BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM CROCKER NATIONAL BANK, A NATIONAL BANKING ASSOCIATION TO PHILIP B. WALLACE AND BARBARA L. WALLACE, HIS WIFE, RECORDED MARCH 31, 1980 IN BOOK 800331, PAGE 1114, OFFICIAL RECORDS, SACRAMENTO COUNTY, AS TO PORTIONS OF PARCELS 1, 21, 27 AND THE DESIGNATED REMAINDER. A QUITCLAIM DEED RELEASING ALL RIGHTS TO ENTRY OF THE SURFACE OF SAID LANDS, RECORDED DECEMBER 31, 1984, IN BOOK 841231, AT PAGE 2729, OFFICIAL RECORDS.

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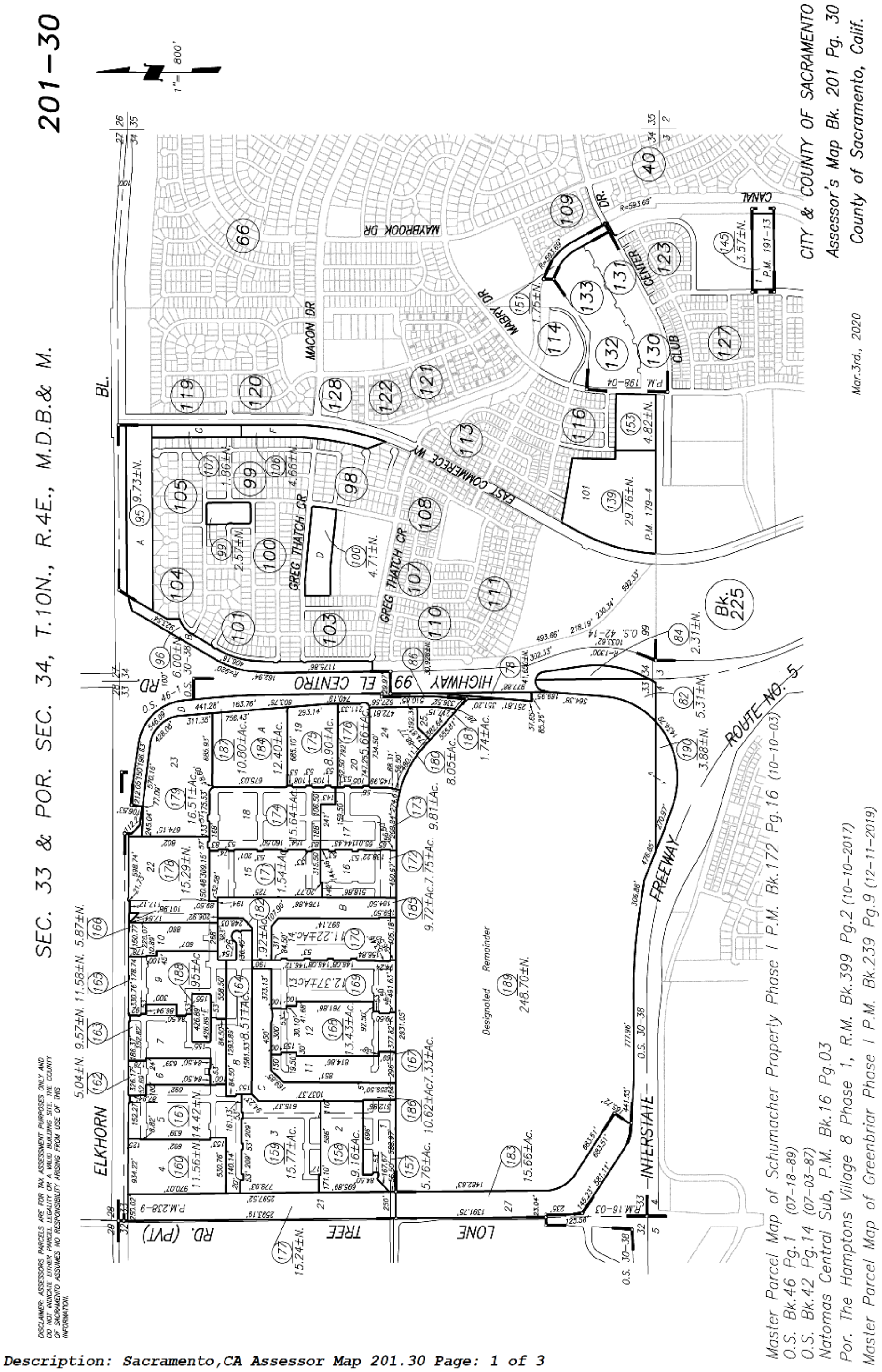
APN: 201-0300-155-0000 (Parcels 2 through 12, Portion of Parcel 1 and other property)

201-0300-0157-0000 (Parcel 1), 201-0300-0158-0000 (Parcel 2), 201-0300-0160-0000 (Parcel 4 and other property), 201-0300-0161-0000 (Parcel 5 and other property), 201-0300-0162-0000 (Parcel 6), 201-0300-0163-0000 (Parcel 7 and other property), 201-0300-0165-0000 (Parcel 9 and other property), 201-0300-0166-0000 (Parcel 10), 201-0300-0167-0000 (Parcel 11), 201-0300-0168-0000 (Parcel 12), 201-0300-0170-0000 (Parcel 14), 201-0300-0172-0000 (Parcel 16), 201-0300-0173-0000 (Parcel 17 and other property), 201-0300-0174-0000 (Parcel 18 and other property), 201-0300-0176 through 201-0300-0182-0000 (Parcels 20 through 26), 201-0300-0184-0000 through 201-0300-188-0000 (Parcels A through E) all of Parcel 1;

201-0300-0159-0000 (portion of Parcel 2 and other property), 201-0300-0160-0000 (Portion of Parcel 3 and other property), 201-0300-0161-0000 (portion of Parcels 2, 3 and 12 and other property), 201-0300-0163-0000 (Portion of Parcels 4 and 12 and other property), 201-0300-0164-0000 (Parcel 6 and other property), 201-0300-0165-0000 (Portion of Parcels 5 and 12 and other property), 201-0300-0169-0000 (Parcel 10 and other property), 201-0300-0171-0000 (Parcel 7 and other property), 201-0300-0173-0000 (Portion of Parcel 8 and 11 and other property), 201-0300-0174-0000 (Portion of Parcel 11 and other property), 201-0300-0175-0000 (Parcel 9 and other property) all New APN, not yet assessed.



Description: Sacramento,CA Assessor Map 201.30 Page: 1 of 3
Order: 7 Comment:

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

CLTA STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
   Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public, records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building;
   b. zoning;
   c. land use;

d. improvements on the Land;
e. land division; and
f. environmental protection.
This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.
   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:
For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or $2,500 (whichever is less)	$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or $5,000 (whichever is less)	$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or $5,000 (whichever is less)	$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or $2,500 (whichever is less)	$5,000

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
(a) a fraudulent conveyance or fraudulent transfer, or
(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II,[t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
(a) created, suffered, assumed, or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
(a) a fraudulent conveyance or fraudulent transfer, or
(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:
[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

    (i) the occupancy, use, or enjoyment of the Land;
    (ii) the character, dimensions, or location of any improvement erected on the Land;
    (iii) the subdivision of land; or
    (iv) environmental protection;

    or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
    (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
(a) created, suffered, assumed, or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the

Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

First American Title™

Privacy Notice

Effective: January 1, 2020

Notice Last Updated: January 1, 2020

This Privacy Notice describes how First American Financial Corporation and its subsidiaries and affiliates (together referred to as "First American," "we," "us," or "our") collect, use, store, and share your information. This Privacy Notice applies to information we receive from you offline only, as well as from third parties. For more information about our privacy practices, please visit https://www.firstam.com/privacy-policy/index.html. The practices described in this Privacy Notice are subject to applicable laws in the places in which we operate.

What Type Of Information Do We Collect About You? We collect both **personal** and **non-personal information** about and from you. **Personal information** is non-public information that can be used to directly or indirectly identify or contact you. **Non-personal information** is any other type of information.

How Do We Collect Your Information? We collect your **personal** and **non-personal information:** (1) directly from you; (2) automatically when you interact with us; and (3) from third parties, including business parties and affiliates.

How Do We Use Your Information? We may use your personal information in a variety of ways, including but not limited to providing the services you have requested, fulfilling your transactions, comply with relevant laws and our policies, and handling a claim. We may use your **non-personal information** for any purpose.

How Do We Share Your Personal Information? We do not sell your **personal information** to nonaffiliated third parties. We will only share your **personal information**, including to subsidiaries, affiliates, and to unaffiliated third parties: (1) with your consent; (2) in a business transfer; (3) to service providers; and (4) for legal process and protection. If you have any questions about how First American shares your **personal information**, you may contact us at dataprivacy@firstam.com or toll free at 1-866-718-0097.

How Do We Secure Your Personal Information? The security of your **personal information** is important to us. That is why we take commercially reasonable steps to make sure your **personal information** is protected. We use our best efforts to maintain commercially reasonable technical, organizational, and physical safeguards, consistent with applicable law, to protect your **personal information**.

How Long Do We Keep Your Personal Information? We keep your **personal information** for as long as necessary in accordance with the purpose for which it was collected, our business needs, and our legal and regulatory obligations.

Your Choices We provide you the ability to exercise certain controls and choices regarding our collection, use, storage, and sharing of your **personal information**. In accordance with applicable law, your controls and choices. You can learn more about your choices, and exercise these controls and choices, by sending an email to dataprivacy@firstam.com or toll free at 1-866-718-0097.

International Jurisdictions: Our Products are hosted and offered in the United States of America (US), and are subject to US federal, state, and local law. If you are accessing the Products from another country, please be advised that you may be transferring your **personal information** to us in the US, and you consent to that transfer and use of your **personal information** in accordance with this Privacy Notice. You also agree to abide by the applicable laws of applicable US federal, state, and local laws concerning your use of the Products, and your agreements with us.

We may change this Privacy Notice from time to time. Any and all changes to this Privacy Notice will be reflected on this page, and where appropriate provided in person or by another electronic method. **YOUR CONTINUED USE, ACCESS, OR INTERACTION WITH OUR PRODUCTS OR YOUR CONTINUED COMMUNICATIONS WITH US AFTER THIS NOTICE HAS BEEN PROVIDED TO YOU WILL REPRESENT THAT YOU HAVE READ AND UNDERSTOOD THIS PRIVACY NOTICE.**

Contact Us dataprivacy@firstam.com or toll free at 1-866-718-0097.

For California Residents

If you are a California resident, you may have certain rights under California law, including but not limited to the California Consumer Privacy Act of 2018 ("CCPA"). All phrases used in this section shall have the same meaning as those phrases are used under California law, including the CCPA.

Right to Know. You have a right to request that we disclose the following information to you: (1) the categories of **personal information** we have collected about or from you; (2) the categories of sources from which the **personal information** was collected; (3) the business or commercial purpose for such collection and/or disclosure of your personal information; (4) the categories of third parties with whom we have shared your **personal information**; and (5) the specific pieces of your **personal information** we have collected. To submit a verified request for this information, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097 and submitting written proof of such authorization to dataprivacy@firstam.com.

Right of Deletion. You also have a right to request that we delete the **personal information** we have collected from you. This right is subject to certain exceptions available under the CCPA and other applicable law. To submit a verified request for deletion, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097 and submitting written proof of such authorization to dataprivacy@firstam.com.

Verification Process. For either a request to know or delete, we will verify your identity before responding to your request. To verify your identity, we will generally match the identifying information provided in your request with the information we have on file about you. Depending on the sensitivity of the personal information requested, we may also utilize more stringent verification methods to verify your identity, including but not limited to requesting additional information from you and/or requiring you to sign a declaration under penalty of perjury.

Right to Opt-Out. We do not sell your personal information to third parties, and do not plan to do so in the future.

Right of Non-Discrimination. You have a right to exercise your rights under California law, including under the CCPA, without suffering discrimination. Accordingly, First American will not discriminate against you in any way if you choose to exercise your rights under the CCPA.

Collection Notice. The following is a list of the categories of personal information we may have collected about California residents in the twelve months preceding the date this Privacy Notice was last updated, including the business or commercial purpose for said collection, the categories of sources from which we may have collected the personal information, and the categories of third parties with whom we may have shared the personal information:

Categories of Personal Information Collected	The categories of personal information we have collected include, but may not be limited to: real name; signature; alias; SSN; physical characteristics or description, including protected characteristics under federal or state law; address; telephone number; passport number; driver's license number; state identification card number; IP address; policy number; file number; employment history; bank account number; credit card number; debit card number; financial account numbers; commercial information; internet or other electronic network activity; geolocation data; audio and visual information; professional or employment information; and inferences drawn from the above categories to create a profile about a consumer.
Categories of Sources	Categories of sources from which we've collected **personal information** include, but may not be limited to: the consumer directly; public records; governmental entities; non-affiliated third parties; social media networks; affiliated third parties
Business Purpose for Collection	The business purposes for which we've collected **personal information** include, but may not be limited to: completing a transaction for our Products; verifying eligibility for employment; facilitating employment; performing services on behalf of affiliated and non-affiliated third parties; debugging to identify and repair errors that impair existing intended functionality on our Websites, Applications, or Products; protecting against malicious, deceptive, fraudulent, or illegal activity

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Categories of Third Parties Shared	The categories of third parties with whom we've shared **personal information** include, but may not be limited to: advertising networks; internet service providers; data analytics providers; service providers; government entities; operating systems and platforms; social media networks; non-affiliated third parties; affiliated third parties

Categories of Personal Information We Have Sold In The Past Year. We have not sold any personal information of California residents to any third party in the twelve months preceding the date this Privacy Notice was last updated.

Categories of Personal Information Disclosed For A Business Purpose In The Past Year. The following is a list of the categories of **personal information** of California residents we may have disclosed for a business purpose in the 12 months preceding the date this Privacy Notice was last updated: The categories of personal information we have collected include, but may not be limited to: real name; signature; alias; SSN; physical characteristics or description, including protected characteristics under federal or state law; address; telephone number; passport number; driver's license number; state identification card number; IP address; policy number; file number; employment history; bank account number; credit card number; debit card number; financial account numbers; commercial information; internet or other electronic network activity; geolocation data; audio and visual information; professional or employment information; and inferences drawn from the above categories to create a profile about a consumer.

Summary of Infrastructure Costs

The Greenbriar Project Owner, LLC
Prepared 10/31/20

Description	Production Unit	Updated 8/31/2020 Lennar Budget	Committed	% Committed	
Land		84,909,761	84,909,761	100.00%	
Pre Loan Mapping	02002	448,029	448,029	100.00%	
Entitlement Phase I	02005	3,891,505	1,518,666	39.03%	
Project Soft Costs	12060	1,960,743	1,418,478	72.34%	
Backbone:					
Grading/Earthwork	04010	6,570,123	6,470,586	98.49%	
Sewer	04245	5,842,807	5,842,807	100.00%	
Drainage	04248	10,695,028	10,406,783	97.30%	
Water	04250	8,309,730	7,358,558	88.55%	
Concrete/Roadwork	04256	7,687,855	6,444,531	83.83%	
Landscaping	04285	6,760,461	1,866,814	27.61%	
Dry Utilities	04289	5,411,997	5,202,140	96.12%	
Develop Soft Costs	04291	2,323,818	2,275,099	97.90%	
Develop Fees	04293	4,398,693	2,053,634	46.69%	
Builders Fees Due	04295	-	-	#DIV/0!	
Bonds	04297	1,365,266	569,123	41.69%	
	Backbone Sub-Total	**59,365,779**	**48,490,075**	**81.68%**	
Hard Cost Contingency	02015	2,812,145	-	0.00%	
Amenities:					
Neighborhood Park	08035	970,606	131,734	13.57%	
Community Park	09035	5,117,894	607,400	11.87%	
Community Center	02009	3,223,381	694,533	21.55%	
Public Amenities	11050	-		#DIV/0!	
	Amenities Sub-Total	**9,311,881**	**1,433,667**	**15.40%**	
Intracts:					
Village 1	13800	1,272,756	83,235	6.54%	
Village 2A	13900	1,704,533	189,050	11.09%	
Village 2B	14000	3,184,651	2,767,585	86.90%	
Village 3A	14900	2,705,709	203,885	7.54%	
Village 3B	15000	2,367,815	2,267,110	95.75%	
Village 4A	15900	1,210,369	141,800	11.72%	
Village 4B	16000	1,854,319	1,739,491	93.81%	
Village 5A	17000	2,558,376	2,404,733	93.99%	
Village 5B	17100	1,240,284	152,880	12.33%	
Village 5C	17200	1,982,066	1,744,610	88.02%	
Village 6	17500	3,106,140	222,050	7.15%	
Village 7A	18000	2,712,993	2,371,999	87.43%	
Village 7B	18100	1,921,283	165,990	8.64%	
Village 8	18500	2,235,760	190,510	8.52%	
Village 9	19000	1,605,314	1,162,748	72.43%	
Village 10A	20000	3,280,315	2,737,280	83.45%	
Village 10B	20100	2,217,877	904,389	40.78%	
Village 11	21000	3,740,113	3,894,618	104.13%	
Village 12A	22000	3,683,608	496,978	13.49%	
Village 12B	22100	1,762,397	175,990	9.99%	
	Intract Sub-Total	**46,346,679**	**24,016,931**	**51.82%**	*Includes Contingen*
Excise Tax, CFD 97-01 Reimb	04299	(3,064,988)		0.00%	
CFD Reimbursement Ph 1		(32,331,777)		0.00%	
Project Level Contingency	13027	3,600,000		0.00%	
Total Project		**177,249,756**	**162,235,607**	**91.53%**	

Total Hard Cost Analysis:	**Budget**	**Committed**	**% Committed**	
Hard Costs	**68,677,660**	**49,923,742**	**72.69%**	
Uncommitted Hard Costs		**18,753,918**		
Hard Costs Contingency	**2,812,145**	**14.99%**	Contingency % of Uncomitted Costs	

Intract Only Analysis:	**Budget**	**Committed**	**% Committed**	
Intract Costs	**43,106,678**	**24,016,931**	**55.72%**	
Uncommitted Intract Costs		**19,089,747**		
Intract Contingency	**3,240,001**	**16.97%**	Contingency % of Uncomitted Costs	

Eligible Facilities

The Greenbriar Project Owner, LLC
Table 1. Cash Flow (Estimated CFD Eligible Facilities and Fees)_With Soft Costs (15%)

FACILITIES		Estimated Completion Dates												
		9/30/2020	**10/31/2020**	**11/30/2020**	**12/31/2020**	**1/31/2021**	**2/28/2021**	**3/31/2021**	**4/30/2021**	**5/31/2021**	**6/30/2021**	**7/31/2021**	**8/31/2021**	**9/30/2021**
West Plans	Village West Sewer						$ 2,191,503							
West Plans	Village West Drainage						$ 1,530,598							
West Plans	Village West Water						$ 1,059,274							
West Plans	Village West T-Main						$ 1,893,772							
West Plans	Schedule A2 Concrete, Village West							$ 1,063,166						
West Plans	Village West Top Side							$ 4,013,418						
West Plans	Elkhorn Blvd (Streetlight)							$ 1,140,231						
West Plans	Street 1 (Streetlight)							$ 539,260						
West Plans	Signal S1						$ 436,157							
West Plans	Signal S2						$ 398,015							
West Plans	Signal S4						$ 338,850							
East Plans	Village East Sewer						$ 1,345,239							
East Plans	Village East Drainage						$ 1,456,978							
East Plans	Village East Water						$ 1,143,945							
East Plans	Village East T-Main						$ 284,982							
East Plans	Schedule B2 Concrete, Village East							$ 641,864						
East Plans	Village East Top Side							$ 1,794,491						
Sewer/Lift	Trunk Sewer						$ 1,194,390							
Sewer/Lift	Lift Station							$ 2,012,191						
I5 T-Main	Interstate 5 T-Main Undercrossing	$ 1,143,248												
99 T-Main	Elkhon Blvd. W. side brdge to Commerce		$ 347,238	$ 645,374	$ 936,772									
Landscape	Public Landscaping							$ 1,150,000						
Signal S8	Signal S8 (99 Offramp)													
Comm Park	Community Park													$ 5,885,578
Neigh Park	Neighborhood Park													$ 1,116,197
Lump Sum Payment	Traffic Congestion Fee	$ 900,000												
Lump Sum Payment	Police Repeater Fee				$ 120,000									
	TOTAL FACILITIES	$ 2,043,248	$ 347,238	$ 645,374	$ 1,056,772	$ -	$ 13,273,703	$ 12,354,621	$ -	$ -	$ -	$ -	$ -	$ 7,001,775
	TOTAL FACILITIES (CUMULATIVE)	**$ 2,043,248**	**$ 2,390,486**	**$ 3,035,860**	**$ 4,092,632**	**$ 4,092,632**	**$ 17,366,335**	**$ 29,720,956**	**$ 29,720,956**	**$ 29,720,956**	**$ 29,720,956**	**$ 29,720,956**	**$ 29,720,956**	**$ 36,722,731**
FEES														
Fees	Lennar Permits ($30.2K average per unit) [1]	$ -	$ -	$ 784,107	$ 361,896	$ 965,055	$ 934,897	$ 983,917	$ 953,170	$ 983,917	$ 891,675	$ 1,106,907	$ 983,917	$ 983,917
	TOTAL FEES (CUMULATIVE)	**$ -**	**$ -**	**$ 784,107**	**$ 1,146,003**	**$ 2,111,058**	**$ 3,045,955**	**$ 4,029,872**	**$ 4,983,042**	**$ 5,966,959**	**$ 6,858,634**	**$ 7,965,541**	**$ 8,949,458**	**$ 9,933,375**
TOTAL FACILITIES AND FEES		$ 2,043,248	$ 347,238	$ 1,429,481	$ 1,418,667	$ 965,055	$ 14,208,600	$ 13,338,538	$ 953,170	$ 983,917	$ 891,675	$ 1,106,907	$ 983,917	$ 7,985,692
TOTAL (CUMULATIVE)		**2,043,248**	**2,390,486**	**3,819,968**	**5,238,635**	**6,203,690**	**20,412,290**	**33,750,828**	**34,703,998**	**35,687,915**	**36,579,590**	**37,686,497**	**38,670,414**	**46,656,106**

Facilities %	80%
Fees %	20%

Footnotes:
[1] See Table 2 (Permits pulled schedule) and Table 3 (Detail for $30.2k estimate). Note: The $30.2K average per unit estimate includes a $14,736 Twin Rivers Unified School mitigation fee applicable through Feb 2021. The rate will increase in March 2021 (escalation factor to be determined; placeholder escalation of 4% assumed for illustrative purposes), which increases the total average from $30.2k to $30.7k (March-Sep 2021)

The Greenbriar Project Owner, LLC

Table 2. Estimated CFD Eligible Fees Summary (City/County/School)

						PERMITS [1]						
		Actual	Forecast									
		Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021
41x68		**4**	0	4	4	4	4	4	4	4	4	4
41x90		**3**	0	4	3	4	3	4	4	5	4	4
50x80/85		**5**	0	4	4	4	4	4	4	4	4	4
45x100		**5**	4	4	4	4	4	4	3	5	4	4
55x85		**5**	0	4	4	4	4	4	4	4	4	4
50x100		**4**	4	4	4	4	4	4	3	5	4	4
55x100		**0**	0	4	4	4	4	4	4	4	4	4
60x110		**0**	4	4	4	4	4	4	3	5	4	4
PERMITS [2]	325	**26**	12	32	31	32	31	32	29	36	32	32
			101 (BEFORE FEB 2021 BOND SALE)						**224 (AFTER FEB 2021 BOND SALE)**			
CITY FEES (AVG.)	$ 8,537	$ 221,955	$ 102,441	$ 273,176	$ 264,639	$ 273,176	$ 264,639	$ 273,176	$ 247,566	$ 307,323	$ 273,176	$ 273,176
					$ 862,211							**$ 1,912,231**
											TOTAL CITY FEES	**$ 2,774,442**
COUNTY FEES (AVG.)	$ 6,885	$ 179,016	$ 82,623	$ 220,327	$ 213,442	$ 220,327	$ 213,442	$ 220,327	$ 199,672	$ 247,868	$ 220,327	$ 220,327
					$ 695,408							**$ 1,542,290**
											TOTAL COUNTY FEES	**$ 2,237,698**
TWIN RIVERS USD [3]	$ 14,736	$ 383,136	$ 176,832	$ 471,552	$ 456,816	$ 490,414	$ 475,089	$ 490,414	$ 444,438	$ 551,716	$ 490,414	$ 490,414
					$ 1,488,336							**$ 3,432,899**
											TOTAL TRUSD FEES	**$ 4,921,235**
TOTAL FEES [4]	$ 30,158	$ 784,107	$ 361,896	$ 965,055	$ 934,897	$ 983,917	$ 953,170	$ 983,917	$ 891,675	$ 1,106,907	$ 983,917	$ 983,917
					$ 3,045,955							**$ 6,887,420**
					(Bond Funded)							(Prepaid)
											TOTAL FEES	**$ 9,933,375**

Footnotes:

[1] Per Integral/Lennar updates

[2] Lot Takedown #1 = 145 lots (133 permits pulled from Nov 2020 to Mar 2021, remaining 12 permits to be pulled in 2022+), Lot Takedown #2 = 96 lots (permits pulled from Apr to portion of July 2021), Lot takedown #2 = 96 lots (96 permits pulled from Aug to Oct

[3] $14,736 is the rate through Feb 2021 per the mitigation agreement. The rate will increase in March 2021 (escalation factor to be determined; placeholder escalation of 4% assumed for illustrative purposes)

[4] See Table 3

The Greenbriar Project Owner, LLC
Table 3. Estimated CFD Eligible Fees

	(41' x 68') Per Lot	(41' x 90') Per Lot	(50' x 80') Per Lot	(50' x 80'/85') Per Lot	(45' x 100') Per Lot	(55' x 85') Per Lot	(50' x 100') Per Lot	(55' x 100') Per Lot	(60' x 110') Per Lot	
City Fees										
Major Street Construction Excise Tax	$ 2,077	$ 2,320	$ 2,725	$ 2,725	$ 2,564	$ 2,636	$ 2,847	$ 3,094	$ 3,455	
Water Development Fee	$ 3,143	$ 3,143	$ 3,143	$ 3,143	$ 3,143	$ 3,143	$ 3,143	$ 3,143	$ 3,143	
Water Meter Fee	$ 562	$ 562	$ 562	$ 562	$ 562	$ 562	$ 562	$ 562	$ 562	
Park Fees -Local and Community Turnkey	$ 3,800	$ 3,800	$ 3,800	$ 3,800	$ 3,800	$ 3,800	$ 3,800	$ 3,800	$ 3,800	
Park Fees -Citywide Regional	$ 1,940	$ 1,940	$ 1,940	$ 1,940	$ 1,940	$ 1,940	$ 1,940	$ 1,940	$ 1,940	
NN-Regional Park	$ 1,491	$ 1,491	$ 1,491	$ 1,491	$ 1,491	$ 1,491	$ 1,491	$ 1,491	$ 2,343	
NN-Fire	$ 420	$ 420	$ 420	$ 420	$ 420	$ 420	$ 420	$ 420	$ 585	
NN-Community Center	$ 564	$ 564	$ 564	$ 564	$ 564	$ 564	$ 564	$ 564	$ 755	
Transit	$ 694	$ 694	$ 694	$ 694	$ 694	$ 694	$ 694	$ 694	$ 834	
Total City Fees	**$ 14,691**	**$ 14,934**	**$ 15,339**	**$ 15,339**	**$ 15,178**	**$ 15,250**	**$ 15,461**	**$ 15,708**	**$ 17,417**	
								City Fees (Avg.)	**$ 15,480**	
Est. Water Fee Credit (Ave. over all the Ph 1 DU's)	($3,143)	($3,143)	($3,143)	($3,143)	($3,143)	($3,143)	($3,143)	($3,143)	($3,143)	
Est. Local Park Fee Credit (Ave. over all the Ph 1 DU's)	($3,800)	($3,800)	($3,800)	($3,800)	($3,800)	($3,800)	($3,800)	($3,800)	($3,800)	
Total City Fees (Credits)	**$ (6,943)**	**$ (6,943)**	**$ (6,943)**	**$ (6,943)**	**$ (6,943)**	**$ (6,943)**	**$ (6,943)**	**$ (6,943)**	**$ (6,943)**	
								City Credits	**$ (6,943)**	
								Total City Fees (Avg.)	**$ 8,537**	A
County Fees										
SAFCA Levee Development Impact Fee	$ 4,165	$ 4,692	$ 5,568	$ 5,568	$ 5,219	$ 5,375	$ 5,833	$ 6,369	$ 7,150	
SASD Sewer Fee (Creditable)	$ 1,064	$ 1,409	$ 1,527	$ 1,622	$ 1,718	$ 1,785	$ 1,909	$ 2,099	$ 2,290	
Sacto. Trans. Authority (STA) Fee	$ 1,329	$ 1,329	$ 1,329	$ 1,329	$ 1,329	$ 1,329	$ 1,329	$ 1,329	$ 1,329	
Sacto. Trans. Authority (STA) Admin. Fee	$ 27	$ 27	$ 27	$ 27	$ 27	$ 27	$ 27	$ 27	$ 27	
Total City Fees	**$ 6,584**	**$ 7,456**	**$ 8,451**	**$ 8,546**	**$ 8,293**	**$ 8,515**	**$ 9,097**	**$ 9,824**	**$ 10,796**	
								County Fees (Avg.)	**$ 8,618**	
Est. SASD Sewer Fee Credit (Avg. over all Ph 1 DU's)	($1,733)	($1,733)	($1,733)	($1,733)	($1,733)	($1,733)	($1,733)	($1,733)	($1,733)	
Total County Fees (Credits)	**$ (1,733)**	**$ (1,733)**	**$ (1,733)**	**$ (1,733)**	**$ (1,733)**	**$ (1,733)**	**$ (1,733)**	**$ (1,733)**	**$ (1,733)**	
								County Credits	**$ (1,733)**	
								Total County Fees (Avg.)	**$ 6,885**	B
Twin Rivers Unified School District (TRUSD) Fee										
Mitigation Payment (rate through Feb 2021)	$ 14,736	$ 14,736	$ 14,736	$ 14,736	$ 14,736	$ 14,736	$ 14,736	$ 14,736	$ 14,736	
								TRUSD Fees (Avg.)	**$ 14,736**	C
								TOTAL FEES	**$ 30,158**	A+B+C

Market Absorption Study (Prepared by Gregory Group)

Northlake

Prepared for The City of Sacramento

Sacramento, California

THE Gregory Group

October 2020

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Objective

This analysis was prepared by The Gregory Group, a market research firm that specializes in providing information and consulting services to the building industry. The Gregory Group provides quarterly market analysis for the nation, the state of California and the MSAs of California; compiles a quarterly new-home database for MSA's within the State of California and performs consulting and feasibility analysis throughout the western United States.

The Gregory Group was commissioned by the City of Sacramento to perform this Market Absorption Study related to development of the Northlake master planned community located in the City of Sacramento (Community of Natomas). The primary objective of this analysis was to provide an overview of new and existing housing within the Sacramento Region, Sacramento County and the competitive market area in order to provide a Market Absorption Study for the Northlake master planned community.

Northlake is located north of Interstate 5, west of Highway 99 and south of Elkhorn Boulevard and is planned to offer a total of 2,753 units on 577-acres (4.77 units per acre). The project includes 2,175 single-family units and multi-family, for-rent housing (389 units), affordable for-rent senior housing (189 units), 37-acres of commercial uses and 140-acres of lakes, open space, and wildlife habitat. This absorption study is concerned with only Phase 1 of the project including 1,137 units with eight for-sale product types and lot sizes ranging from 2,788 to 6,600 square feet.

Contact Information

Greg Paquin, President, conducted the analysis and developed conclusions. Follow-up questions can be directed to:

Greg Paquin at 916.983.3524 or gpaq@thegregorygroup.com.

Executive Summary

COVID-19 (Coronavirus) and the Economy

COVID-19

On December 29th of 2019, Chinese authorities identified a small cluster of similar cases of pneumonia in the city of Wuhan, Hubei Province, China, a city with a population of 11 million residents. On December 31st, Chinese authorities alerted the World Health Organization (WHO) to the cluster of cases that have been associated with the local seafood and animal market. Recent research has speculated that the virus may have been active as early as late summer/early fall in China and even in Europe. The first case outside of China was officially reported in Thailand on January 13, 2020 and on January 30, 2020 the WHO declared a global health emergency associated with the virus. A month and a half later on March 11th, the WHO declared COVID-19 a pandemic.

By definition, a novel coronavirus is a disease caused by a new infectious virus (a coronavirus is a large family of zoonotic viruses which have the ability to transfer from animals to humans): the current coronavirus is called COVID-19. COVID-19 is highly infectious (from person to person) and is estimated to have a RO (replication number) of between 1.5 and 3.5 (the common flu has a RO of 1.3), meaning that every person that has the disease spreads it to between 1.5 and 3.5 other people. As a pathogen, it is highly effective because it is self-replicating (once the virus infects the host, the host becomes a cellular manufacture of the virus and a higher RO correlates with a higher spread of the disease). In addition, there may be new evidence that the virus is mutating and becoming less lethal (except perhaps, within specific age and preexisting disease segments). COVID-19 can cause illnesses that vary in severity, ranging from those that exhibit no symptoms (asymptomatic), to those that exhibit only mild flu like symptoms to those that become extremely ill, in need of hospitalization and a ventilator and even die.

There is a lot of discussion (often political and unscientifically based) about the severity of COVID-19 and whether it was worth shutting down the entire economy for deaths that appeared to be, at varying times, not much more significant than the common flu. While a discussion of how and when to open up the economy was warranted, the initial estimates were that COVID-19 was more contagious and lethal to the entire population and would result in the overwhelming of hospitals and a significantly greater death toll than the common flu if left unchecked. While it is still too early to know the exact numbers related to death rates, estimates of COVID-19 death rates, even conservative estimates, have resulted in greater deaths than with the common flu. Furthermore, a lower rate of death and a lowering RO value will result in fewer long-term deaths (and certainly less than if nothing was done at all). Therefore, it appears that the current course of action was warranted and effective, even if there has been a significant (hopefully short-term) disruption to the economy.

While it appeared that the rate of infection was declining (flattening the curve), as of late summer, infection rates are again increasing. In fact, after much of America had reopened and residents were returning to “normal”, many were engaging in activities that contributed to the spread of the virus (going to crowed bars, the beach and parties, not social distancing or wearing masks, etc.). The result has been an increase in positive cases (but not a corresponding spike in hospitalizations or even deaths). This has led to many states providing guidance on the wearing of masks while others are slower to reopen than originally hoped for.

As has been true throughout much of this crisis, the future is largely unknown. However, it does appear likely that reopening will continue to be piecemeal. In fact, short of new government mandated shelter-in-place orders, it is believed that many people will decide to self shelter-in-place. It is probable that the overall economy will feel the effects of less business activity; and this may not be alleviated until people feel safe and secure from further spread of the virus (the virus dies out or there is a vaccine--despite the fact that a recent poll suggests only 50% of people will get a vaccine when one becomes available--especially if a vaccine is rushed out).

Economy

To-date one thing is known: the current disruption brought about by COVID-19 has had a significant impact on the US and world economies. Almost ninety-percent of the US population had been living under a shelter-in-place order which required that all residents do not gather and congregate, work from home and do not leave the house except for essential needs. Restaurants, bars, movie theatres, work conferences and sporting events (to name just a few) had been delayed, reconfigured, cancelled or shutdown completely. While almost all states have loosened up shelter in place orders, the original order has resulted in a massive contraction of economic activity.

The overall economy had been performing well heading into 2020 with homebuilding leading the way. Initial sales activity early in the year projected 2020 to be the best sales year since the Great Recession a decade earlier. And while recent data points all confirmed this (everything from GDP growth, employment growth, unemployment, personal consumption, etc.), the data is backward looking; as newer data are released, it has become apparent that the winding down of the US economy has had significant repercussions. In fact, data from the government has stated that a recession actually began in February of this year.

The federal government has passed several aid packages (and is negotiating additional aid as the original extended unemployment benefits have expired) aimed at supporting the economy which includes everything from direct payments to citizens, extended unemployment insurance to relief for both large and small companies. But the damage has been devastating for many people and companies, especially smaller business that rely on current customers and do not have large cash reserves to see them through especially difficult times and people that make moderate wages and have little cash on hand for emergencies. It was hoped that many of these companies would be able to restart their business after a recovery began; but with multiple shutdowns, diminishing help from the government and a hesitant population, they may simply not have the money to do so. In fact, both large and small companies have either declared bankruptcy, are considering bankruptcy or have simply shut down. A second aid package appears to have stalled with passage unlikely until after the November election.

In addition, there is also the potential that cultural habits will shift: how will the increased emphasis of working from home affect future office leasing decisions? Will the flexibility that renting allows become even more popular? Will anyone go to the theatre again with streaming services that more people are using and enjoying? Will health clubs continue to flourish as streaming workouts are sprouting up by the hundreds? Will people decide that consuming less will lead to a better life? In fact, a recent survey by CBS News suggests that once shelter in place orders were lifted only 29% of people would visit a bar or restaurant, only 15% would get on an airplane and only 13% would attend a large event. History would tell us that some things may change, but major disruptions in consumer habits have historically been slow to materialize…the honest answer is that we just don't know yet.

As businesses have been slowly opening up, they are attracting customers, but most at a slower rate than what they may have expected as people slowly emerge from the shelter-in-place orders (recent polls have suggested that many people are being more cautious in reemerging and participating fully in the economy).

Current information is beginning to materialize:

- In the current crisis, jobless claims have reached a total of 62.763 million people as of the week of October 1, 2020; from a high of 6.867 million people for the week of April 14 to 849,000 people for the week of October 1.
- Job numbers: 1.373 million lost jobs in March, 20.787 million lost jobs in April, a surprising 2.725 million jobs gained in May, 4.781 million jobs gained in June, 1.763 million new jobs gained in July, 1.489 new jobs in August and 661,000 new jobs in September (steady progress but at a declining rate).
- On March 1, 2020 the number of people passing through airport security was 99.1% of a year earlier; given the current crisis, airport traffic reached a low of 3.6% compared to a year earlier on April 16 and is 35.0% of a year earlier as of October 1.
- Daily commercial flights decreased from a high of 109,732 on February 28, 2020 to a low of 23,926 on April 12 (a decline of 78.2%) but have been increasing during the past several months and as of October 1 there were 73,420 flights (an increase of 206.9%).
- Hotel occupancy rates have plunged, but are inching upward; for US markets, the average occupancy rate bottomed at 24.5% in April; while increasing, the occupancy rate is still low at 48.8% in August (average hotel occupancy in the US was 71.4% in August of 2019).

Recent reports by Wells Fargo Bank provide short-term projections that reveal the depth of the current crisis (all numbers are from Wells Fargo unless otherwise noted):

- GDP: Q1:-5.0% (actual); Q2: -31.7% (actual); Q3: 25.4% and Q4: 7.2% (a decline of 4.2% for the year and an increase of 4.6% in 2021).
- Employment (average monthly change): Q1: -303,000 jobs (actual); Q2: -4,427,000 jobs (actual); Q3: 1,268,000 new jobs and Q4: 617,000 new jobs.
- Unemployment Rate: Q1: 3.8% (actual); Q2: 13.0% (actual); Q3: 8.9% and Q4: 7.8%.
- Personal Consumption: Q1: -6.9% (actual); Q2: -34.1% (actual); Q3: 39.4% and Q4: 5.9%.
- US Housing Starts: Q1: 1.48 million (actual); Q2: 1.06 million (actual); Q3: 1.37 million and Q4: 1.28 million.
- 30-Year Mortgage Rates: Q1:3.45% (actual); Q2: 3.16% (actual); Q3: 2.85% and Q4: 2.80%.

The above estimates were published between the weeks of July 9 and September 10, and it is possible that job losses will be greater, GDP will be lower, and unemployment will be higher. Furthermore, despite some positive economic news, it is possible that the resurgence of the virus could cause even greater economic damage than first imagined.

While very few industries have prospered during the COVID-19 crisis (other than Amazon, Walmart and similar companies and streaming services for example); there is emerging evidence that the building industry fared better than other industries. However, there are also some risk factors including: the stability of smaller builders and their ability to manage through a crisis with very little cash on hand, supply chain disruptions (higher lumber prices) and changing buyer attitudes (moving to the suburbs or moving out-of-state).

Ultimately, and even as communities continue to relax shelter-in-place orders, businesses reopen and people re-emerge from their homes, the economic impact has been profound, but if the virus is not corralled (and allowances are not made to alleviate the current resurgence in COVID-19 cases, it could prove to be a longer lasting depression than a simple recession. In fact, many economists are now saying that economic activity will not reach some form of normality until at least 2022 (while some industries like business travel may take a decade to return to pre-COVID levels).

There are currently three working scenarios of how the economy will behave on its continued (and some say, long lasting) return to normalcy:

- **A "V" shaped recovery**: a sharp contraction is followed by just as sharp of a recovery. This is a scenario that some economists and hopeful business groups had been working with based on the sudden impact of COVID-19 and not a fundamental or structural issue with the economy. It makes sense that once the virus is extinguished, economic activity can return to normal; however, the longer the virus lingers and the longer that businesses cannot open, and people cannot get back to work, the less likely a true "V" shaped recovery will occur.

  While a "V" shaped recovery has largely been disproven, with each passing day the slope of the recovery becomes flatter (time away from work or from businesses opening as well as limited occupancy when businesses have opened, is not a friend to the recovery). While current "V" shaped recovery proponents, and there are still a few, believe that the first and second quarters will post negative GDP growth with the third and fourth quarters posting strong positive growth; a continuing struggle with the virus may push positive growth into late 2020 and 2021.

  The recession of 1982 – 1983 was a classic "V" shaped recession; the remainder of the decade resulted in strong economic growth with housing being one of the leading industries. A similar recovery is possible in 2020 as the economy, while slowing, was not exhibiting any major structural issues and when considering housing, there was a significant undersupply of available housing, strong financial markets, steady incomes in the home buying population and positive buyer demand that may not have abated.

  While many economists originally believed that a "V" shaped recovery was possible if not probable; most agree now that a "V" shaped recovery is very unlikely due primarily to the length and severity of the economic shut-down. It should be noted that several industries (like housing) are initially experiencing a "V" shaped recovery, while many others have not bounced back as readily.

- **A “U” shaped recovery**: a sharp contraction is followed by a period of time where not much economic activity is taking place (certainly no real positive economic growth) at which point some time in the future, growth resumes (and it can resume at a strong rate). If too much damage is done to the economy for too long a period of time, the potential for a quick recovery diminishes; in this scenario, it will take time to ramp up economic activity. Think of it as a lost demand scenario on a larger scale (if you usually eat out two-times a week you won’t necessarily eat out four-times a week once the recovery begins and that trip to Europe may be replaced by a trip to Carmel; still economic growth through consumer spending, but not as much as originally planned).

  The most recent example of a “U” shaped recovery is the Great Recession of 2008 when there was a sharp contraction and anemic (horizontal) growth for several years before the economy started to post true positive growth again. Under the “U” shaped recovery scenario, it is possible that growth may turn positive in late 2020 but that true economic growth would not occur until 2021 or beyond.

  Recently, another variation to the “U” shaped recovery is emerging (boosted by the recent positive employment numbers); the decrease in economic activity is followed by a sharp initial increase in growth (due to large sectors of pent up demand) and then the recovery splits and either continues in a growth path or declines on a recessionary path. At some point in the future, the recovery resumes strong growth (and both paths merge—usually at some distant point in the future). This is being called a “K” shaped recovery.
- **A “L” shaped recovery**: a sharp contraction is followed by a longer period of limited growth. This would be the worst-case scenario, may result in a depression and would most likely not result in economic growth until beyond 2022. The Great Depression was an “L” shaped recovery; while the brunt of the depression occurred in the early 1930’s, no real recovery occurred the entire decade.

The current working theory that makes the most sense related to this analysis, however, is that the recovery will be a “K” shaped recovery; with positive growth in sectors like on-line shopping, homebuilding and technology and declining growth in sectors like travel, education and hospitability. This would result in a mixed initial recovery (positive overall), but an economic engine that is not firing on all cylinders and has the potential of mis-firing.

Despite the current recession and economic shutdown of the economy, the housing market, after a brief but severe slowdown, has emerged to levels that are better than before the crisis began in mid-March. Pricing is beginning to increase significantly, and sales have resumed a pattern of robust activity. It is believed that this is attainable for the longer term as the economy rises out of a recession and interest rates remain low.

With COVID-19, The Future Will Look A Lot Different Than The Past…

COVID-19 is changing the economic landscape in fundamental and significant ways. But despite the dramatic measures that are taking place both socially and economically, the true effects are largely unknown and may not be fully understood for years in the future. The US economy has dipped into a recession (as of February) and given the complete shutdown of most industries and stay-at-home orders for more than ninety-percent of the US population, there has been soaring unemployment, falling economic growth, significant increases in national debt; really, a total restructuring of the US economy. COVID-19 may have far greater reach than just the health and economic impacts; the US may see a complete restructuring of work habits, social interaction and work-life integration. The pandemic is accelerating trends that were on pace to occur naturally in ten and even twenty years in the future. In this section we will highlight the positive economic news of the past and provide general guidance on the projected economic news of the future.

- During the past several years, GDP growth in the United States has kept chugging along; since 2012 GDP has been positive at 2.2% in 2012, 1.8% in 2013, 2.5% in 2014, 2.9% in 2015, 1.6% in 2016, 2.4% in 2017, 2.9% in 2018 and the recent 2.3% in 2019. The recession that many economists and other market watchers predicted several years ago has materialized, not due to traditional economic factors, but due to the shut down of the US and World economies related to COVID-19. Wells Fargo is projecting that GDP will decrease 4.2% in 2020 and increase 4.6% in 2021.
- The depths of the future recession are impossible to predict as the depth and width of the virus is unknown. The federal government has provided significant economic and financial help during the crisis (and considering more) taking many different and varied forms and this may ultimately provide a backstop to an otherwise lengthy and prolonged depression. There is a current recession, but it may not be as severe if the Fed had done nothing.
- In addition to the effects of COVID-19, the US is still weathering several other influences including a pending national election in November, a potential cold war with China (only intensified since the spread of the virus), unpredictability in other parts of the world (North Korea, the Middle East, etc.) and a shift in attitudes that may playout long after the current crisis: a greater reliance on working from home (and the resulting effect on commercial real estate), a potential leveling in education services (and a disconnect with the high prices being paid for college), the ability to learn and play via the internet (one of the most used portals during this crisis is physical activity instruction via the internet) and perhaps a restructuring in what is important resulting in an expansion of experiential retail and a reduction in traditional retail. All-in-all, economists are hopeful that the economic downturn associated with COVID-19 will be deep and short and that the recovery will be more of a “K” rather than a prolonged “U” (or “W”).

- Despite a First Quarter of 2020 that offered relatively robust employment growth through mid-March, the total job growth for the quarter was the loss of 908,000 jobs (or an average of -302,667 jobs per month). Things deteriorated significantly in the Second Quarter; a total job loss of 13,271,000 (or an average of -4,423,667 jobs per month). While April recorded a loss of 20,787,000 jobs, May and June posted positive job growth (2,725,000 and 4,791,000, respectively). With a moderate resurgence of the virus in July, job growth, while still positive, slowed to an increase of 1,763,000 new jobs.

  The unemployment rate for the First Quarter of 2020 stood at 3.8%; but due to the onset of COVID-19 in March, the Second Quarter unemployment rate increased sustainably to 13.0%. It is anticipated that the unemployment rate may end the year at 8.4% (Wells Fargo).

- The inflation rate was 1.5% in March of 2020 and the core inflation rate was 2.1% in March of 2020. More recently, inflation rates have decreased significantly: 0.6% in June of 2020 and the core inflation rate was 1.2% in June of 2020.

- Nominal wage growth posted an increase of 3.35% in March and an increase of 4.86% in June. With the strong stimulus provided by the government, wage growth rebounded strongly in April, increasing by 7.98%. Preliminary July 2020 numbers suggest a further lessening with 4.78% wage growth.

- The Consumer Confidence Index (CCI) posted a value of 99.24 in March of 2020 followed by a significant decrease to 98.20 in June of 2020 due to the COVID-19 crisis. Preliminary numbers for July suggest that a rebound is occurring with a slight increase to 98.41.

- A continuing and significant factor in the increase in home sales activity is the decrease of 30-year mortgage rates which receded to a March 2020 low of 3.45%. Mortgage rates receded further to 3.16% in June and even further in July (to 3.02%). Given the current economic climate and the lowering of the Federal Funds Rate, it is anticipated that 30-year mortgage rates may decline even further and potentially fall below 3.00%; as already is occurring, this will result in increasing home sales and providing the economy with a boost due to home construction during a very difficult economy.

- After raising the Federal Funds Rate four times in 2018 (March 22 to 1.75%, June 14 to 2.00%, September 27 to 2.25% and December 20 to 2.50%), the Federal Reserve has since reduced the Federal Funds Rate to 2.25% on August 1 of 2019, 2.00% on September 19, 2019 and 1.75% on October 31, 2019. However, after strong indications of economic growth powered by GDP growth, employment growth and decreasing unemployment, the FOMC did not reduce rates at its last scheduled meeting of 2019 (December 10 - 11) and furthermore, left rates unchanged in its first meeting of 2020 (January 28 – 29). However, due to the COVID-19 crisis and in an effort to provide economic and financial support, the FOMC has recently decreased the Federal Funds Rate to 0.00%. The Federal Reserve has recently stated a change in philosophy related to the target rate of inflation indicating that the new target will be an average of 2.00% (and not a target of 2.00%). This effectively signals that the Federal Funds Rate will remain at 0.00% indefinitely.

Sacramento Economy…a shadow of its former self?

- A total of 1,700 non-farm jobs were gained in the First Quarter of 2020 in the Sacramento Region; however, due to the COVID-19 crisis, a total of 124,600 jobs were lost during the Second Quarter. An analysis of year end employment (with input from the University of Pacific), considers that job growth for all of 2020 will total a job loss of approximately 195,000 people (a decline of 18.4%) and an unemployment rate of 9.0% for the year.
- While it appears that the initial layoffs were in the lower paying sectors of the economy (i.e. travel and leisure, hospitality, etc.), the final fallout is still unknown, and the ultimate result may be a long time to rebuild a damaged economy. However, it is generally accepted that higher income households are less affected by the recession and shelter-in-place orders, resulting in a greater ability to purchase a home and take advantage of lower interest rates; the result has been a stronger housing market recovery.
- Income growth has posted two strong years in the Sacramento Region, an 8.5% increase in 2018 and a 9.2% increase in 2019 (a median household income of $79,061). Household income is a lagging statistic, but it is believed that the Sacramento Region median household income growth, like the national statistics, may post decreases that are due to structural issues within the numbers and not specifically related to the decrease in incomes.

Sacramento Market Summary

The six-county Sacramento Region posted a total of 2,243 new-home sales in the Third Quarter of 2020, an increase of 57.1% from a year earlier (with 1,428 sales) and an increase of 68.3% from the prior quarter (with 1,333 sales). Due to the Covid-19 crisis, it was believed that the second and third quarters would not track with the first; however, after a slight dip in new-home sales in the Second Quarter due to the uncertainty surrounding COVID-19, there has been a resurgence of sales activity during the Third Quarter.

Several factors appear to be contributing to the surge in sales, including historically low interest rates (mortgage rates of approximately 3.00%), a limited supply of existing homes, stability of employment and incomes for sectors of the economy (primarily households with earnings of greater than $60,000 per year), a flight from the urban areas of the state (Sacramento is uniquely positioned as a target point for San Francisco Bay Area refugees with the ability to combine affordability with livability) and influences surrounding the “zoom-boom” or the “work-from-home” boom (people are looking for the appropriate housing in order to work-from-home and to potentially teach-from-home: both local buyers and Bay Area refuges often seek new housing to meet these needs). All-in-all, there is the potential for new-home sales to reach more than 7,200 sales for the year; that would be the highest level since 2007.

From a year earlier, unsold inventory has decreased from 1,523 units to 1,129 units (a decrease of 25.9%) and a decrease of 18.8% from the previous quarter (1,390 to 1,129). Likewise, sales rates have increased (an average of 0.76 sales per week overall and 0.86 sales per week in the Third Quarter); thus, an increase in sales and sales rates has resulted in decreasing inventory and a depletion of available new-home product on the market.

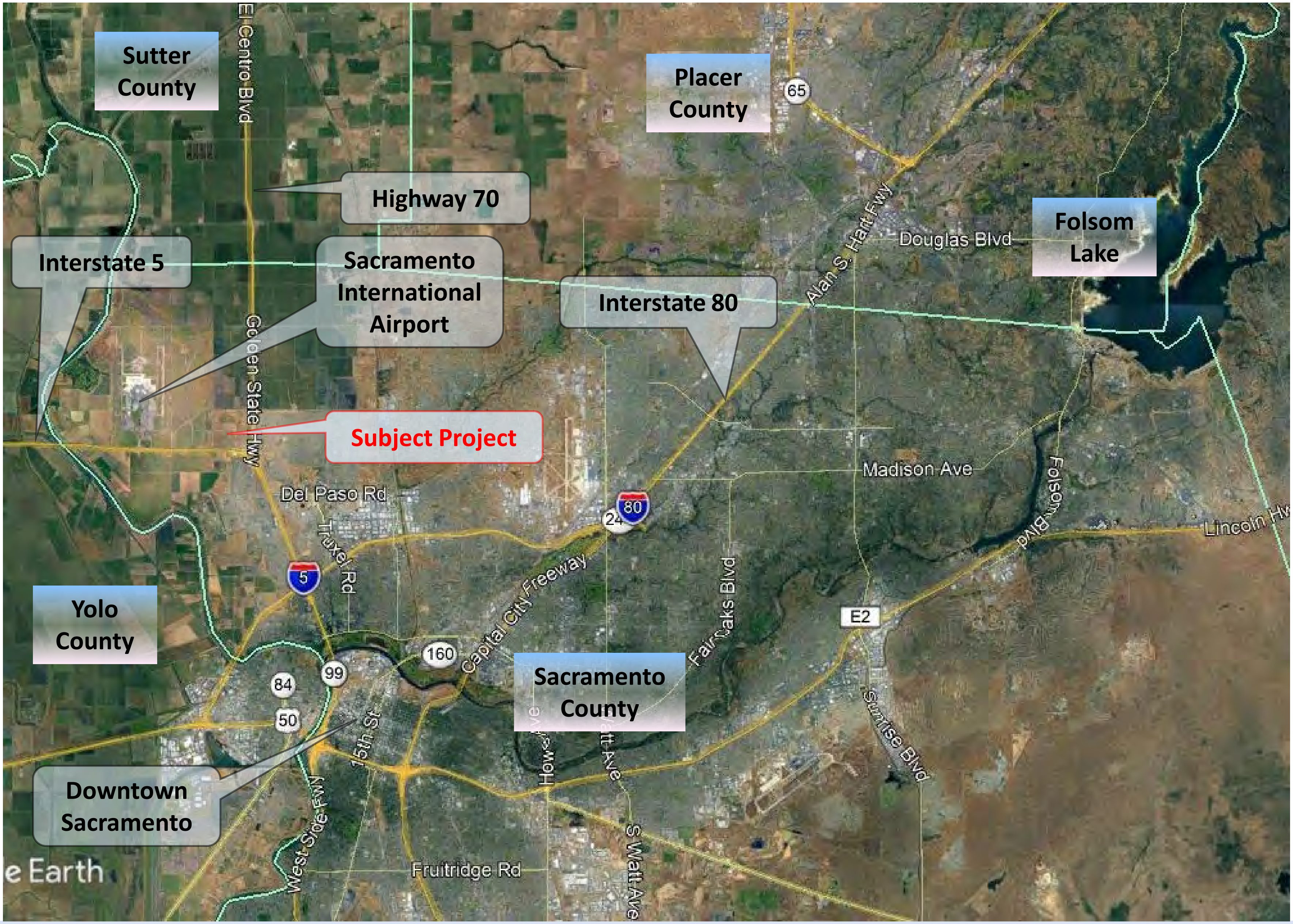
> Furthermore, the total number of projects has increased from 189 projects in the Third Quarter of 2019 to the current 201 projects in the Third Quarter of 2020 (a 6.4% increase) as well as an increase in total inventory (up 6.2% year-over-year).

Given the rapid pace of sales and the constraint on supply, new-home pricing has finally increased at a faster pace than previous years. On a year-over-year analysis, new-home pricing has increased 3.6% (from $522,595 in the Third Quarter of 2019 to the current $541,243) and values have increased 2.3% from the previous quarter ($529,263 in the Second Quarter versus the current $541,243).

> The mix of product offerings is continually changing in the region (the offering of smaller homes on smaller lots at a lower price and the introduction of more affordable housing in certain markets) and has contributed to the moderating price during the past several years. However, currently, all price levels appear to be increasing at the fastest pace in many years. In fact, phase price increases which have normally been in the $1,000 to $3,000 range, have begun increasing at up to $10,000 and greater.

Looking forward, it is anticipated that the demand for new housing in the Sacramento Region will continue despite the fact that California is still living with the COVID-19 crisis, high levels of unemployment and massive forest fires that don’t seem to ever go away. Undeniably, Sacramento remains a beneficiary of troubled times and is positioned to continue positive growth with increasing sales and pricing and accelerating demand.

Sacramento Region



General Conclusions—Natomas

Natomas is a very desirable community within the Sacramento Region; it offers more affordable housing options and is located a short distance to downtown Sacramento. Natomas offers a diversity of housing that includes attached housing, small-lot detached housing and traditional sized lots in a variety of locations including large master planned communities, lake-oriented projects, gated communities and senior, age-restricted housing. New housing in Natomas generally appeals to a wide range of buyers and price points; especially with the addition of new housing options, as the market area expands to the north, east and west (beyond the traditional boundaries of Natomas).

Natomas offers a living environment that attracts buyers with moderate incomes and a desire to own a home in an area that is close to commuting corridors, employment, recreation and conveniences; a location that is also close to the many opportunities within the downtown Sacramento core. Natomas attracts a great variety of buyers including entry-level buyers, move-up housing (for both first-time and second-time move-up buyers) that attracts young and growing families; but also mature buyers who may be moving down, recent empty-nesters or retirees.

Natomas provides a diversity of housing with existing, master planned communities, production housing and traditional suburban subdivision housing.

Natomas provides a culture that is family orientated, provides access to outdoor recreation throughout the community, region and all of California, employment centers, and a presence of local entertainment balanced with a proximity to larger entertainment hubs (including downtown Sacramento, Lake Tahoe to the east and San Francisco to the west).

Many buyers who choose to purchase in Natomas are from the Sacramento Region; but buyers are also coming from the San Francisco Bay Area (as some potential buyers flee the Bay Area to take advantage of greater affordability and suburban living).

People are pleased with the lifestyle that Natomas provides, and many have transitioned from starter home to move-up home and some may be now looking for retiree housing.

As the population continues to age, many local Natomas residents who have lived in their home for many years are looking for longer-term move-up or downsize housing and are looking to remain in the local community. This is especially true due to there not being a significant amount of new product having entered the market during the past 10-years (due to the 2008 recession and the lack of housing construction due to the levee repair). Much of the existing housing is ageing and may require functional, environmental and technological upgrades and renovations.

Natomas offers a standard of living that often makes it difficult for residents to move elsewhere; furthermore, increased housing costs in the Bay Area (and the recent COVID-19 crisis) are forcing potential buyers to look elsewhere for new housing—especially in affordable and suburban markets like Natomas. While there are many options for these buyers (including relocating out of state), some buyers are choosing the Sacramento Region and particularly, communities like Natomas.

Natomas Market Summary

Natomas Sales, Pricing and Market Capture

The Natomas market area posted an average price of $403,869 in the Third Quarter of 2020 compared to $413,775 in the Third Quarter 2019, a modest 2.4% decline that is a result of several higher priced projects recently selling out and several lower priced and attached projects entering the market. In fact, for projects that have been open during the Third Quarter of 2019 and the Third Quarter of 2020, the average price has increased 1.7%. In addition, new-home pricing in Natomas has decreased nominally between the Second Quarter of 2020 and the Third Quarter of 2020, a decrease of 0.2%.

In terms of sales, the Natomas market area totaled 226 sales in the Third Quarter of 2020 compared to 245 sales a year earlier; a decrease of 7.8%. The decrease in sales is due to fewer projects on the market (17 projects currently versus 21 projects a year earlier), a lack of inventory (currently there are only 55 units of unsold inventory versus 144 units a year earlier) and strong sales rates (currently 0.99 sales per week over the marketing life of the project and a Third Quarter of 2020 average weekly sales rate of 1.02 sales per week). Furthermore, there are six projects that have ten or less units of total inventory remaining and based on the current overall sales pace in Natomas and the 1,010 units of total inventory, there are only 60 weeks (1.15 years) of available homes remaining within the currently selling projects.

In terms of market capture, for year-to-date in 2020 Natomas has captured 24.8% of Sacramento County sales and 12.1% of Sacramento Region sales; this is a decrease in Sacramento County capture as compared to 2019 (a 28.4% capture of Sacramento County) and a decrease in the Sacramento Region capture (a 15.3% capture of the Sacramento Region). Likewise, the historical capture rate for Natomas of Sacramento County is 25.0% (from 2000 through 2019) and 13.3% for the Sacramento Region. However, there were several years where new-home sales in Natomas were prohibited based on the reconstructing of the levees; discounting these years (2010 through 2015), the capture rate for Natomas in Sacramento County is an average of 27.1% and in the Sacramento Region the average capture rate is 14.6%.

It should be noted that the Sacramento County capture has reached a high of 40.1% in 2017 and the Sacramento Region reached an 18.9% capture in 2003; this suggests that the Community of Natomas has the ability to absorb additional units that enter the market and that the additional sales may be significant based on an increase of capture rates within the market area.

Natomas Existing Home Sales and Pricing

For resales, the Community of Natomas has seen 178 total existing home sales during the previous 60-days and an existing home price of $457,081 (an average of $230 per square foot). These homes were built, on average, in 2007 and are situated on lots that are an average of 4,654 square feet. The average Days on Market is currently an astoundingly low 18 days.

When considering only homes that are situated on lots sized at less than 7,000 square feet, the average price is $426,007 (an average of $234 per square foot) and when considering only homes that were built from 2010 through 2020, the average price is $452,318 (an average price per square foot of $238).

Buyers Specific to Natomas

Northlake offers an excellent location at the northern end of the Community of Natomas, close to two major transportation corridors (Highway 99 and Interstate 5), the Sacramento International Airport, with close proximity to downtown Sacramento and with convenient access to the greater San Francisco Bay Area. The subject project has the potential to attract a greater number and diversity of buyers given its location and lot sizes and more affordable housing.

Many comparable new-home projects within the Primary Market Area have experienced increasing success with similar pricing and locations to the subject project and with the ability to attract and capture both the local buyer pool, as well as the larger and increasing number of buyers emigrating from the greater San Francisco Bay Area. The subject project can meet this increasing demand from several major buyer segments:

- **Local Sacramento County and Natomas buyers who are looking for a new-home to meet their shifting priorities and life transitions**; many people desire less maintenance in a lot and home size but wish to remain within the greater community where they currently reside; they often wish to remain in an area that they are familiar with and where friends and family are close by, plus a familiar interaction with medical services, grocery shopping, and entertainment options.
- However, from within the Sacramento Region, it is also believed that buyers will come from areas to the south in Sacramento County and also Yolo County to the west.
- Within the various buyer categories, first-time buyers, move-up buyers (including first-time move-up buyers as well as growing and mature families) and move-down, empty-nester and retiree buyers are coming from a variety of current living environments including more traditional subdivisions, apartment living and older, and often outdated, homes.
- **Out-of-area buyers who are priced out of homeownership in closer-in metropolitan areas;** buyers that are within commuting distance or are looking to relocate to an area that is considered truly suburban. Out-of-area buyers include not only the Bay Area buyers but also buyers from further north in California, southern California and out-of-state. The transition to working-from-home, a move out of urban areas to suburban areas and a desire for a more relaxed, less hectic and more affordable living environment, is pushing many buyers to consider areas such as the Sacramento Region and communities such as Natomas.
- **Both baby-boomer-buyers and buyers from other age-segmentations, relocating to the Sacramento Region to be closer to family**.

Given its location and overall desirability, the subject project is within a community that many people wish to live in:

It provides a more relaxed, community centric and agreeable lifestyle

Provides a variety of housing options including existing housing, master planned community living, larger production housing (often on much larger lots), and traditional subdivision housing

Very convenient with close proximity to both regional and local services, conveniences, employment and major transportation corridors (the City of Sacramento is a ten-minute commute to the south along Interstate 5).

Housing Conclusions

Northlake Conclusions

The pricing position of the subject project is at the top of the competitive projects and existing homes; moreover, the recommended absorption rates are comparable to the current market absorption rates within the marketplace. The positioning considers the subject project offering lot sizes that are generally larger than what is currently being offered in Natomas; this is the result of several factors including several currently selling projects are legacy projects (being built on land that was approved for smaller projects in the mid-2000's and remained dormant through the recession and lack of activity during the levee reconstruction) and the offering of new projects that are situated closer to the Sacramento downtown core and thus offer smaller lot sizes.

The subject project lot sizes are appropriate for the subject project location and the project warrants a competitive price and absorption to the currently selling, new-home developments in the Community of Natomas. However, the pricing position also considers that the project is currently located further away from local conveniences and services as compared to the competitive projects, that all the subject projects are estimated to enter the market at the same time (January 1, 2021 per the master developer), that 66% of the homes will be situated on lots sized from 4,000 to 5,500 square feet in traditional configurations and that 64% of the homes are sized from 2,000 to 3,000 square feet. Finally, it is largely unknown what the future economy and housing market holds; it is believed that positive economic and housing growth will continue, but it is still true that the virus has an outsized influence and may possibly alter the direction of the economy and the housing market.

While the primary competitive projects are all from the Community of Natomas, consideration was also given to projects currently selling in Plumas Lake and Woodland. Plumas Lake is further to the north, more affordably priced (on larger lots) and selling at an average of 0.79 units per week. Likewise, Woodland is located further to the west, is competitively priced (on standard sized lots) and selling at an average of 0.60 units per week (however, four of the eight projects in Woodland are currently selling at an average of 1.00 sales per week and greater--an indication that sales have increased during the current sales boom).

It is believed that Natomas is its own community and should be analyzed independently and based on current and projected market conditions within Natomas. And while Plumas Lake (offering affordable but standard sized housing) and Woodland (offering a lifestyle choice and standard sized housing) can be considered alternatives to Natomas, their pricing position and absorption are guidelines to the specific subject project recommendations. Finally, there is believed to be a strong demand for new housing within Natomas, and the subject project (with very little competitive supply) will help meet this demand regardless of market conditions in the secondary market areas of Plumas Lake and Woodland.

Based on a review of the greater Natomas competitive marketplace (and the Secondary Market Areas of Plumas Lake to the north and Woodland to the west) and considering the specific product type, lot sizes and location, the table on the following pages outlines the pricing and absorption for the subject project. The base pricing is net of any incentives (and premiums and options) and the absorption is based on sales per week. It is believed that the project will offer a product type that meets the needs of the most active buyer types and demographics: first-time buyers and move-up buyers as well as move-down, empty-nester and retiree buyers.

When considering the specifics below, a combination of resale data, a lack of current new-home inventory, a lack of immediate proposed future inventory and a recovering local, regional and national economy, these conclusions are viable and appropriate…

Resale Data: Existing homes in Natomas have an average days on market of a low 18 days for the last 60-days (and 15 days for homes built from 2010 through 2020); this translates to a solid demand and a lack of inventory in the Natomas market area.

A lack of current new-home inventory: There are 17 new-home projects currently selling, six of which are nearing build-out (with 10 units or less remaining to sell). These projects have a combined total inventory of 1,010 units and an unsold inventory of only 55 units (an average of only three units per project). The 17 projects are selling at an overall sales pace of 0.99 sales per week per project (and a current quarter sales pace of 1.02 sales per week) and an average price of $403,869.

Proposed future inventory: The sum of the proposed residential developments in the Primary Market Areas (Community of Natomas and beyond)—is a significant 31,993 units; however, only 2,509 units (8% of the total) are within projects that may deliver homes in the near future.

A Recovering Economy: Despite a severe economic shock related to COVID-19, the US economy is experiencing a recovery and the homebuilding sector is considered to already have recovered. While it is still too early to conclude that the economy and the housing market are back to normal, there is hope that with continued support by the government and the Federal Reserve, the worst of the economic slowdown has passed. But ultimately, the virus will dictate the level of recovery that we experience in both the short-term and the longer-term.

	COMMUNITY DETAILS: Community / Location / Product Summary		Builder / Master Plan / Sales Summary	Home Size (SF)	Bed	Bath	Levels	Gar	RECOMMENDATIONS: Base Price	Base Price/ Sq. Ft.	Current Add-Ons: Options/ Upgrades	Current Add-Ons: Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Obligation (Base): Monthly HOA	Base Tax	Add Tax	80% 3.00% Mo. Pmt	Req. Income
Subject Project	**Village 10A, 10B1, 10B2**		**Lennar Homes**	1,774	3	2.5	2	2	$458,000	$258	$0	$0	$458,000	$258	$98	1.06%	0.56%	$2,261	$87,525
	Natomas		**Northlake**	1,945	3/L	2.5	2	2	$472,000	$243	$0	$0	$472,000	$243	$98	1.06%	0.56%	$2,327	$90,084
	Product Type:	Single-Family	Total Units: 140	2,018	4/L	3	2	2	$478,000	$237	$0	$0	$478,000	$237	$98	1.06%	0.56%	$2,356	$91,181
	Configuration:	Small-Lot		2,190	4/L	3	2	2	$492,000	$225	$0	$0	$492,000	$225	$98	1.06%	0.56%	$2,422	$93,741
	Lot Dimensions:	41 x 68																	
	Lot Size/Density:	2,788																	
	Rec. Wkly Abs.:	1.25																	
			Totals/Averages:	**1,982**					**$475,000**	**$241**	**$0**	**$0**	**$475,000**	**$241**	**$98**	**1.06%**	**0.56%**	**$2,341**	**$90,633**
Subject Project	**Village 8, 9, VE**		**Lennar Homes**	2,114	3/O/L	2.5	2	2	$508,000	$240	$0	$0	$508,000	$240	$98	1.06%	0.56%	$2,497	$96,666
	Natomas		**Northlake**	2,223	4	3	2	2	$517,000	$233	$0	$0	$517,000	$233	$98	1.06%	0.56%	$2,540	$98,311
	Product Type:	Single-Family	Total Units: 134	2,362	4/L	3.5	2	2	$529,000	$224	$0	$0	$529,000	$224	$98	1.06%	0.56%	$2,596	$100,505
	Configuration:	Small-Lot																	
	Lot Dimensions:	41 x 90																	
	Lot Size/Density:	3,690																	
	Rec. Wkly Abs.:	1.25																	
			Totals/Averages:	**2,233**					**$518,000**	**$232**	**$0**	**$0**	**$518,000**	**$232**	**$98**	**1.06%**	**0.56%**	**$2,544**	**$98,494**
Subject Project	**Village 6, 11**		**Lennar Homes**	2,307	4	3	2	2	$532,000	$231	$0	$0	$532,000	$231	$98	1.06%	0.56%	$2,611	$101,053
	Natomas		**Northlake**	2,469	4/L	3	2	2	$551,000	$223	$0	$0	$551,000	$223	$98	1.06%	0.56%	$2,700	$104,527
	Product Type:	Single-Family	Total Units: 127	2,704	4/L	3.5	2	2	$565,000	$209	$0	$0	$565,000	$209	$98	1.06%	0.56%	$2,766	$107,086
	Configuration:	Traditional		2,804	5/L	4	2	2	$573,000	$204	$0	$0	$573,000	$204	$98	1.06%	0.56%	$2,804	$108,549
	Lot Dimensions:	50 x 80/50 x 85		2,968	4/L	2.5	2	3	$587,000	$198	$0	$0	$587,000	$198	$98	1.06%	0.56%	$2,870	$111,108
	Lot Size/Density:	4,000/4,250																	
	Rec. Wkly Abs.:	1.00		Note: the 2,469 sf plan is only available on 4,250 sf lots (50 x 80).															
			Totals/Averages:	**2,650**					**$561,600**	**$213**	**$0**	**$0**	**$561,600**	**$213**	**$98**	**1.06%**	**0.56%**	**$2,750**	**$106,465**
Subject Project	**Village 5A, 5B, 5C, VW**		**Lennar Homes**	2,134	3	2	1	2	$530,000	$248	$0	$0	$530,000	$248	$98	1.06%	0.56%	$2,601	$100,688
	Natomas		**Northlake**	2,394	4/L	3	2	2	$552,000	$231	$0	$0	$552,000	$231	$98	1.06%	0.56%	$2,705	$104,710
	Product Type:	Single-Family	Total Units: 153	2,620	5/L	3	2	2	$571,000	$218	$0	$0	$571,000	$218	$98	1.06%	0.56%	$2,795	$108,183
	Configuration:	Traditional		2,786	4/L	3.5	2	2	$585,000	$210	$0	$0	$585,000	$210	$98	1.06%	0.56%	$2,861	$110,743
	Lot Dimensions:	45 x 100																	
	Lot Size/Density:	4,500																	
	Rec. Wkly Abs.:	1.00																	
			Totals/Averages:	**2,484**					**$559,500**	**$227**	**$0**	**$0**	**$559,500**	**$227**	**$98**	**1.06%**	**0.56%**	**$2,740**	**$106,081**
Subject Project	**Village 7A, 7B**		**Lennar Homes**	1,797	3	2	1	2	$507,000	$282	$0	$0	$507,000	$282	$98	1.06%	0.56%	$2,492	$96,483
	Natomas		**Northlake**	2,268	4	3	2	3	$546,000	$241	$0	$0	$546,000	$241	$98	1.06%	0.56%	$2,677	$103,613
	Product Type:	Single-Family	Total Units: 97	2,679	4/L	3	2	3	$580,000	$216	$0	$0	$580,000	$216	$98	1.06%	0.56%	$2,837	$109,829
	Configuration:	Traditional		2,869	4/L	3	2	3	$596,000	$208	$0	$0	$596,000	$208	$98	1.06%	0.56%	$2,913	$112,754
	Lot Dimensions:	55 x 85		3,178	5	4.5	2	3	$622,000	$196	$0	$0	$622,000	$196	$98	1.06%	0.56%	$3,036	$117,507
	Lot Size/Density:	4,675																	
	Rec. Wkly Abs.:	1.00																	
			Totals/Averages:	**2,558**					**$570,200**	**$229**	**$0**	**$0**	**$570,200**	**$229**	**$98**	**1.06%**	**0.56%**	**$2,791**	**$108,037**

	COMMUNITY DETAILS							RECOMMENDATIONS										
	Community	Builder	Home						Base	Current Add-Ons			Total	Monthly Obligation (Base)			80%	
	Location	Master Plan	Size					Base	Price/	Options/		Total	Price/	Monthly	Base	Add	3.00%	Req.
	Product Summary	Sales Summary	(SF)	Bed	Bath	Levels	Gar	Price	Sq. Ft.	Upgrades	Premiums	Price	Sq. Ft.	HOA	Tax	Tax	Mo. Pmt	Income
Subject Project	**Village 4A, 4B, VW, 1, 12A, 12B, 11, 5C**	**Lennar Homes**	2,150	4	3	1	2	$544,000	$253	$0	$0	$544,000	$253	$98	1.06%	0.56%	$2,667	$103,247
	Natomas	**Northlake**	2,727	4/B	3	2	2	$592,000	$217	$0	$0	$592,000	$217	$98	1.06%	0.56%	$2,894	$112,023
	Product Type: Single-Family	Total Units: 235	3,046	5/L	3	2	3	$619,000	$203	$0	$0	$619,000	$203	$98	1.06%	0.56%	$3,021	$116,959
	Configuration: Traditional		3,180	4/L	2.5	2	3	$630,000	$198	$0	$0	$630,000	$198	$98	1.06%	0.56%	$3,073	$118,970
	Lot Dimensions: 50 x 100																	
	Lot Size/Density: 5,000																	
	Rec. Wkly Abs.: 1.00																	
		Totals/Averages:	**2,776**					**$596,250**	**$218**	**$0**	**$0**	**$596,250**	**$218**	**$98**	**1.06%**	**0.56%**	**$2,914**	**$112,800**
Subject Project	**Village 3A, 3B, VW**	**Lennar Homes**	2,282	4	2.5	1	2	$567,000	$248	$0	$0	$567,000	$248	$98	1.06%	0.56%	$2,776	$107,452
	Natomas	**Northlake**	3,104	5/L	3	2	3	$635,000	$205	$0	$0	$635,000	$205	$98	1.06%	0.56%	$3,097	$119,884
	Product Type: Single-Family	Total Units: 135	3,312	4/L	3.5	2	3	$652,000	$197	$0	$0	$652,000	$197	$98	1.06%	0.56%	$3,177	$122,992
	Configuration: Traditional		3,425	4/L	3.5	2	3	$661,000	$193	$0	$0	$661,000	$193	$98	1.06%	0.56%	$3,220	$124,637
	Lot Dimensions: 55 x 100																	
	Lot Size/Density: 5,500																	
	Rec. Wkly Abs.: 0.75																	
		Totals/Averages:	**3,031**					**$628,750**	**$211**	**$0**	**$0**	**$628,750**	**$211**	**$98**	**1.06%**	**0.56%**	**$3,067**	**$118,741**
Subject Project	**Village 2A, 2B**	**Lennar Homes**	2,632	4	3	1	3	$624,000	$237	$0	$0	$624,000	$237	$98	1.06%	0.56%	$3,045	$117,873
	Natomas	**Northlake**	3,391	5/B	4	2	3	$687,000	$203	$0	$0	$687,000	$203	$98	1.06%	0.56%	$3,343	$129,390
	Product Type: Single-Family	Total Units: 116	3,647	4	4	2	3	$708,000	$194	$0	$0	$708,000	$194	$98	1.06%	0.56%	$3,442	$133,230
	Configuration: Traditional		3,940	4/L	4	2	3	$732,000	$186	$0	$0	$732,000	$186	$98	1.06%	0.56%	$3,555	$137,617
	Lot Dimensions: 60 x 110																	
	Lot Size/Density: 6,600																	
	Rec. Wkly Abs.: 0.75																	
		Totals/Averages:	**3,403**					**$687,750**	**$205**	**$0**	**$0**	**$687,750**	**$205**	**$98**	**1.06%**	**0.56%**	**$3,346**	**$129,528**

Absorption Analysis

The absorption analysis is based on information provided by the master developer (as well as absorption rate estimates by the absorption analyst) which includes an estimate as to when villages will open for sales, infrastructure development, grading schedules, marketing considerations and anticipated market conditions. Furthermore, there are anticipated to be (and the market can sustain) several different projects selling simultaneously. Additional factors considered in predicting absorption rates are:

- the desirability of Natomas as a new-home destination;
- increasing new-home sales within the Community of Natomas and the Sacramento Region overall;
- Limited immediate future inventory in Natomas; within both communities that are currently selling and projects within the planning process;
- current absorption rates for similar product types within the Natomas market area;
- and improving economic conditions within the Sacramento Region and the US despite a severe lockdown of the US economy due to COVID-19;

In conclusion, it is believed that the subject project can absorb an average of 1.00 units per week per product offering for all of the product offerings over the marketing life of the development given the pricing (with home sizes ranging from 1,774 to 3,940 square feet and base prices ranging from $458,000 to $732,000). All of the projects are anticipated to open for sale (based on information provided by the master developer) in January of 2021.

It is projected that a total of 416 units will sell in 2021, 409 units in 2022, 215 units in 2023, 70 units in 2024 and 27 units in 2025. It should be noted that the schedule of product offerings (project entry dates) was provided by the developer and the project absorption rates were estimated by the absorption analyst; the decreases and increases in the number of units absorbed over time are a result of the sellout of projects and are not considered to be a result of changes in project absorption rates during the sales cycle of the projects.

All product offerings are anticipated to conclude sales by the Third Quarter of 2025; the years to absorb the production homes are estimated to be 4.52 years given the absorption schedule on page 24.

Absorption Table

Village	Homebuilder	Lot Size/ Density	Open Date	Total Number of Units	Est. Abs. Per Week	Units Sold Per Year 2021	2022	2023	2024	2025
10A, 10B1, 10B2	Lennar Homes	2,788	Jan-21	140	1.25	65	65	10	0	0
8, 9, VE	Lennar Homes	3,690	Jan-21	134	1.25	65	65	4	0	0
6, 11	Lennar Homes	4,000/4,250	Jan-21	127	1.00	52	52	23	0	0
5A, 5B, 5C, VW	Lennar Homes	4,500	Jan-21	153	1.00	52	52	49	0	0
7A, 7B	Lennar Homes	4,675	Jan-21	97	1.00	52	45	0	0	0
4A, 4B, VW, 1, 12A, 12B, 11, 5C	Lennar Homes	5,000	Jan-21	235	1.00	52	52	52	52	27
3A, 3B, VW	Lennar Homes	5,500	Jan-21	135	0.75	39	39	39	18	0
2A, 2B	Lennar Homes	6,600	Jan-21	116	0.75	39	39	38	0	0
				1,137	**1.00**	**416**	**409**	**215**	**70**	**27**

Years to Absorb:	**4.52**

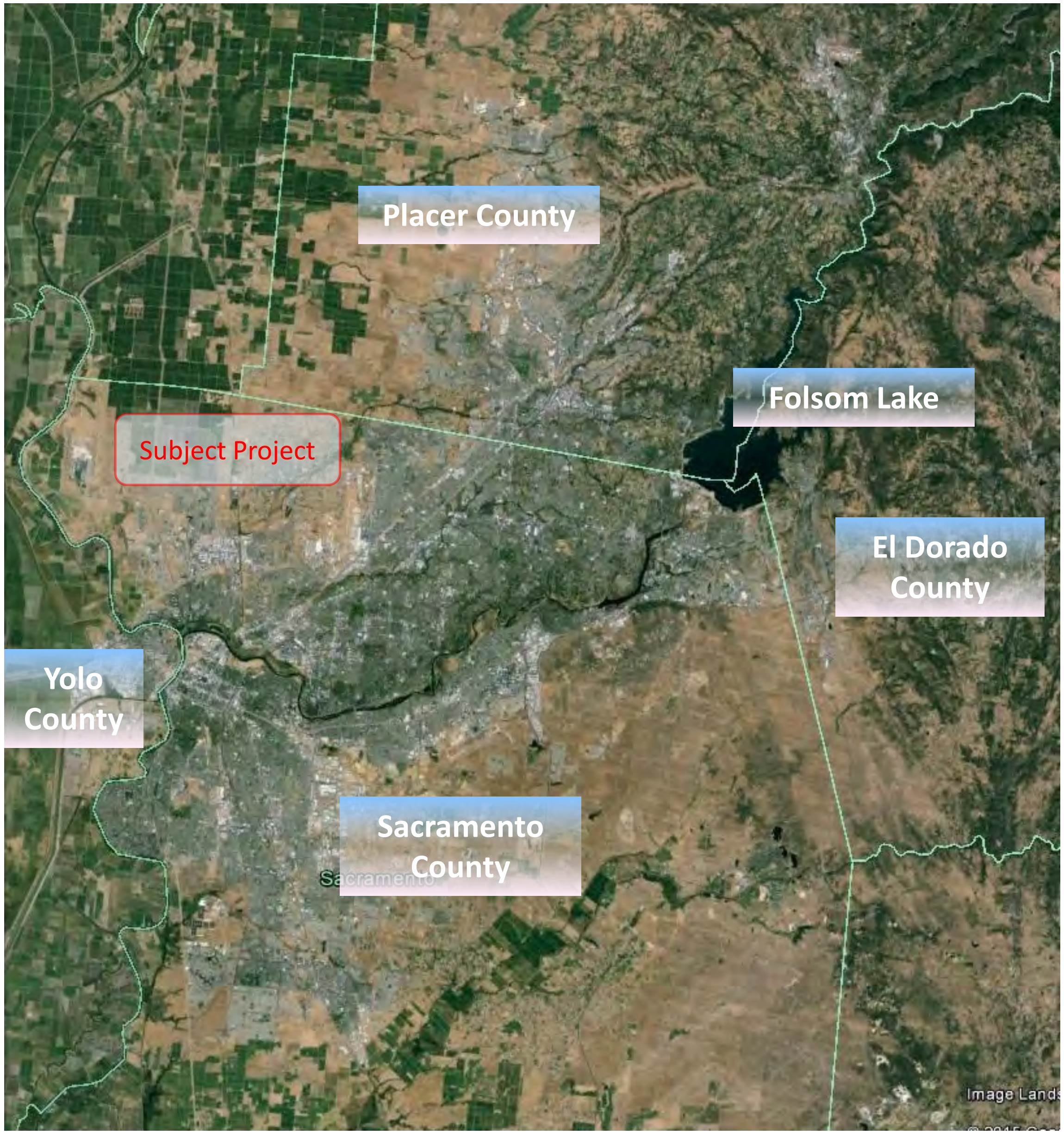
Subject Project Summary Table

	VILLAGE	BUILDER	CITY	PRODUCT TYPE	LOT SIZE (MIN)	INVENTORY SUMMARY UNITS PLANNED	UNITS OFFERED	UNITS SOLD	TOTAL RU	UNSOLD RU	RECOMMENDED SALES SUMMARY OVERALL	QTR	AVERAGE HOME SIZE	NET PRICE	NET $/SF	MONTHLY OBLIGATION MONTHLY HOA	BASE TAX	ADD TAX	MONTHLY PAYMENT
Subject Project	**10A, 10B1, 10B2**	**Lennar Homes**	**Natomas**	Detached/Small-Lot	**2,788**	**140**	0	0	140	0	**1.25**	**--**	**1,982**	**$475,000**	**$241**	**$98**	**1.06%**	**0.56%**	**$2,341**
Subject Project	**8, 9, VE**	**Lennar Homes**	**Natomas**	Detached/Small-Lot	**3,690**	**134**	0	0	134	0	**1.25**	**--**	**2,233**	**$518,000**	**$232**	**$98**	**1.06%**	**0.56%**	**$2,544**
Subject Project	**6, 11**	**Lennar Homes**	**Natomas**	Detached/Traditional	**4,000**	**127**	0	0	127	0	**1.00**	**--**	**2,650**	**$561,600**	**$213**	**$98**	**1.06%**	**0.56%**	**$2,750**
Subject Project	**5A, 5B, 5C, VW**	**Lennar Homes**	**Natomas**	Detached/Traditional	**4,500**	**153**	0	0	153	0	**1.00**	**--**	**2,484**	**$559,500**	**$227**	**$98**	**1.06%**	**0.56%**	**$2,740**
Subject Project	**7A, 7B**	**Lennar Homes**	**Natomas**	Detached/Traditional	**4,675**	**97**	0	0	97	0	**1.00**	**--**	**2,558**	**$570,200**	**$229**	**$98**	**1.06%**	**0.56%**	**$2,791**
Subject Project	**4A, 4B, VW, 1, 12A, 12B, 11, 5C**	**Lennar Homes**	**Natomas**	Detached/Traditional	**5,000**	**235**	0	0	235	0	**1.00**	**--**	**2,776**	**$596,250**	**$218**	**$98**	**1.06%**	**0.56%**	**$2,914**
Subject Project	**3A, 3B, VW**	**Lennar Homes**	**Natomas**	Detached/Traditional	**5,500**	**135**	0	0	135	0	**0.75**	**--**	**3,031**	**$628,750**	**$211**	**$98**	**1.06%**	**0.56%**	**$3,067**
Subject Project	**2A, 2B**	**Lennar Homes**	**Natomas**	Detached/Traditional	**6,600**	**116**	0	0	116	0	**0.75**	**--**	**3,403**	**$687,750**	**$205**	**$98**	**1.06%**	**0.56%**	**$3,346**
				NEW-HOME TOTALS/AVERAGES:	**4,594**	**1,137**	**0**	**0**	**1,137**	**0**	**1.00**	**--**	**2,650**	**$575,818**	**$217**	**$98**	**1.06%**	**0.56%**	**$2,817**

	COMMUNITY	BUILDER	CITY	PRODUCT TYPE	LOT SIZE (MIN)	INVENTORY SUMMARY UNITS PLANNED	UNITS OFFERED	UNITS SOLD	TOTAL RU	UNSOLD RU	RECOMMENDED SALES SUMMARY OVERALL	QTR	AVERAGE HOME SIZE	NET PRICE	NET $/SF	MONTHLY OBLIGATION MONTHLY HOA	BASE TAX	ADD TAX	MONTHLY PAYMENT
Primary Market Area	Amberwood	Lennar Homes	Natomas	Deatched/Alley Loaded	3,000	75	75	71	4	4	0.91	0.38	2,087	$475,863	$230	$130	1.06%	0.47%	$2,342
Primary Market Area	Artisan	Beazer Homes	Natomas	Detached/Small-Lot	3,600	145	35	26	119	9	0.40	1.15	2,731	$538,490	$198	$170	1.06%	0.64%	$2,749
Primary Market Area	Bloom	D.R. Horton Homes	Natomas	Detached/Small-Lot	2,400	84	60	60	24	0	2.50	2.77	1,273	$326,218	$268	$118	1.06%	0.51%	$1,645
Primary Market Area	Castile	D.R. Horton Homes	Natomas	Detached/Small-Lot	3,000	152	92	92	60	0	1.23	0.92	2,034	$377,657	$187	$96	1.06%	0.69%	$1,921
Primary Market Area	Edgeview	Beazer Homes	Natomas	Attached/Townhome	20.0	189	18	8	181	10	0.29	0.46	1,799	$391,657	$218	$289	1.06%	0.14%	$2,002
Primary Market Area	Mystique	Watt Communities	Natomas	Attached/Townhome	28.8	57	30	25	32	5	0.50	0.77	1,485	$323,990	$219	$100	1.06%	0.38%	$1,582
Primary Market Area	Nuvo	The New Home Company	Natomas	Attached/Townhome	23.2	145	18	13	132	5	0.54	0.62	1,335	$333,885	$250	$298	1.06%	0.17%	$1,766
Primary Market Area	Provence	Blue Mountain Homes	Natomas	Attached/Townhome	23.4	187	36	28	159	8	0.56	1.38	1,852	$389,990	$215	$231	1.06%	0.00%	$1,891
Primary Market Area	Ravenna	D.R. Horton Homes	Natomas	Detached/Courtyard	3,200	108	64	56	52	8	1.47	1.77	1,617	$346,240	$215	$89	1.06%	0.76%	$1,782
Primary Market Area	Terraza	D.R. Horton Homes	Natomas	Detached/Traditional	5,000	98	98	98	0	0	1.29	0.62	2,136	$389,990	$185	$110	1.06%	0.66%	$1,984
Primary Market Area	Verano	D.R. Horton Homes	Natomas	Detached/Small-Lot	2,800	135	120	120	15	0	1.67	1.15	1,854	$357,992	$194	$82	1.06%	0.73%	$1,823
Primary Market Area	Westward	Beazer Homes	Natomas	Detached/Alley-Loaded	3,500	140	30	24	116	6	0.89	1.46	2,478	$502,323	$204	$215	1.06%	0.58%	$2,596
Primary Market Area	Windrow	Beazer Homes	Natomas	Detached/Alley-Loaded	2,800	167	51	48	119	3	0.92	1.54	1,773	$435,790	$247	$171	1.06%	0.62%	$2,251
				NEW-HOME TOTALS/AVERAGES:	**3,256/23.9**	**1,682**	**727**	**669**	**1,013**	**58**	**1.01**	**1.15**	**1,875**	**$397,351**	**$212**	**$161**	**1.06%**	**0.49%**	**$2,014**
SMA	Bradford	KB Home	Woodland	Detached/Traditional	5,500	112	84	64	48	20	0.86	1.92	2,384	$492,786	$207	$0	1.06%	0.56%	$2,327
SMA	Ivy	Taylor Morrison Homes	Woodland	Detached/Traditional	6,825	44	36	26	18	10	0.22	0.00	2,789	$565,333	$203	$0	1.06%	0.53%	$2,656
SMA	Laurel	Taylor Morrison Homes	Woodland	Detached/Traditional	5,775	100	60	45	55	15	0.38	-0.15	2,435	$501,100	$206	$0	1.06%	0.60%	$2,383
SMA	Magnolia	Lennar Homes	Woodland	Detached/Traditional	6,600	78	40	34	44	6	0.58	0.46	2,822	$582,740	$206	$0	1.06%	0.64%	$2,791
SMA	Olive	Taylor Morrison Homes	Woodland	Detached/Traditional	4,275	70	60	48	22	12	0.40	0.08	2,014	$454,667	$226	$0	1.06%	0.66%	$2,185
SMA	Seummerstone	Lennar Homes	Woodland	Detached/Traditional	6,300	88	55	47	41	8	0.80	1.00	2,554	$555,390	$217	$0	1.06%	0.67%	$2,674
SMA	Sunflower	Lennar Homes	Woodland	Detached/Traditional	7,700	87	63	57	30	6	0.97	1.38	3,258	$620,657	$191	$0	1.06%	0.60%	$2,952
SMA	The Pines	Woodside Homes	Woodland	Detached/Traditional	4,275	83	33	30	53	3	0.56	1.38	2,274	$482,240	$212	$0	1.06%	0.64%	$2,310
				NEW-HOME TOTALS/AVERAGES (Woodland):	**5,906**	**662**	**431**	**351**	**311**	**80**	**0.60**	**0.76**	**2,567**	**$531,065**	**$207**	**$0**	**1.06%**	**0.61%**	**$2,531**
SMA	Bluffs	Cresleigh Homes	Plumas Lake	Detached/Traditional	6,050	28	19	14	14	5	0.50	0.46	1,740	$342,000	$197	$0	1.06%	0.75%	$1,669
SMA	Dorado	D.R. Horton Homes	Plumas Lake	Detached/Traditional	10,125	63	59	59	4	0	1.59	1.92	1,645	$350,990	$213	$0	1.06%	0.49%	$1,637
SMA	Meadows	Cresleigh Homes	Plumas Lake	Detached/Traditional	7,000	83	31	25	58	6	0.68	1.46	2,676	$409,250	$153	$0	1.06%	0.72%	$1,987
SMA	Riverside	Cresleigh Homes	Plumas Lake	Detached/Traditional	7,700	52	56	18	34	38	0.35	0.92	2,798	$438,423	$157	$0	1.06%	0.72%	$2,129
SMA	Sonoma Ranch	Lennar Homes	Plumas Lake	Detached/Traditional	10,000	208	145	143	65	2	1.12	1.00	2,496	$436,709	$175	$0	1.06%	0.63%	$2,088
SMA	Waters Edge	Capital Valley Hoems	Plumas Lake	Detached/Traditional	10,125	66	45	45	21	0	0.47	0.92	2,666	$442,625	$166	$0	1.06%	0.50%	$2,068
				NEW-HOME TOTALS/AVERAGES (Plumas Lake):	**8,500**	**500**	**355**	**304**	**196**	**51**	**0.79**	**1.11**	**2,461**	**$415,150**	**$169**	**$0**	**1.06%**	**0.64%**	**$1,987**

Locational Assessment

Sacramento Region



Community of Natomas

The Primary Market Area (PMA) includes 17 projects from the Community of Natomas and all active projects currently selling in the community.

The majority of these competitive projects offer topography, community design and features and amenities that are similar to the subject project, as well as significant overlap in the housing types offered.

The Community of Natomas offers a vibrant community that is focused on family, community and recreation and is attractive to a wide range of potential buyers.

The subject site is located north of Interstate 5, west of Highway 99 and south of Elkhorn Boulevard in the Community of Natomas. Northlake provides excellent access to Highway 99 and Interstate 5—leading to the employment centers to the south in downtown Sacramento, and recreation to the east toward South Lake Tahoe and San Francisco to the west. Plus, the site provides excellent access to services and entertainment at the Del Paso Road corridor and further south at Truxel Road.

With appropriate product segmentation, pricing and proper builder execution, Northlake has the potential to be positioned comparable and above new-home communities in the subject market area based on lot size and product type considerations.

Given its location and the overall desirability of new housing in Natomas, Northlake has the ability to meet and exceed current and future demand.

Natomas:

- Provides desirable lifestyle for today's active buyers;
- Provides a variety of housing options including existing housing, master planned community living, larger production housing and traditional subdivision housing;
- A family focused and friendly community that includes access to recreation, extensive bike/walking paths throughout the community and access to major recreation and entertainment at the Sacramento River and downtown Sacramento;

Northlake:

- Will be an integral part of the greater community in offering housing in Natomas where there is a current lack of supply;
- Is located within close proximity to local services and conveniences within Natomas (and downtown Sacramento) as well as employment and the major transportation corridors throughout the region;
- Is anticipated to offer a strong land plan, community amenities (including a lake) and product design/execution.

The entire Northlake community is planned to offer 2,753 units with the first phase of development including 1,137 units and eight product types. The project also includes market rate and senior for-rent housing, 37-acres of commercial uses and 140-acres of lakes, open space and wildlife habitat. The focus of this effort is on the Phase 1 development of 1,137 units.

Subject Project—Land Use

2,788 square foot lots and 140 units; homes sized from 1,774 to 2,190 square feet

3,690 square foot lots and 134 units; homes sized from 2,114 to 2,362 square feet

4,000/4,250 square foot lots and 127 units; homes sized from 2,307 to 2,968 square feet

4,500 square foot lots and 153 units; homes sized from 2,134 to 2,786 square feet

4,675 square foot lots and 97 units; homes sized from 1,797 to 3,178 square feet

5,000 square foot lots and 235 units; homes sized from 2,150 to 3,180 square feet

5,500 square foot lots and 135 units; homes sized from 2,282 to 3,425 square feet

6,600 square foot lots and 116 units; homes sized from 2,632 to 3,940 square feet

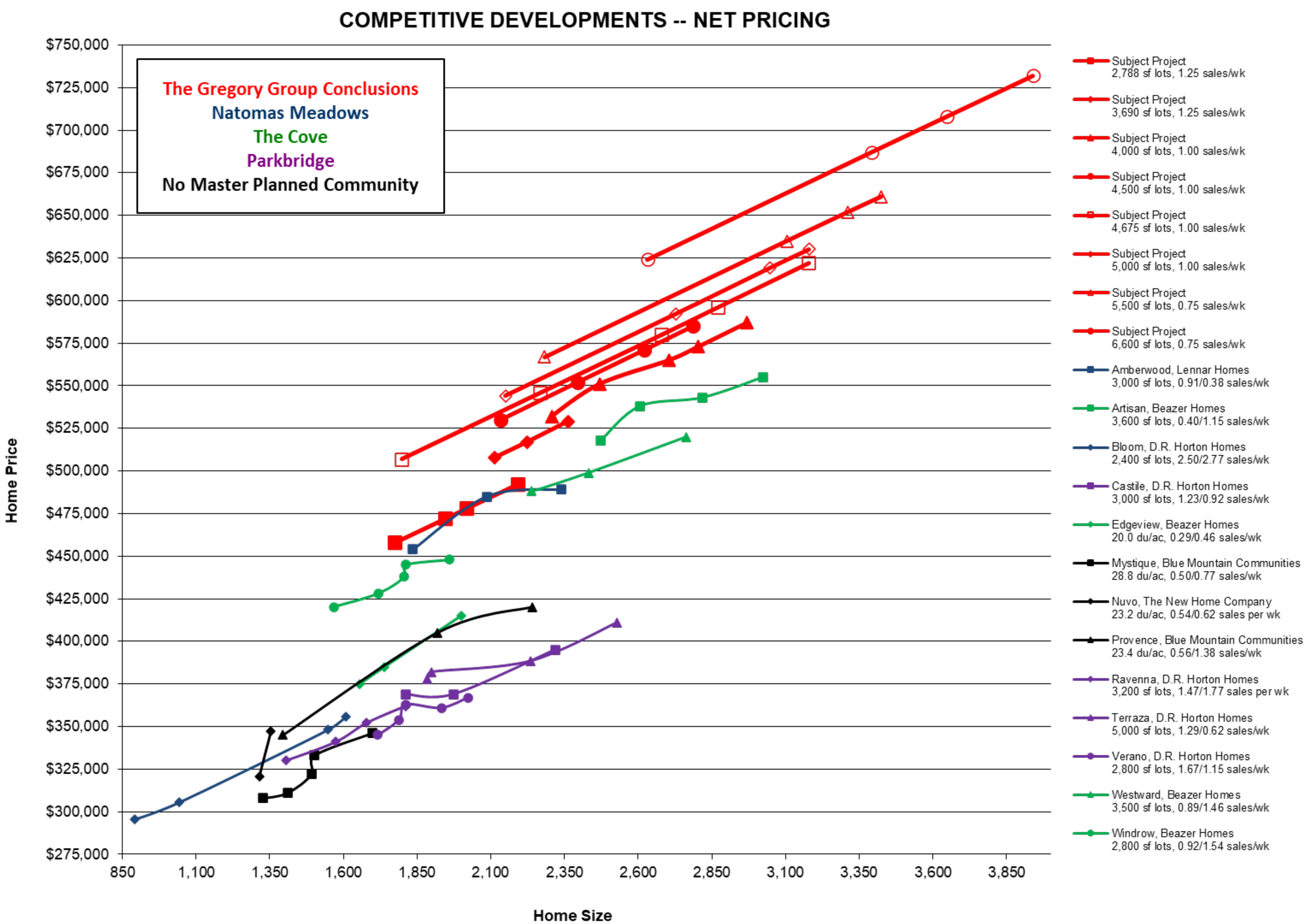
The land plan incorporates appropriate lot sizes, product types and connectivity to parks, open space, lakes, local trails/biking paths, recreation, surrounding places of business and entertainment.

Northlake will offer a desirable location—especially within Natomas, a well-designed land plan that integrates product types and walkability.

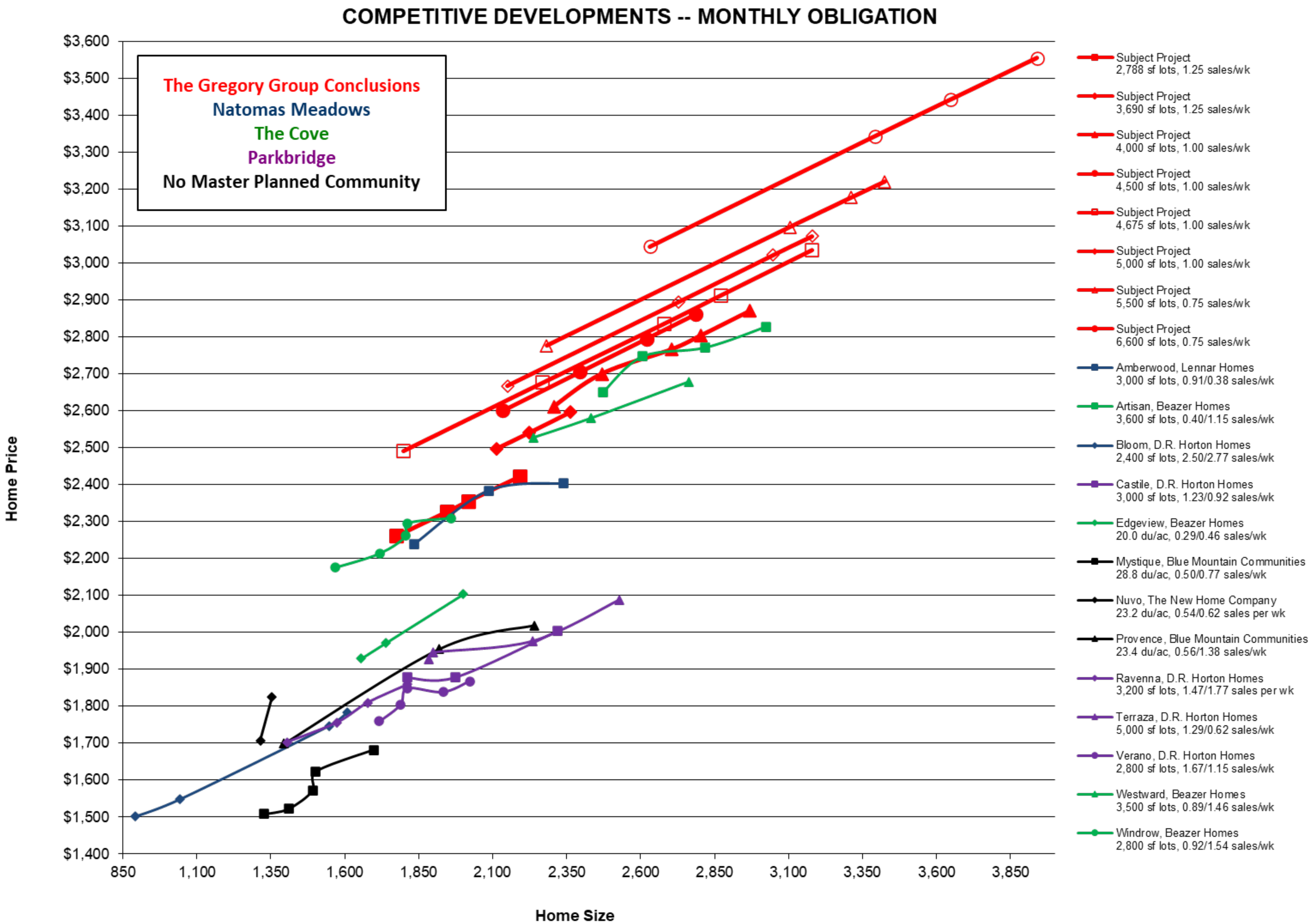
Northlake


VILLAGE WEST
VILLAGE 3B
VILLAGE 4B
VILLAGE 4A
VILLAGE 5B
VILLAGE 5A
ELKHORN BOULEVARD
LOT D
SHOPPING CENTER
LOT C
SHOPPING CENTER
LOT F
PARK
VILLAGE EAST
VILLAGE 7A
VILLAGE 3A
COMMUNITY CENTER
LOT B
COMMUNITY PARK
LOT K
VILLAGE 8
LAKE
VILLAGE 5C
STATE HIGHWAY 99
VILLAGE 2B
VILLAGE 10A
VILLAGE 10B2
VILLAGE 2A
VILLAGE 10B1
LOT A
MULTI-FAMILY
MEISTER WAY
VILLAGE 1
VILLAGE 12B
VILLAGE 12A
VILLAGE 11
VILLAGE 6
VILLAGE 7B
VILLAGE 9
NORTH
N.T.S.

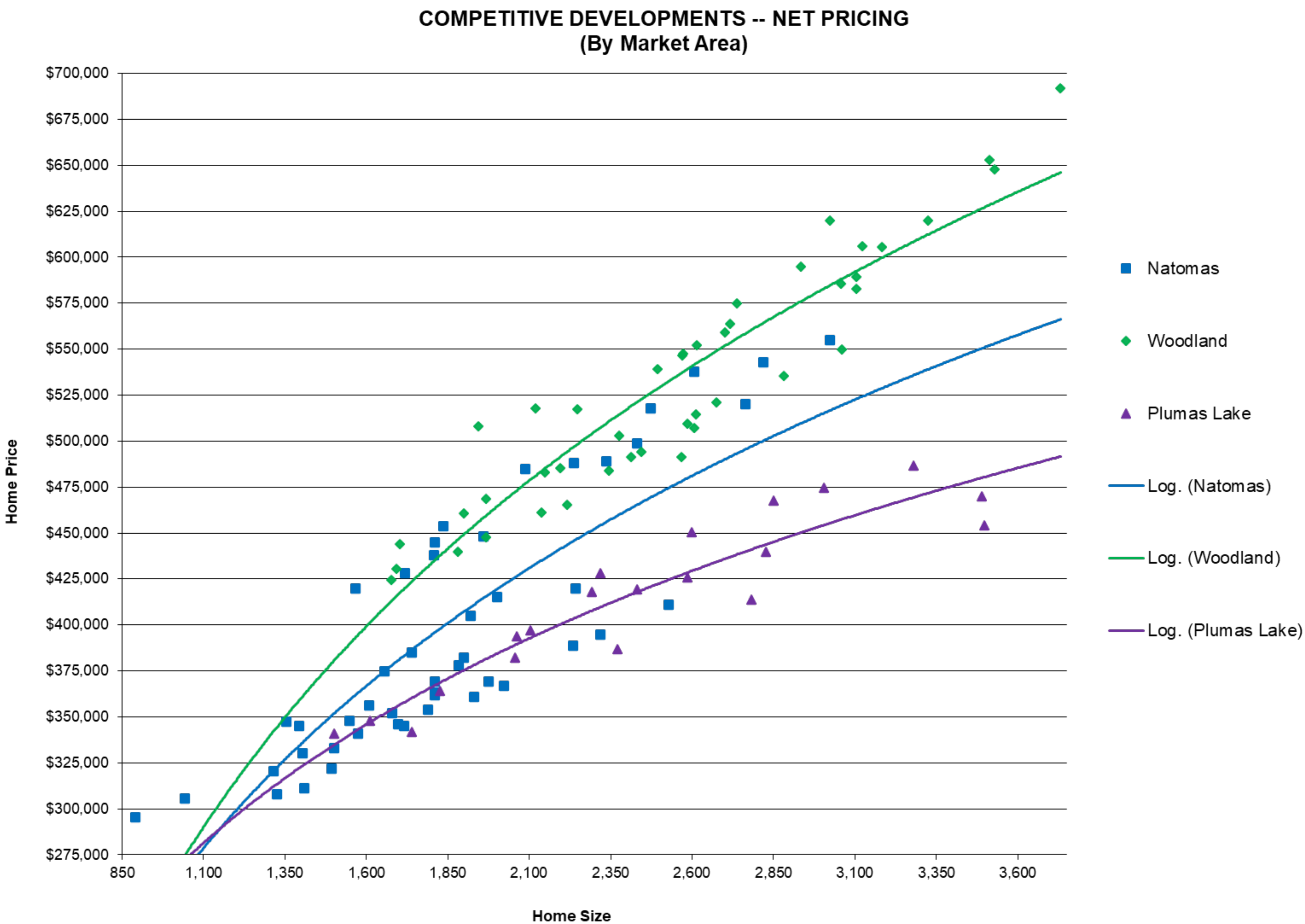
Competitive Housing Analysis



COMPETITIVE DEVELOPMENTS -- NET PRICING
The Gregory Group Conclusions
Natomas Meadows
The Cove
Parkbridge
No Master Planned Community
Home Price
Home Size
$750,000
$725,000
$700,000
$675,000
$650,000
$625,000
$600,000
$575,000
$550,000
$525,000
$500,000
$475,000
$450,000
$425,000
$400,000
$375,000
$350,000
$325,000
$300,000
$275,000
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
3,600
3,850
Subject Project 2,788 sf lots, 1.25 sales/wk
Subject Project 3,690 sf lots, 1.25 sales/wk
Subject Project 4,000 sf lots, 1.00 sales/wk
Subject Project 4,500 sf lots, 1.00 sales/wk
Subject Project 4,675 sf lots, 1.00 sales/wk
Subject Project 5,000 sf lots, 1.00 sales/wk
Subject Project 5,500 sf lots, 0.75 sales/wk
Subject Project 6,600 sf lots, 0.75 sales/wk
Amberwood, Lennar Homes 3,000 sf lots, 0.91/0.38 sales/wk
Artisan, Beazer Homes 3,600 sf lots, 0.40/1.15 sales/wk
Bloom, D.R. Horton Homes 2,400 sf lots, 2.50/2.77 sales/wk
Castile, D.R. Horton Homes 3,000 sf lots, 1.23/0.92 sales/wk
Edgeview, Beazer Homes 20.0 du/ac, 0.29/0.46 sales/wk
Mystique, Blue Mountain Communities 28.8 du/ac, 0.50/0.77 sales/wk
Nuvo, The New Home Company 23.2 du/ac, 0.54/0.62 sales per wk
Provence, Blue Mountain Communities 23.4 du/ac, 0.56/1.38 sales/wk
Ravenna, D.R. Horton Homes 3,200 sf lots, 1.47/1.77 sales per wk
Terraza, D.R. Horton Homes 5,000 sf lots, 1.29/0.62 sales/wk
Verano, D.R. Horton Homes 2,800 sf lots, 1.67/1.15 sales/wk
Westward, Beazer Homes 3,500 sf lots, 0.89/1.46 sales/wk
Windrow, Beazer Homes 2,800 sf lots, 0.92/1.54 sales/wk



COMPETITIVE DEVELOPMENTS -- MONTHLY OBLIGATION
The Gregory Group Conclusions
Natomas Meadows
The Cove
Parkbridge
No Master Planned Community
Home Price
Home Size
$3,600
$3,500
$3,400
$3,300
$3,200
$3,100
$3,000
$2,900
$2,800
$2,700
$2,600
$2,500
$2,400
$2,300
$2,200
$2,100
$2,000
$1,900
$1,800
$1,700
$1,600
$1,500
$1,400
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
3,600
3,850
Subject Project 2,788 sf lots, 1.25 sales/wk
Subject Project 3,690 sf lots, 1.25 sales/wk
Subject Project 4,000 sf lots, 1.00 sales/wk
Subject Project 4,500 sf lots, 1.00 sales/wk
Subject Project 4,675 sf lots, 1.00 sales/wk
Subject Project 5,000 sf lots, 1.00 sales/wk
Subject Project 5,500 sf lots, 0.75 sales/wk
Subject Project 6,600 sf lots, 0.75 sales/wk
Amberwood, Lennar Homes 3,000 sf lots, 0.91/0.38 sales/wk
Artisan, Beazer Homes 3,600 sf lots, 0.40/1.15 sales/wk
Bloom, D.R. Horton Homes 2,400 sf lots, 2.50/2.77 sales/wk
Castile, D.R. Horton Homes 3,000 sf lots, 1.23/0.92 sales/wk
Edgeview, Beazer Homes 20.0 du/ac, 0.29/0.46 sales/wk
Mystique, Blue Mountain Communities 28.8 du/ac, 0.50/0.77 sales/wk
Nuvo, The New Home Company 23.2 du/ac, 0.54/0.62 sales per wk
Provence, Blue Mountain Communities 23.4 du/ac, 0.56/1.38 sales/wk
Ravenna, D.R. Horton Homes 3,200 sf lots, 1.47/1.77 sales per wk
Terraza, D.R. Horton Homes 5,000 sf lots, 1.29/0.62 sales/wk
Verano, D.R. Horton Homes 2,800 sf lots, 1.67/1.15 sales/wk
Westward, Beazer Homes 3,500 sf lots, 0.89/1.46 sales/wk
Windrow, Beazer Homes 2,800 sf lots, 0.92/1.54 sales/wk


COMPETITIVE DEVELOPMENTS -- NET PRICING
(By Market Area)
Home Price
$700,000
$675,000
$650,000
$625,000
$600,000
$575,000
$550,000
$525,000
$500,000
$475,000
$450,000
$425,000
$400,000
$375,000
$350,000
$325,000
$300,000
$275,000
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
3,600
Home Size
Natomas
Woodland
Plumas Lake
Log. (Natomas)
Log. (Woodland)
Log. (Plumas Lake)

Competitive Projects (Community of Natomas)

	COMMUNITY DETAILS				PRODUCT SUMMARY					MARKET PRICING SUMMARY															
	Community / Location / Product Summary			Builder / Master Plan / Sales Summary	Home Size (SF)	Bed	Bath	Levels	Gar	Base Price	Base Price/ Sq. Ft.	Current Incentives: Price Reduction	Current Incentives: Options/ Upgrades	Current Incentives: Closing $/ Other	Net Base Price	Net Base Price/ Sq. Ft.	Current Add-Ons: Options/ Upgrades	Current Add-Ons: Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Payment: Monthly HOA	Monthly Payment: Base Tax	Monthly Payment: Add Tax	80% 3.00% Mo. Pmt	Req. Income
Primary Market Area	**Amberwood**			**Lennar Homes**	1,836	3	2.5	2	2	$456,950	$249	$0	$0	$3,000	$453,950	$247	$0	$0	$453,950	$247	$130	1.06%	0.47%	$2,240	$86,705
	Natomas			**Natomas Meadows**	2,087	4/L	3	2	2	$487,950	$234	$0	$0	$3,000	$484,950	$232	$0	$0	$484,950	$232	$130	1.06%	0.47%	$2,384	$92,283
	Product Type:	Detached	Total Units:	75	2,338	4/L	3	2	2	$491,990	$210	$0	$0	$3,000	$488,990	$209	$0	$0	$488,990	$209	$130	1.06%	0.47%	$2,403	$93,009
	Configuration:	Alley-Loaded	Units Offered:	75																					
	Lot Dimensions:	40 x 75	Units Sold:	74																					
	Lot Size/Density:	3,000	Current Sales:	5																					
	Open Date:	Mar-19	Total RU:	1																					
	Overall Sales Rate:	0.91	Total % R:	1%																					
	Current Sales Rate:	0.38	Unsold RU:	1																					
				Averages:	**2,087**					**$478,963**	**$231**	**$0**	**$0**	**$3,000**	**$475,963**	**$230**	**$0**	**$0**	**$475,963**	**$230**	**$130**	**1.06%**	**0.47%**	**$2,342**	**$90,666**
Primary Market Area	**Artisan**			**Beazer Homes**	2,474	3/L	3	2	2	$522,990	$211	$0	$0	$5,000	$517,990	$209	$0	$0	$517,990	$209	$170	1.06%	0.64%	$2,651	$102,616
	Natomas			**The Cove**	2,606	4/L/S	3	2	2	$542,990	$208	$0	$0	$5,000	$537,990	$206	$0	$0	$537,990	$206	$170	1.06%	0.64%	$2,747	$106,324
	Product Type:	Detached	Total Units:	145	2,818	4/D/L	3	2	2	$547,990	$194	$0	$0	$5,000	$542,990	$193	$0	$0	$542,990	$193	$170	1.06%	0.64%	$2,771	$107,251
	Configuration:	Small-Lot	Units Offered:	35	3,024	4/L/S	3	2	2	$559,990	$185	$0	$0	$5,000	$554,990	$184	$0	$0	$554,990	$184	$170	1.06%	0.64%	$2,828	$109,476
	Lot Dimensions:	40 x 90	Units Sold:	26																					
	Lot Size/Density:	3,600	Current Sales:	15																					
	Open Date:	Jul-19	Total RU:	119																					
	Overall Sales Rate:	0.40	Total % R:	82%																					
	Current Sales Rate:	1.15	Unsold RU:	9																					
				Averages:	**2,731**					**$543,490**	**$200**	**$0**	**$0**	**$5,000**	**$538,490**	**$198**	**$0**	**$0**	**$538,490**	**$198**	**$170**	**1.06%**	**0.64%**	**$2,749**	**$106,417**
Primary Market Area	**Bloom**			**D.R. Horton Homes**	891	2	1	1	1	$295,400	$332	$0	$0	$0	$295,400	$332	$0	$0	$295,400	$332	$118	1.06%	0.51%	$1,501	$58,096
	Natomas			**Natomas Meadows**	1,043	3	1	1	1	$305,490	$293	$0	$0	$0	$305,490	$293	$0	$0	$305,490	$293	$118	1.06%	0.51%	$1,548	$59,924
	Product Type:	Detached	Total Units:	84	1,547	3	2.5	2	2	$347,990	$225	$0	$0	$0	$347,990	$225	$0	$0	$347,990	$225	$118	1.06%	0.51%	$1,747	$67,626
	Configuration:	Small-Lot	Units Offered:	60	1,609	4	2.5	2	2	$355,990	$221	$0	$0	$0	$355,990	$221	$0	$0	$355,990	$221	$118	1.06%	0.51%	$1,784	$69,075
	Lot Dimensions:	40 x 60	Units Sold:	60																					
	Lot Size/Density:	2,400	Current Sales:	36																					
	Open Date:	Apr-20	Total RU:	24																					
	Overall Sales Rate:	2.50	Total % R:	29%																					
	Current Sales Rate:	2.77	Unsold RU:	0																					
				Averages:	**1,273**					**$326,218**	**$268**	**$0**	**$0**	**$0**	**$326,218**	**$268**	**$0**	**$0**	**$326,218**	**$268**	**$118**	**1.06%**	**0.51%**	**$1,645**	**$63,680**
Primary Market Area	**Castile**			**D.R. Horton Homes**	1,811	4	2.5	2	2	$373,990	$207	$0	$0	$5,000	$368,990	$204	$0	$0	$368,990	$204	$96	1.06%	0.69%	$1,879	$72,722
	Natomas			**Parkebridge**	1,974	3/B	2.5	2	2	$373,990	$189	$0	$0	$5,000	$368,990	$187	$0	$0	$368,990	$187	$96	1.06%	0.69%	$1,879	$72,722
	Product Type:	Detached	Total Units:	152	2,318	4/D	3	2	2	$399,990	$173	$0	$0	$5,000	$394,990	$170	$0	$0	$394,990	$170	$96	1.06%	0.69%	$2,004	$77,584
	Configuration:	Small-Lot	Units Offered:	92																					
	Lot Dimensions:	40 x 75	Units Sold:	92																					
	Lot Size/Density:	3,000	Current Sales:	12																					
	Open Date:	Apr-19	Total RU:	60																					
	Overall Sales Rate:	1.23	Total % R:	39%																					
	Current Sales Rate:	0.92	Unsold RU:	0																					
				Averages:	**2,034**					**$382,657**	**$190**	**$0**	**$0**	**$5,000**	**$377,657**	**$187**	**$0**	**$0**	**$377,657**	**$187**	**$96**	**1.06%**	**0.69%**	**$1,921**	**$74,343**
Primary Market Area	**Edgeview**			**Beazer Homes**	1,656	3	2.5	2	2	$379,990	$229	$0	$0	$5,000	$374,990	$226	$0	$0	$374,990	$226	$289	1.06%	0.14%	$1,929	$74,662
	Natomas			**The Cove**	1,740	3	2.5	2	2	$389,990	$224	$0	$0	$5,000	$384,990	$221	$0	$0	$384,990	$221	$289	1.06%	0.14%	$1,972	$76,355
	Product Type:	Attached	Total Units:	189	2,001	3	3.5	3	2	$419,990	$210	$0	$0	$5,000	$414,990	$207	$0	$0	$414,990	$207	$289	1.06%	0.14%	$2,104	$81,433
	Configuration:	Townhome	Units Offered:	18																					
	Lot Dimensions:	--	Units Sold:	8																					
	Lot Size/Density:	20.0	Current Sales:	6																					
	Open Date:	Mar-20	Total RU:	181																					
	Overall Sales Rate:	0.29	Total % R:	96%																					
	Current Sales Rate:	0.46	Unsold RU:	10																					
				Averages:	**1,799**					**$396,657**	**$221**	**$0**	**$0**	**$5,000**	**$391,657**	**$218**	**$0**	**$0**	**$391,657**	**$218**	**$289**	**1.06%**	**0.14%**	**$2,002**	**$77,483**

	COMMUNITY DETAILS				PRODUCT SUMMARY					MARKET PRICING SUMMARY															
	Community / **Location** / Product Summary			**Builder** / **Master Plan** / Sales Summary	Home Size (SF)	Bed	Bath	Levels	Gar	Base Price	Base Price/ Sq. Ft.	Current Incentives: Price Reduction	Current Incentives: Options/ Upgrades	Current Incentives: Closing $/ Other	Net Base Price	Net Base Price/ Sq. Ft.	Current Add-Ons: Options/ Upgrades	Current Add-Ons: Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Payment: Monthly HOA	Monthly Payment: Base Tax	Monthly Payment: Add Tax	80% 3.00% Mo. Pmt	Req. Income
Primary Market Area	**Mystique**			**Watt Communities**	1,326	2	2.5	3	1	$310,990	$235	$0	$0	$3,000	$307,990	$232	$0	$0	$307,990	$232	$100	1.06%	0.38%	$1,508	$58,389
	Natomas			**None**	1,410	2	2.5	3	2	$313,990	$223	$0	$0	$3,000	$310,990	$221	$0	$0	$310,990	$221	$100	1.06%	0.38%	$1,522	$58,920
	Product Type:	Attached	Total Units:	57	1,492	3	2.5	2	2	$324,990	$218	$0	$0	$3,000	$321,990	$216	$0	$0	$321,990	$216	$100	1.06%	0.38%	$1,572	$60,867
	Configuration:	Townhome	Units Offered:	30	1,502	3/L	2.5	2	2	$335,990	$224	$0	$0	$3,000	$332,990	$222	$0	$0	$332,990	$222	$100	1.06%	0.38%	$1,623	$62,814
	Lot Dimensions:	--	Units Sold:	25	1,697	3/L	2.5	2	2	$348,990	$206	$0	$0	$3,000	$345,990	$204	$0	$0	$345,990	$204	$100	1.06%	0.38%	$1,682	$65,116
	Lot Size/Density:	28.8	Current Sales:	10																					
	Open Date:	Oct-19	Total RU:	32																					
	Overall Sales Rate:	0.50	Total % R:	56%																					
	Current Sales Rate:	0.77	Unsold RU:	5																					
				Averages:	**1,485**					**$326,990**	**$221**	**$0**	**$0**	**$3,000**	**$323,990**	**$219**	**$0**	**$0**	**$323,990**	**$219**	**$100**	**1.06%**	**0.38%**	**$1,582**	**$61,221**
Primary Market Area	**Nuvo**			**The New Home Company**	1,315	3	2.5	2	2	$325,405	$247	$0	$0	$5,000	$320,405	$244	$0	$0	$320,405	$244	$298	1.06%	0.17%	$1,707	$66,081
	Natomas			**None**	1,354	3	2.5	2	2	$352,365	$260	$0	$0	$5,000	$347,365	$257	$0	$0	$347,365	$257	$298	1.06%	0.17%	$1,826	$70,670
	Product Type:	Attached	Total Units:	145																					
	Configuration:	Townhome	Units Offered:	18																					
	Lot Dimensions:	--	Units Sold:	13																					
	Lot Size/Density:	23.2	Current Sales:	8																					
	Open Date:	Apr-20	Total RU:	132																					
	Overall Sales Rate:	0.54	Total % R:	91%																					
	Current Sales Rate:	0.62	Unsold RU:	5																					
				Averages:	**1,335**					**$338,885**	**$254**	**$0**	**$0**	**$5,000**	**$333,885**	**$250**	**$0**	**$0**	**$333,885**	**$250**	**$298**	**1.06%**	**0.17%**	**$1,766**	**$68,376**
Primary Market Area	**Provence**			**Blue Mountain Communities**	1,394	3	2.5	2	2	$349,990	$251	$0	$0	$5,000	$344,990	$247	$0	$0	$344,990	$247	$231	1.06%	0.00%	$1,699	$65,781
	Natomas			**None**	1,920	4/L	3.5	3	2	$409,990	$214	$0	$0	$5,000	$404,990	$211	$0	$0	$404,990	$211	$231	1.06%	0.00%	$1,955	$75,666
	Product Type:	Attached	Total Units:	187	2,242	4	3.5	2	2	$424,990	$190	$0	$0	$5,000	$419,990	$187	$0	$0	$419,990	$187	$231	1.06%	0.00%	$2,019	$78,137
	Configuration:	Townhome	Units Offered:	36																					
	Lot Dimensions:	--	Units Sold:	28																					
	Lot Size/Density:	23.4	Current Sales:	18																					
	Open Date:	Oct-19	Total RU:	159																					
	Overall Sales Rate:	0.56	Total % R:	85%																					
	Current Sales Rate:	1.38	Unsold RU:	8																					
				Averages:	**1,852**					**$394,990**	**$218**	**$0**	**$0**	**$5,000**	**$389,990**	**$215**	**$0**	**$0**	**$389,990**	**$215**	**$231**	**1.06%**	**0.00%**	**$1,891**	**$73,195**
Primary Market Area	**Ravenna**			**D.R. Horton Homes**	1,404	3	2	2	2	$334,990	$239	$0	$0	$5,000	$329,990	$235	$0	$0	$329,990	$235	$89	1.06%	0.76%	$1,702	$65,903
	Natomas			**Parkebridge**	1,574	3	2.5	2	2	$345,990	$220	$0	$0	$5,000	$340,990	$217	$0	$0	$340,990	$217	$89	1.06%	0.76%	$1,756	$67,985
	Product Type:	Detached	Total Units:	108	1,678	4	2.5	2	2	$356,990	$213	$0	$0	$5,000	$351,990	$210	$0	$0	$351,990	$210	$89	1.06%	0.76%	$1,810	$70,067
	Configuration:	Courtyard	Units Offered:	64	1,811	4	3.5	2	2	$366,990	$203	$0	$0	$5,000	$361,990	$200	$0	$0	$361,990	$200	$89	1.06%	0.76%	$1,859	$71,959
	Lot Dimensions:	40 x 80	Units Sold:	56																					
	Lot Size/Density:	3,200	Current Sales:	23																					
	Open Date:	Jan-20	Total RU:	52																					
	Overall Sales Rate:	1.47	Total % R:	48%																					
	Current Sales Rate:	1.77	Unsold RU:	8																					
				Averages:	**1,617**					**$351,240**	**$218**	**$0**	**$0**	**$5,000**	**$346,240**	**$215**	**$0**	**$0**	**$346,240**	**$215**	**$89**	**1.06%**	**0.76%**	**$1,782**	**$68,978**
Primary Market Area	**Terraza**			**D.R. Horton Homes**	1,883	3	2	1	2	$382,990	$203	$0	$0	$5,000	$377,990	$201	$0	$0	$377,990	$201	$110	1.06%	0.66%	$1,927	$74,581
	Natomas			**Parkebridge**	1,898	3/D	2	1	2	$386,990	$204	$0	$0	$5,000	$381,990	$201	$0	$0	$381,990	$201	$110	1.06%	0.66%	$1,946	$75,325
	Product Type:	Detached	Total Units:	98	2,235	4	3	2	2	$393,490	$176	$0	$0	$5,000	$388,490	$174	$0	$0	$388,490	$174	$110	1.06%	0.66%	$1,977	$76,535
	Configuration:	Traditional	Units Offered:	98	2,529	4	3	2	2	$416,490	$165	$0	$0	$5,000	$411,490	$163	$0	$0	$411,490	$163	$110	1.06%	0.66%	$2,088	$80,814
	Lot Dimensions:	50 x 100	Units Sold:	98																					
	Lot Size/Density:	5,000	Current Sales:	8																					
	Open Date:	Apr-19	Total RU:	0																					
	Overall Sales Rate:	1.29	Total % R:	0%																					
	Current Sales Rate:	0.62	Unsold RU:	0																					
				Averages:	**2,136**					**$394,990**	**$187**	**$0**	**$0**	**$5,000**	**$389,990**	**$185**	**$0**	**$0**	**$389,990**	**$185**	**$110**	**1.06%**	**0.66%**	**$1,984**	**$76,814**

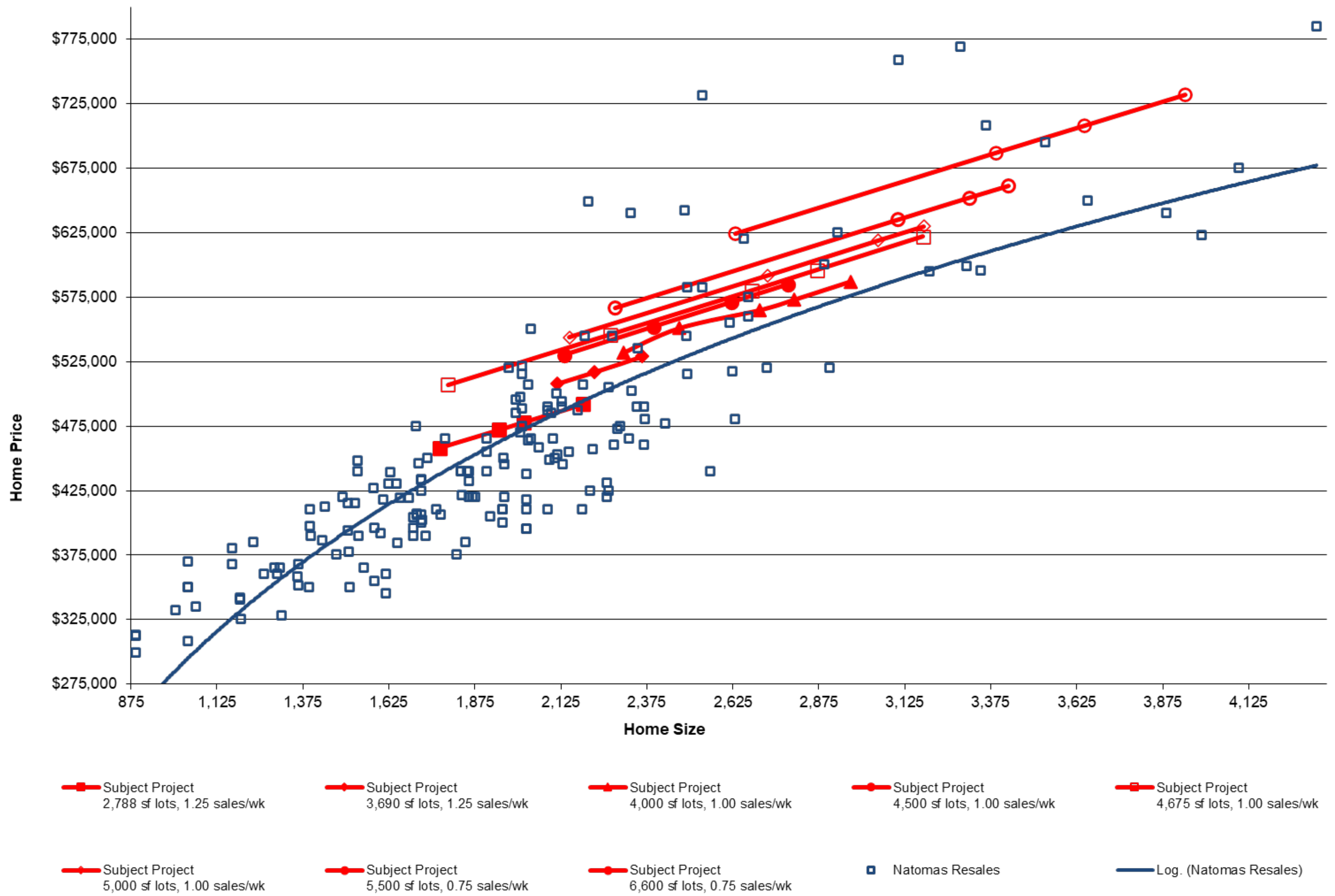
Area	COMMUNITY DETAILS: Community / Location / Product Summary		Builder / Master Plan / Sales Summary		PRODUCT SUMMARY: Home Size (SF)	Bed	Bath	Levels	Gar	MARKET PRICING SUMMARY: Base Price	Base Price/ Sq. Ft.	Current Incentives: Price Reduction	Current Incentives: Options/ Upgrades	Current Incentives: Closing $/ Other	Net Base Price	Net Base Price/ Sq. Ft.	Current Add-Ons: Options/ Upgrades	Current Add-Ons: Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Payment: Monthly HOA	Monthly Payment: Base Tax	Monthly Payment: Add Tax	80% 3.00% Mo. Pmt	Req. Income
Primary Market Area	**Verano**			**D.R. Horton Homes**	1,717	3	2.5	2	2	$350,000	$204	$0	$0	$5,000	$345,000	$201	$0	$0	$345,000	$201	$82	1.06%	0.73%	$1,760	$68,139
	Natomas			**Parkebridge**	1,788	3	2.5	2	2	$358,990	$201	$0	$0	$5,000	$353,990	$198	$0	$0	$353,990	$198	$82	1.06%	0.73%	$1,804	$69,832
	Product Type:	Detached	Total Units:	135	1,811	4	2.5	2	2	$367,990	$203	$0	$0	$5,000	$362,990	$200	$0	$0	$362,990	$200	$82	1.06%	0.73%	$1,848	$71,526
	Configuration:	Small-Lot	Units Offered:	120	1,932	4/L	3	2	2	$365,990	$189	$0	$0	$5,000	$360,990	$187	$0	$0	$360,990	$187	$82	1.06%	0.73%	$1,838	$71,150
	Lot Dimensions:	40 x 70	Units Sold:	120	2,022	4/L	2.5	2	2	$371,990	$184	$0	$0	$5,000	$366,990	$181	$0	$0	$366,990	$181	$82	1.06%	0.73%	$1,867	$72,280
	Lot Size/Density:	2,800	Current Sales:	15																					
	Open Date:	May-19	Total RU:	15																					
	Overall Sales Rate:	1.67	Total % R:	11%																					
	Current Sales Rate:	1.15	Unsold RU:	0																					
				Averages:	**1,854**					**$362,992**	**$196**	**$0**	**$0**	**$5,000**	**$357,992**	**$194**	**$0**	**$0**	**$357,992**	**$194**	**$82**	**1.06%**	**0.73%**	**$1,823**	**$70,585**
Primary Market Area	**Westward**			**Beazer Homes**	2,238	3/L	3	2	2	$492,990	$220	$0	$0	$5,000	$487,990	$218	$0	$0	$487,990	$218	$215	1.06%	0.58%	$2,528	$97,851
	Natomas			**The Cove**	2,431	4/L	3.5	2	2	$503,990	$207	$0	$0	$5,000	$498,990	$205	$0	$0	$498,990	$205	$215	1.06%	0.58%	$2,580	$99,870
	Product Type:	Detached	Total Units:	140	2,764	4/L	2.5	2	2	$524,990	$190	$0	$0	$5,000	$519,990	$188	$0	$0	$519,990	$188	$215	1.06%	0.58%	$2,679	$103,722
	Configuration:	Alley-Loaded	Units Offered:	30																					
	Lot Dimensions:	50 x 70	Units Sold:	24																					
	Lot Size/Density:	3,500	Current Sales:	19																					
	Open Date:	Mar-20	Total RU:	116																					
	Overall Sales Rate:	0.89	Total % R:	83%																					
	Current Sales Rate:	1.46	Unsold RU:	6																					
				Averages:	**2,478**					**$507,323**	**$206**	**$0**	**$0**	**$5,000**	**$502,323**	**$204**	**$0**	**$0**	**$502,323**	**$204**	**$215**	**1.06%**	**0.58%**	**$2,596**	**$100,481**
Primary Market Area	**Windrow**			**Beazer Homes**	1,567	3	2.5	2	2	$424,990	$271	$0	$0	$5,000	$419,990	$268	$0	$0	$419,990	$268	$171	1.06%	0.62%	$2,176	$84,215
	Natomas			**The Cove**	1,718	3	2.5	2	2	$432,990	$252	$0	$0	$5,000	$427,990	$249	$0	$0	$427,990	$249	$171	1.06%	0.62%	$2,214	$85,693
	Product Type:	Detached	Total Units:	167	1,807	3	2.5	2	2	$442,990	$245	$0	$0	$5,000	$437,990	$242	$0	$0	$437,990	$242	$171	1.06%	0.62%	$2,261	$87,540
	Configuration:	Alley-Loaded	Units Offered:	51	1,811	3/L	2.5	2	2	$449,990	$248	$0	$0	$5,000	$444,990	$246	$0	$0	$444,990	$246	$171	1.06%	0.62%	$2,295	$88,833
	Lot Dimensions:	40 x 70	Units Sold:	48	1,960	3	2.5	2	2	$452,990	$231	$0	$0	$5,000	$447,990	$229	$0	$0	$447,990	$229	$171	1.06%	0.62%	$2,309	$89,388
	Lot Size/Density:	2,800	Current Sales:	20																					
	Open Date:	Oct-19	Total RU:	119																					
	Overall Sales Rate:	0.92	Total % R:	71%																					
	Current Sales Rate:	1.54	Unsold RU:	3																					
				Averages:	**1,773**					**$440,790**	**$250**	**$0**	**$0**	**$5,000**	**$435,790**	**$247**	**$0**	**$0**	**$435,790**	**$247**	**$171**	**1.06%**	**0.62%**	**$2,251**	**$87,134**

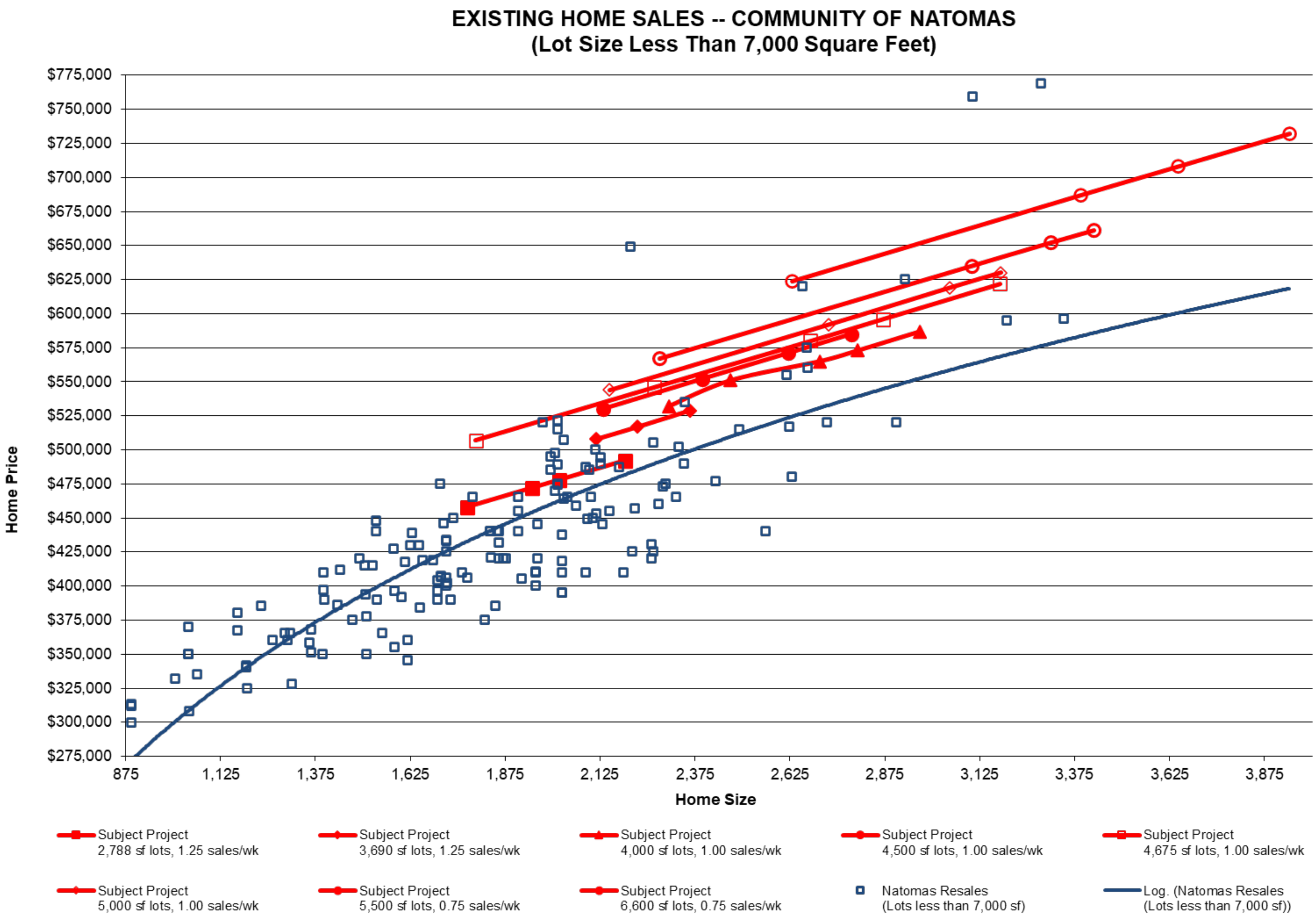
Competitive Projects

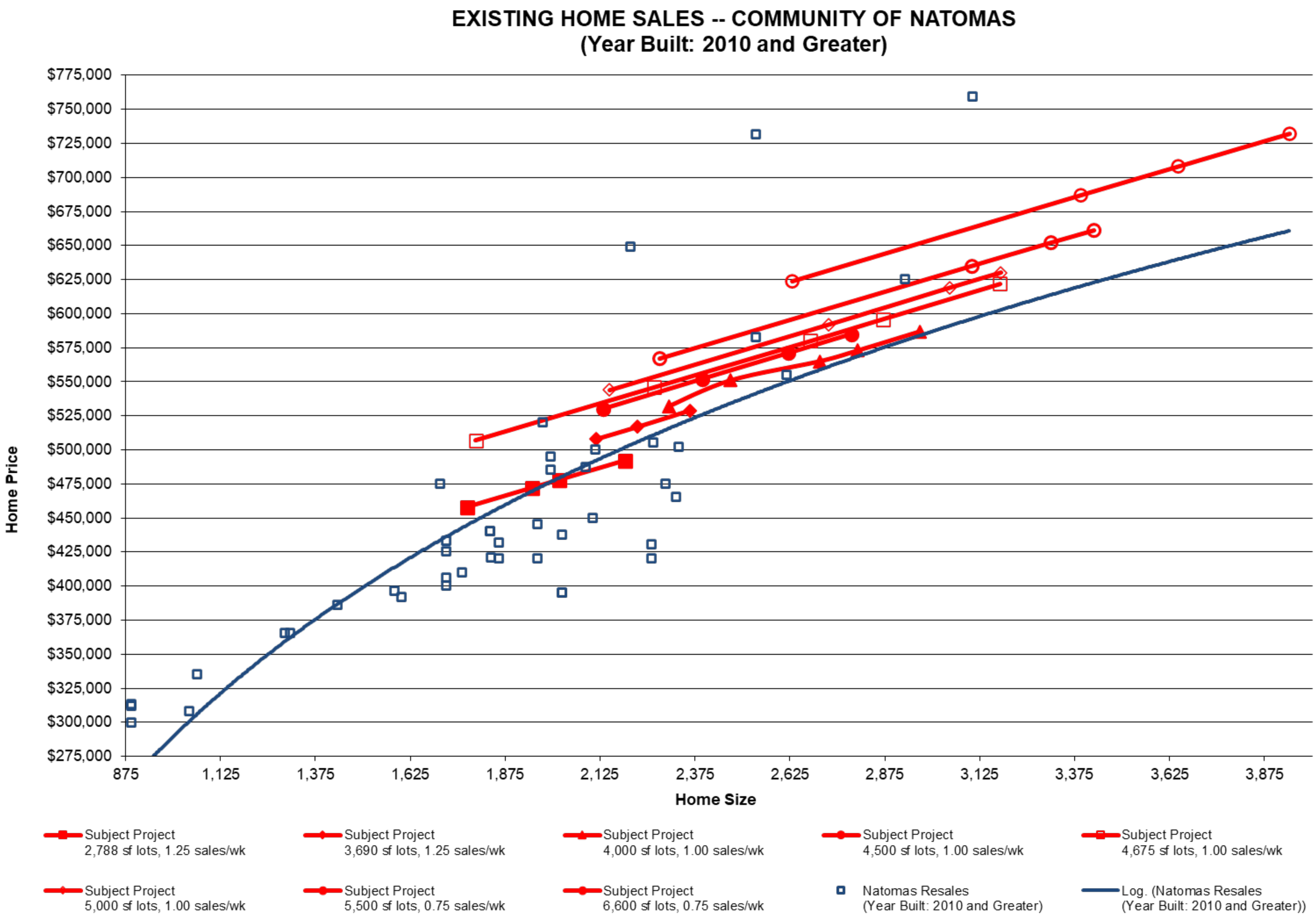
Competitive Market Areas (Primary Market Area and Secondary Market Area)

	PARAMETERS	DATE RANGE	DOM	YEAR BUILT	LOT SIZE	INVENTORY SUMMARY UNITS PLANNED	UNITS OFFERED	UNITS SOLD	TOTAL RU	UNSOLD RU	SALES SUMMARY OVERALL	--	AVERAGE HOME SIZE	NET PRICE	NET $/SF	MONTHLY OBLIGATION MONTHLY HOA	BASE TAX	ADD TAX	MONTHLY PAYMENT
RLS	PMA (Natomas)	08/06/2020 - 10/06/2020	18	2007	4,654	--	--	178	--	--	20.43	--	1,990	$457,081	$230	$0	1.06%	0.00%	$1,945
RLS	PMA (Natomas: < 7,000 sf lots)	08/07/2020 - 10/06/2020	19	2007	4,058	--	--	154	--	--	17.97	--	1,860	$436,007	$234	$0	1.06%	0.00%	$1,856
RLS	PMA (Natomas YB 2010+)	08/10/2020 - 10/05/2020	15	2017	3,664	--	--	44	--	--	5.50	--	1,898	$452,318	$238	$0	1.06%	0.00%	$1,925

EXISTING HOME SALES -- COMMUNITY OF NATOMAS




EXISTING HOME SALES -- COMMUNITY OF NATOMAS
(Lot Size Less Than 7,000 Square Feet)
Home Price
$775,000
$750,000
$725,000
$700,000
$675,000
$650,000
$625,000
$600,000
$575,000
$550,000
$525,000
$500,000
$475,000
$450,000
$425,000
$400,000
$375,000
$350,000
$325,000
$300,000
$275,000
875
1,125
1,375
1,625
1,875
2,125
2,375
2,625
2,875
3,125
3,375
3,625
3,875
Home Size
Subject Project 2,788 sf lots, 1.25 sales/wk
Subject Project 3,690 sf lots, 1.25 sales/wk
Subject Project 4,000 sf lots, 1.00 sales/wk
Subject Project 4,500 sf lots, 1.00 sales/wk
Subject Project 4,675 sf lots, 1.00 sales/wk
Subject Project 5,000 sf lots, 1.00 sales/wk
Subject Project 5,500 sf lots, 0.75 sales/wk
Subject Project 6,600 sf lots, 0.75 sales/wk
Natomas Resales (Lots less than 7,000 sf)
Log. (Natomas Resales (Lots less than 7,000 sf))



EXISTING HOME SALES -- COMMUNITY OF NATOMAS
(Year Built: 2010 and Greater)
$775,000
$750,000
$725,000
$700,000
$675,000
$650,000
$625,000
$600,000
$575,000
$550,000
$525,000
$500,000
$475,000
$450,000
$425,000
$400,000
$375,000
$350,000
$325,000
$300,000
$275,000
Home Price
875
1,125
1,375
1,625
1,875
2,125
2,375
2,625
2,875
3,125
3,375
3,625
3,875
Home Size
Subject Project 2,788 sf lots, 1.25 sales/wk
Subject Project 3,690 sf lots, 1.25 sales/wk
Subject Project 4,000 sf lots, 1.00 sales/wk
Subject Project 4,500 sf lots, 1.00 sales/wk
Subject Project 4,675 sf lots, 1.00 sales/wk
Subject Project 5,000 sf lots, 1.00 sales/wk
Subject Project 5,500 sf lots, 0.75 sales/wk
Subject Project 6,600 sf lots, 0.75 sales/wk
Natomas Resales (Year Built: 2010 and Greater)
Log. (Natomas Resales (Year Built: 2010 and Greater))

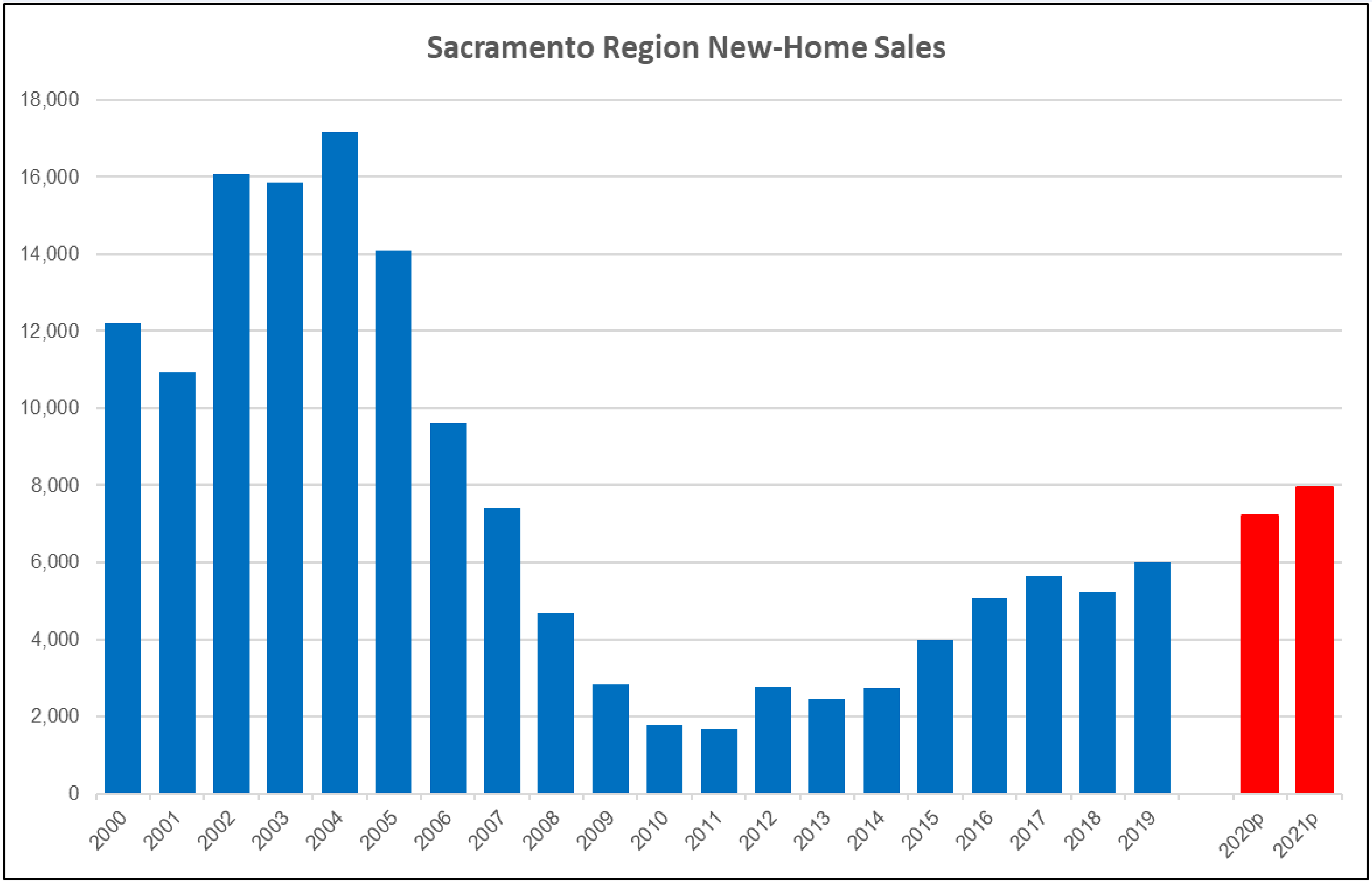
Sacramento New-Housing Analysis

Sacramento Region	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	Quarter % Change	Year Ago % Change
		2018				2019				2020				
Average Price	$515,562	$518,834	$528,450	$530,625	$526,456	$522,878	$520,910	$522,595	$532,718	$531,307	$529,263	$541,243	**2.3%**	**3.6%**
Median Price	$490,450	$494,990	$505,565	$505,990	$504,970	$499,990	$499,978	$501,990	$504,990	$503,420	$503,950	$516,342	**2.5%**	**2.9%**
Average Home Size	2,480	2,456	2,463	2,432	2,394	2,361	2,350	2,349	2,370	2,334	2,307	2,298	**-0.4%**	**-2.2%**
Average Pr/Sq Ft	$214.72	$218.63	$222.01	$225.12	$226.80	$229.45	$229.11	$229.34	$231.89	$234.65	$236.14	$242.22	**2.6%**	**5.6%**
Total Weekly Sales Rate	0.72	0.74	0.81	0.78	0.73	0.73	0.76	0.71	0.69	0.71	0.37	0.76	**105.4%**	**7.0%**
Quarter Sold	1,103	1,448	1,514	1,290	982	1,457	1,698	1,428	1,413	1,846	1,333	2,243	**68.3%**	**57.1%**
Quarter Weekly Sales Rate	0.53	0.68	0.69	0.57	0.43	0.63	0.67	0.54	0.53	0.71	0.54	0.86	**59.3%**	**59.3%**
Unsold Inventory	915	832	964	1,084	1,119	1,253	1,347	1,523	1,422	1,166	1,390	1,129	**-18.8%**	**-25.9%**
Weeks of Inventory	8	7	7	8	9	10	9	11	10	8	10	7	**-30.0%**	**-36.4%**

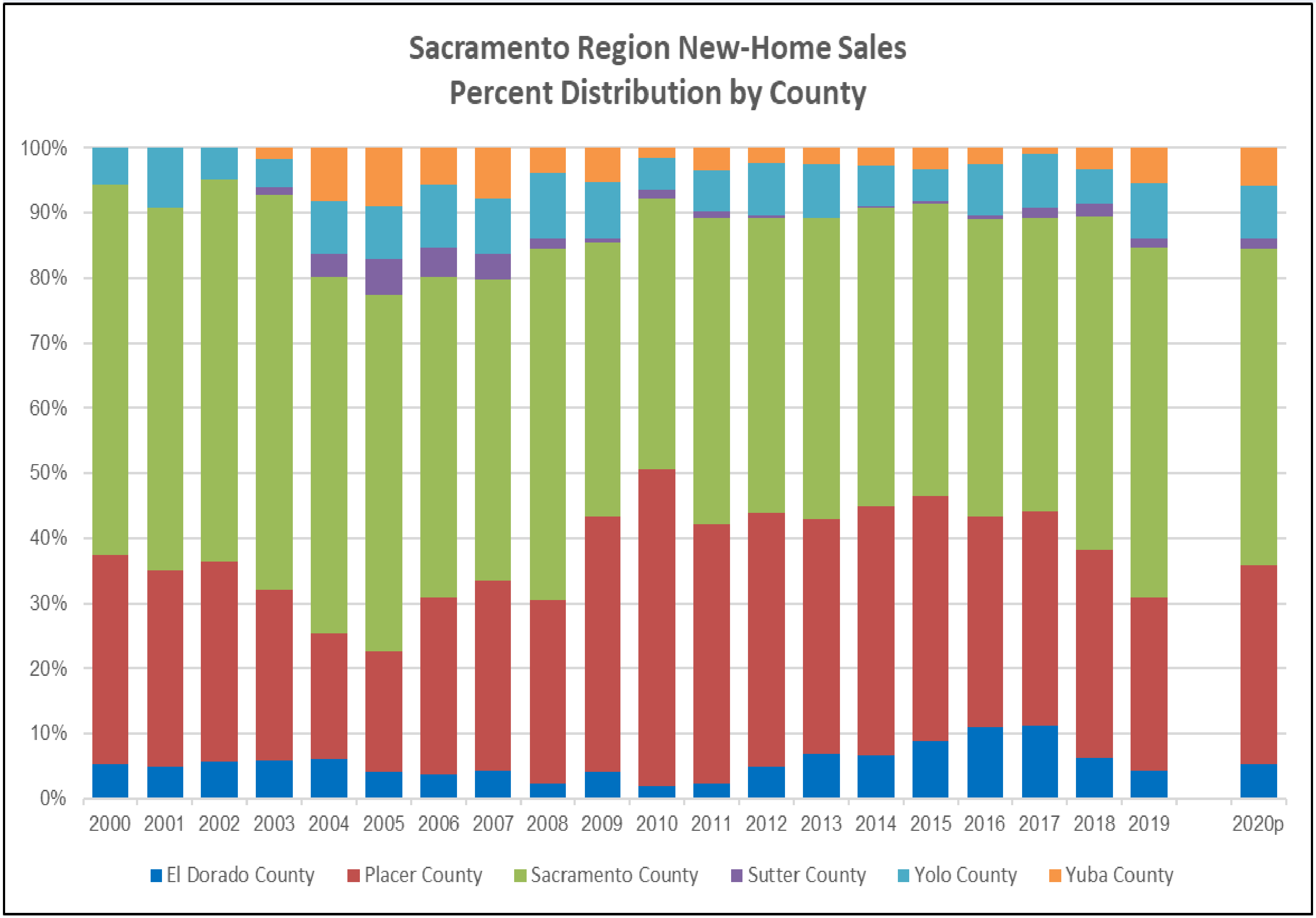
Year	Community of Natomas Sales	Sacramento County Sales	Community of Natomas % of Sales	Sacramento County Sales	Sacramento Region Sales	Sacramento County % of Region Sales	Community of Natomas % of Region Sales
2000	1,942	6,938	28.0%	6,938	12,216	56.8%	15.9%
2001	1,862	6,121	30.4%	6,121	10,936	56.0%	17.0%
2002	2,151	9,444	22.8%	9,444	16,062	58.8%	13.4%
2003	2,995	9,632	31.1%	9,632	15,858	60.7%	18.9%
2004	2,538	9,385	27.0%	9,385	17,155	54.7%	14.8%
2005	1,839	7,718	23.8%	7,718	14,094	54.8%	13.0%
2006	1,065	4,731	22.5%	4,731	9,607	49.2%	11.1%
2007	978	3,433	28.5%	3,433	7,416	46.3%	13.2%
2008	676	2,538	26.6%	2,538	4,695	54.1%	14.4%
2009	230	1,196	19.2%	1,196	2,841	42.1%	8.1%
2010	37	739	5.0%	739	1,776	41.6%	2.1%
2011	1	786	0.1%	786	1,668	47.1%	0.1%
2012	0	1,259	0.0%	1,259	2,782	45.3%	0.0%
2013	0	1,138	0.0%	1,138	2,458	46.3%	0.0%
2014	0	1,258	0.0%	1,258	2,739	45.9%	0.0%
2015	121	1,793	6.7%	1,793	3,986	45.0%	3.0%
2016	509	2,327	21.9%	2,327	5,087	45.7%	10.0%
2017	1,018	2,540	40.1%	2,540	5,663	44.9%	18.0%
2018	844	2,674	31.6%	2,674	5,234	51.1%	16.1%
2019	916	3,221	28.4%	3,221	5,995	53.7%	15.3%
2020 YTD	656	2,646	24.8%	2,646	5,422	48.8%	12.1%
Average (2000 - 2019):	**986**	**3,944**	**25.0%**	**3,944**	**7,413**	**53.2%**	**13.3%**

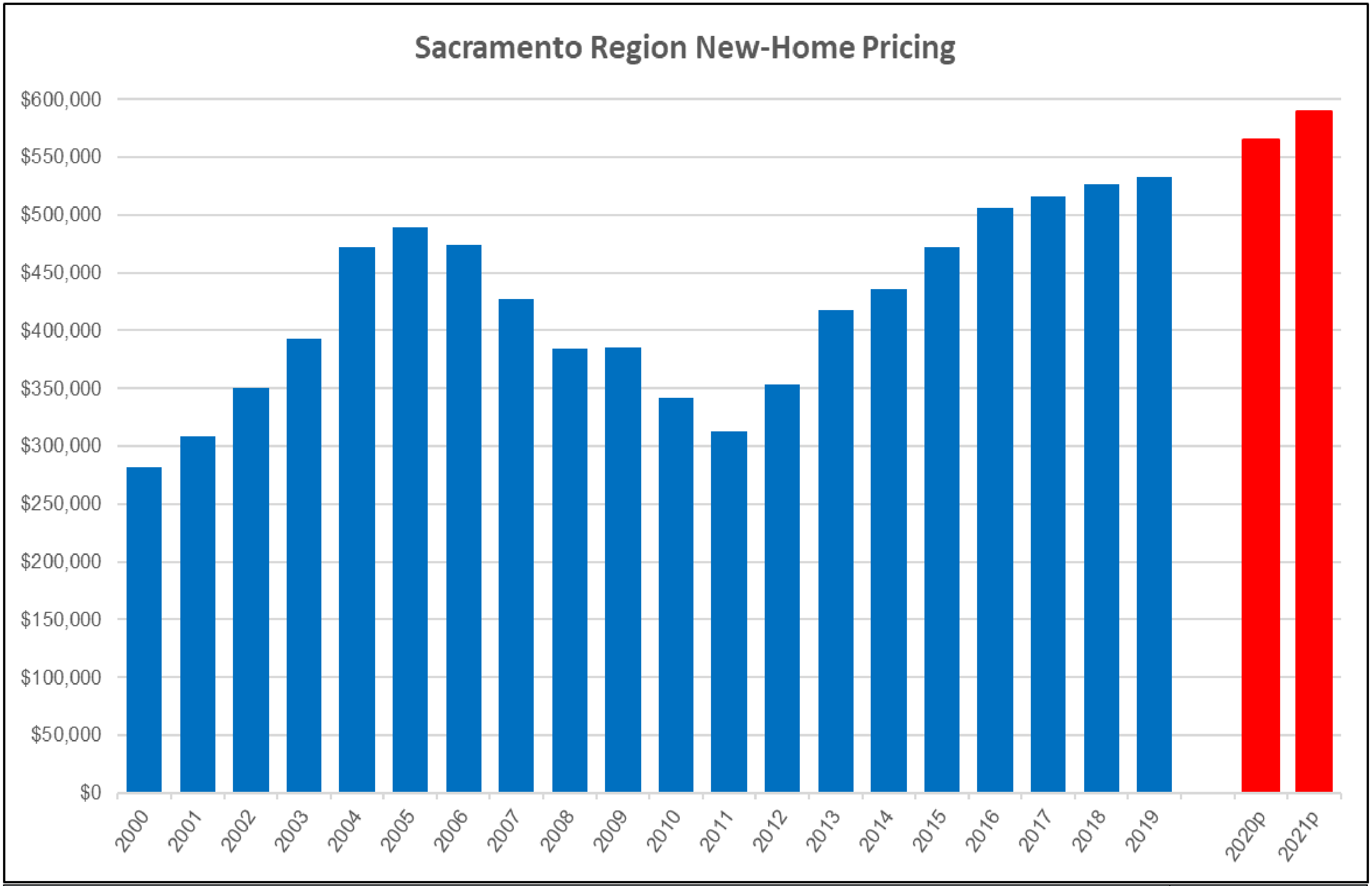
Year	El Dorado County Sales	Placer County Sales	Sacramento County Sales	Sutter County Sales	Yolo County Sales	Yuba County Sales	Sacramento Region Sales
2004	1,055	3,309	9,385	624	1,391	1,391	17,155
2005	580	2,609	7,718	802	1,136	1,249	14,094
2006	366	2,600	4,731	445	915	550	9,607
2007	329	2,147	3,433	299	633	575	7,416
2008	114	1,317	2,538	68	480	178	4,695
2009	118	1,112	1,196	20	244	151	2,841
2010	35	863	739	24	88	27	1,776
2011	40	663	786	16	105	58	1,668
2012	136	1,087	1,259	10	226	64	2,782
2013	166	889	1,138	0	204	61	2,458
2014	183	1,048	1,258	8	169	73	2,739
2015	351	1,503	1,793	13	199	127	3,986
2016	559	1,643	2,327	27	409	122	5,087
2017	637	1,866	2,540	92	464	54	5,653
2018	328	1,676	2,674	109	278	169	5,234
2019	259	1,592	3,221	92	503	328	5,995
2020 YTD	293	1,647	2,646	79	437	320	5,422
Averages (2004 - 2019):	**329**	**1,620**	**2,921**	**166**	**465**	**324**	**5,824**

Sacramento Region Top Ten Sales By Community										
Community	2020 YTD Sales	% Share Capture	2019 Sales	% Share Capture	2018 Sales	% Share Capture	2017 Sales	% Share Capture	2016 Sales	% Share Capture
Roseville ($530,956)	948	17.5%	960	16.0%	908	17.3%	1,059	18.7%	902	17.7%
Natomas ($403,869)	656	12.1%	916	15.3%	844	16.1%	1018	18.0%	509	10.0%
Rancho Cordova ($471,383)	489	9.0%	360	6.0%	260	5.0%	213	3.8%	403	7.9%
Elk Grove ($490,866)	425	7.8%	418	7.0%	470	9.0%	352	6.2%	265	5.2%
Laguna ($522,277)	380	7.0%	616	10.3%	311	5.9%	225	4.0%	580	11.4%
Folsom ($627,272)	374	6.9%	339	5.7%	299	5.7%	136	2.4%	143	2.8%
Rocklin ($616,307)	347	6.4%	469	7.8%	652	12.5%	559	9.9%	541	10.6%
Lincoln ($560,793)	346	6.4%	163	2.7%	116	2.2%	235	4.1%	182	3.6%
El Dorado Hills ($696,713)	293	5.4%	259	4.3%	328	6.3%	623	11.0%	515	10.1%
Woodland ($540,755)	215	4.0%	295	4.9%	117	2.2%	154	2.7%	226	4.4%

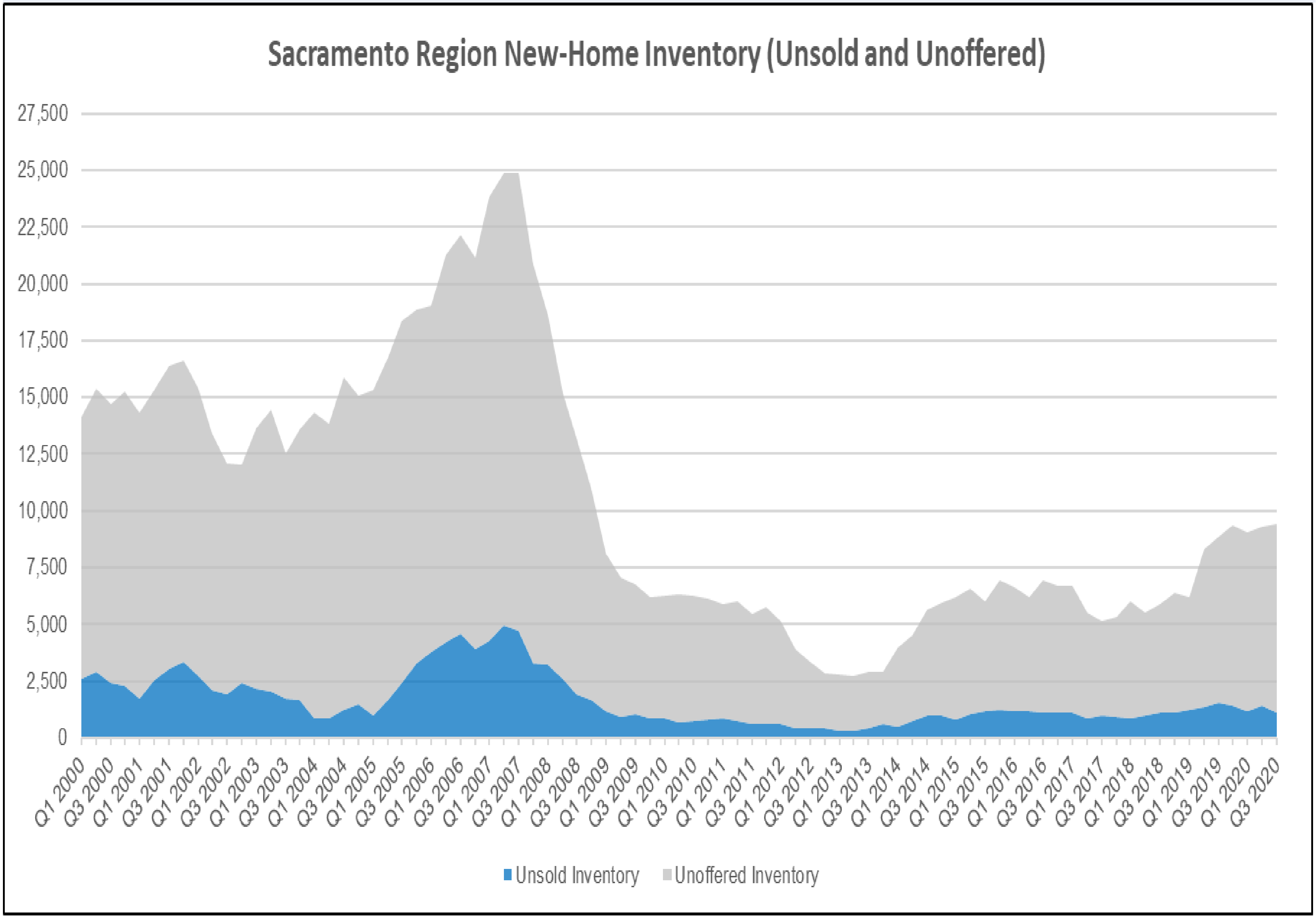


Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
New-Home Sales:	1,776	1,668	2,782	2,458	2,739	3,986	5,087	5,663	5,234	5,995	7,229	7,951
Percent Change:	-37.5%	-6.1%	66.8%	-11.6%	11.4%	45.5%	27.6%	11.3%	-7.6%	14.5%	20.6%	10.0%

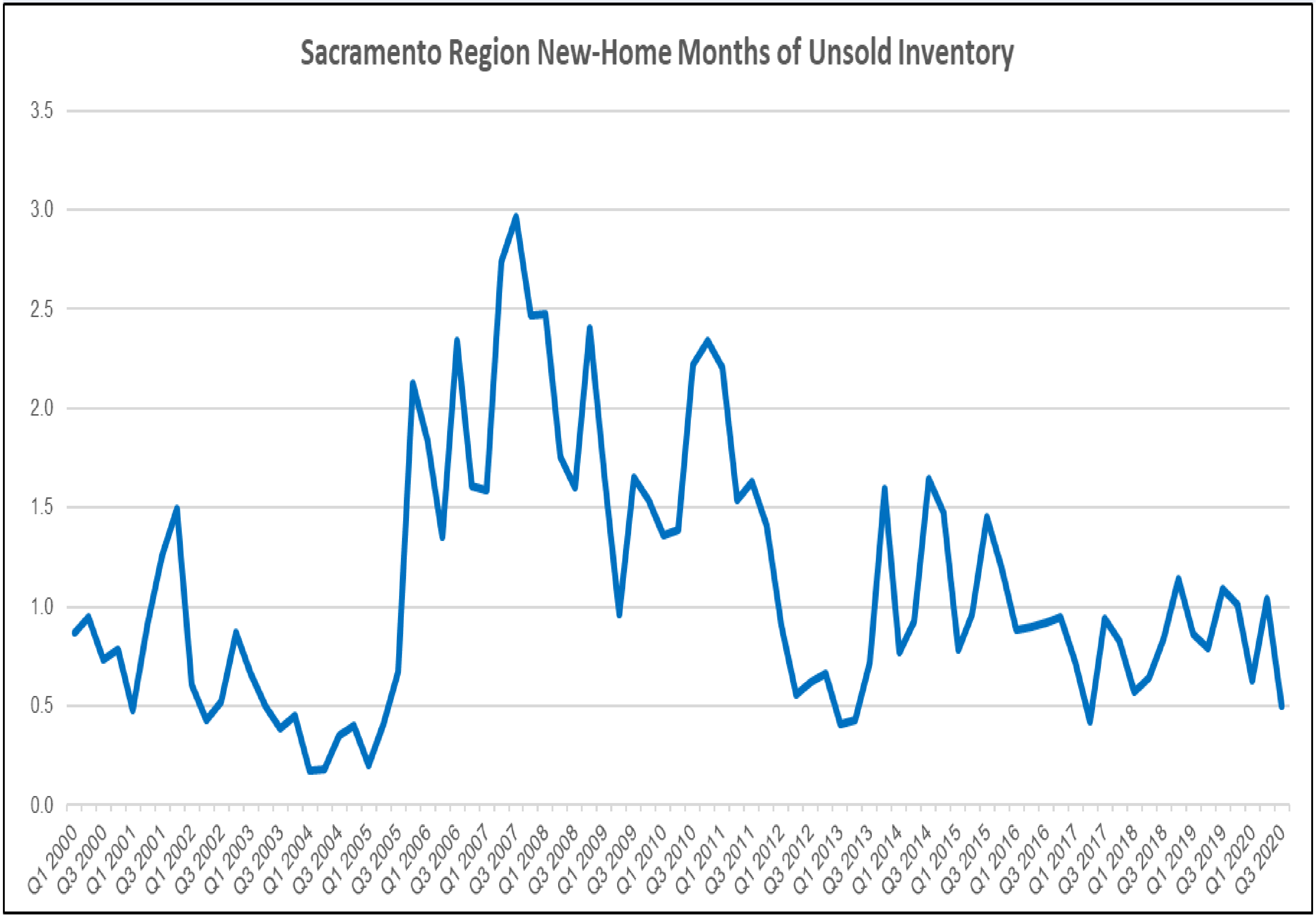

Sacramento Region New-Home Sales
Percent Distribution by County
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020p
El Dorado County
Placer County
Sacramento County
Sutter County
Yolo County
Yuba County



Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
New-Home Pricing:	$342,112	$313,056	$353,391	$417,651	$436,058	$472,397	$505,792	$515,562	$526,456	$532,718	$564,681	$590,091
Percent Change:	-11.2%	-8.5%	12.9%	18.2%	4.4%	8.3%	7.1%	1.9%	2.1%	1.2%	6.0%	4.5%



Sacramento Region New-Home Inventory (Unsold and Unoffered)
27,500
25,000
22,500
20,000
17,500
15,000
12,500
10,000
7,500
5,000
2,500
0
Q1 2000
Q3 2000
Q1 2001
Q3 2001
Q1 2002
Q3 2002
Q1 2003
Q3 2003
Q1 2004
Q3 2004
Q1 2005
Q3 2005
Q1 2006
Q3 2006
Q1 2007
Q3 2007
Q1 2008
Q3 2008
Q1 2009
Q3 2009
Q1 2010
Q3 2010
Q1 2011
Q3 2011
Q1 2012
Q3 2012
Q1 2013
Q3 2013
Q1 2014
Q3 2014
Q1 2015
Q3 2015
Q1 2016
Q3 2016
Q1 2017
Q3 2017
Q1 2018
Q3 2018
Q1 2019
Q3 2019
Q1 2020
Q3 2020
Unsold Inventory
Unoffered Inventory


Sacramento Region New-Home Months of Unsold Inventory
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Q1 2000
Q3 2000
Q1 2001
Q3 2001
Q1 2002
Q3 2002
Q1 2003
Q3 2003
Q1 2004
Q3 2004
Q1 2005
Q3 2005
Q1 2006
Q3 2006
Q1 2007
Q3 2007
Q1 2008
Q3 2008
Q1 2009
Q3 2009
Q1 2010
Q3 2010
Q1 2011
Q3 2011
Q1 2012
Q3 2012
Q1 2013
Q3 2013
Q1 2014
Q3 2014
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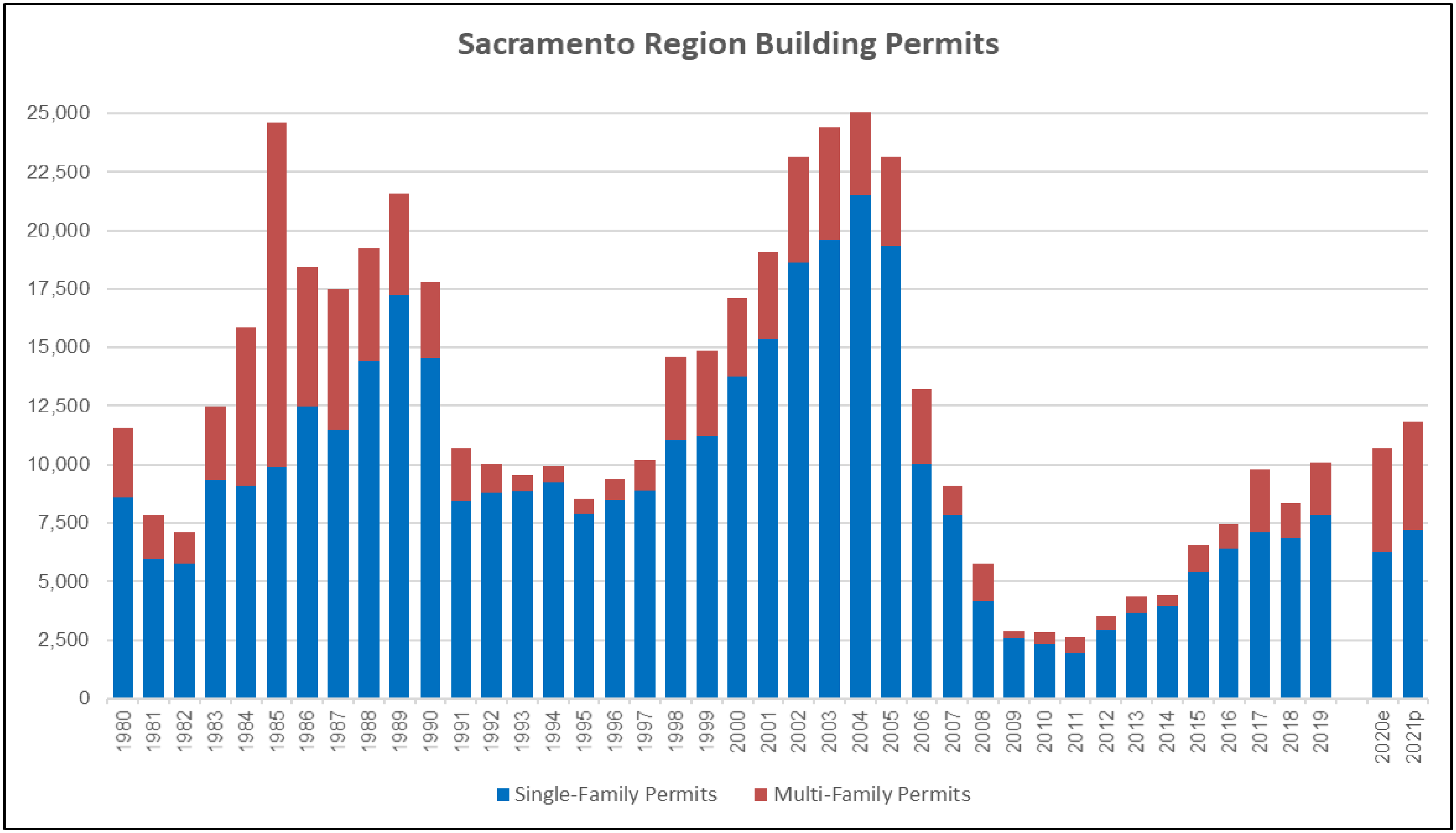
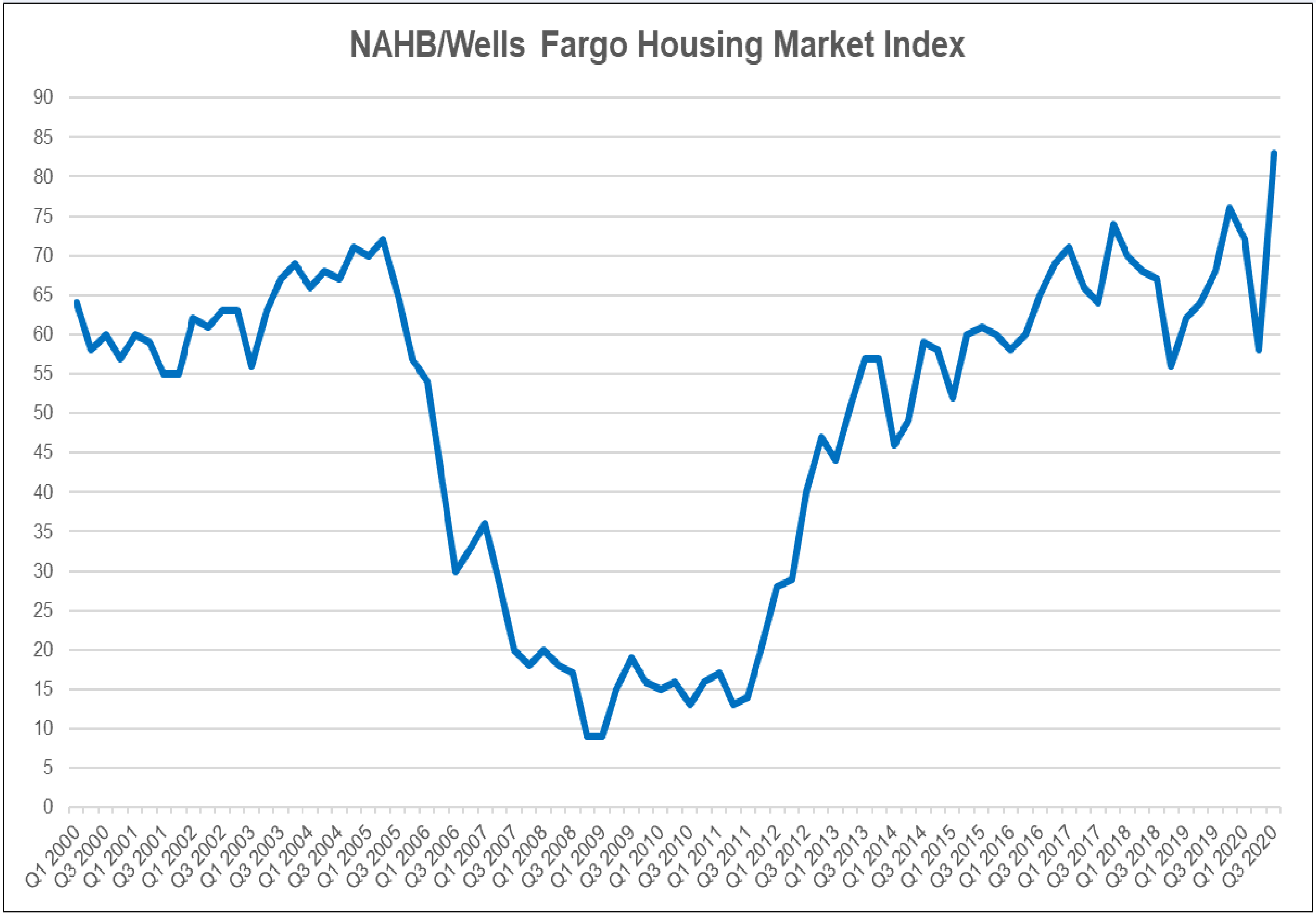
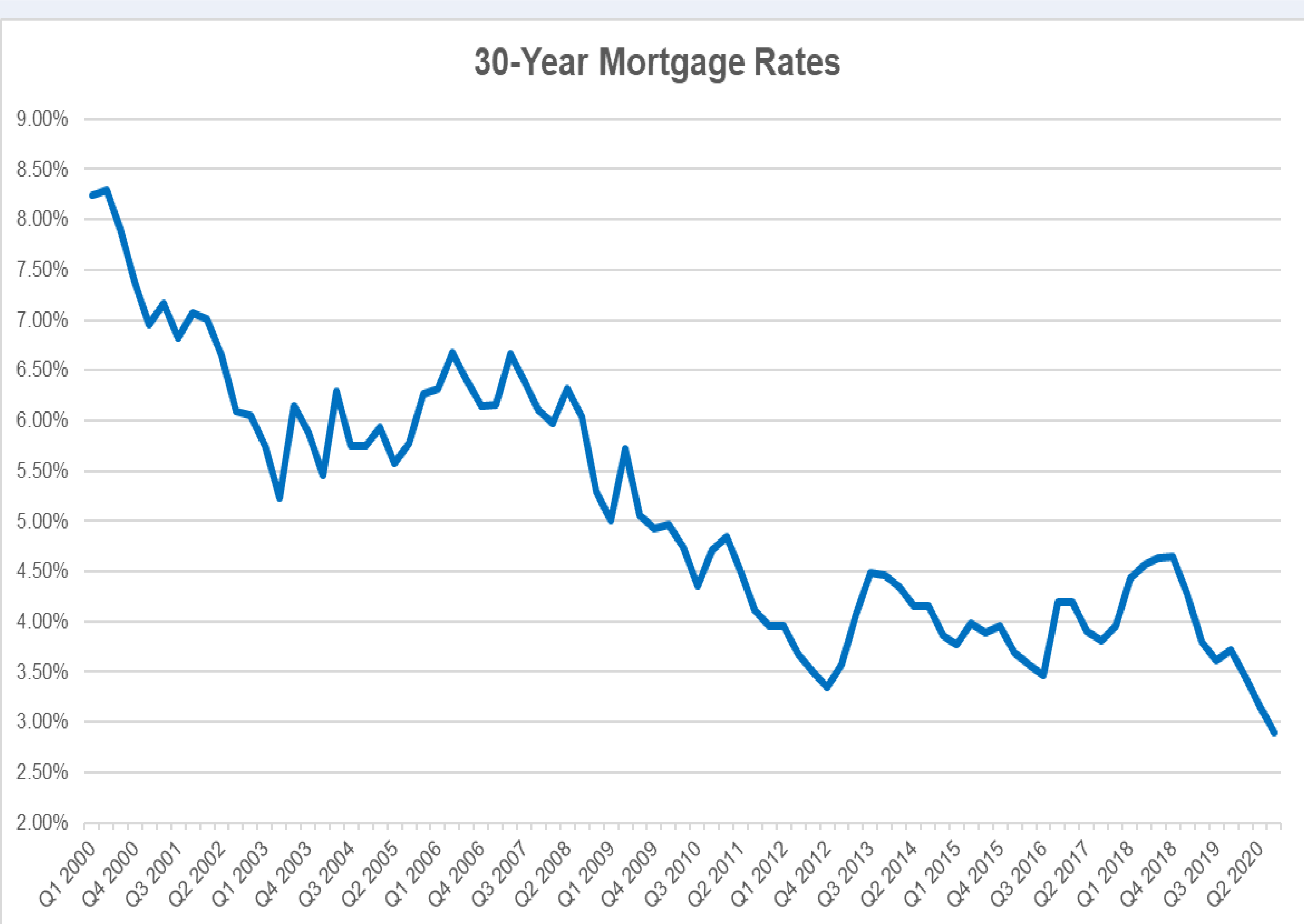
Q3 2019
Q1 2020
Q3 2020



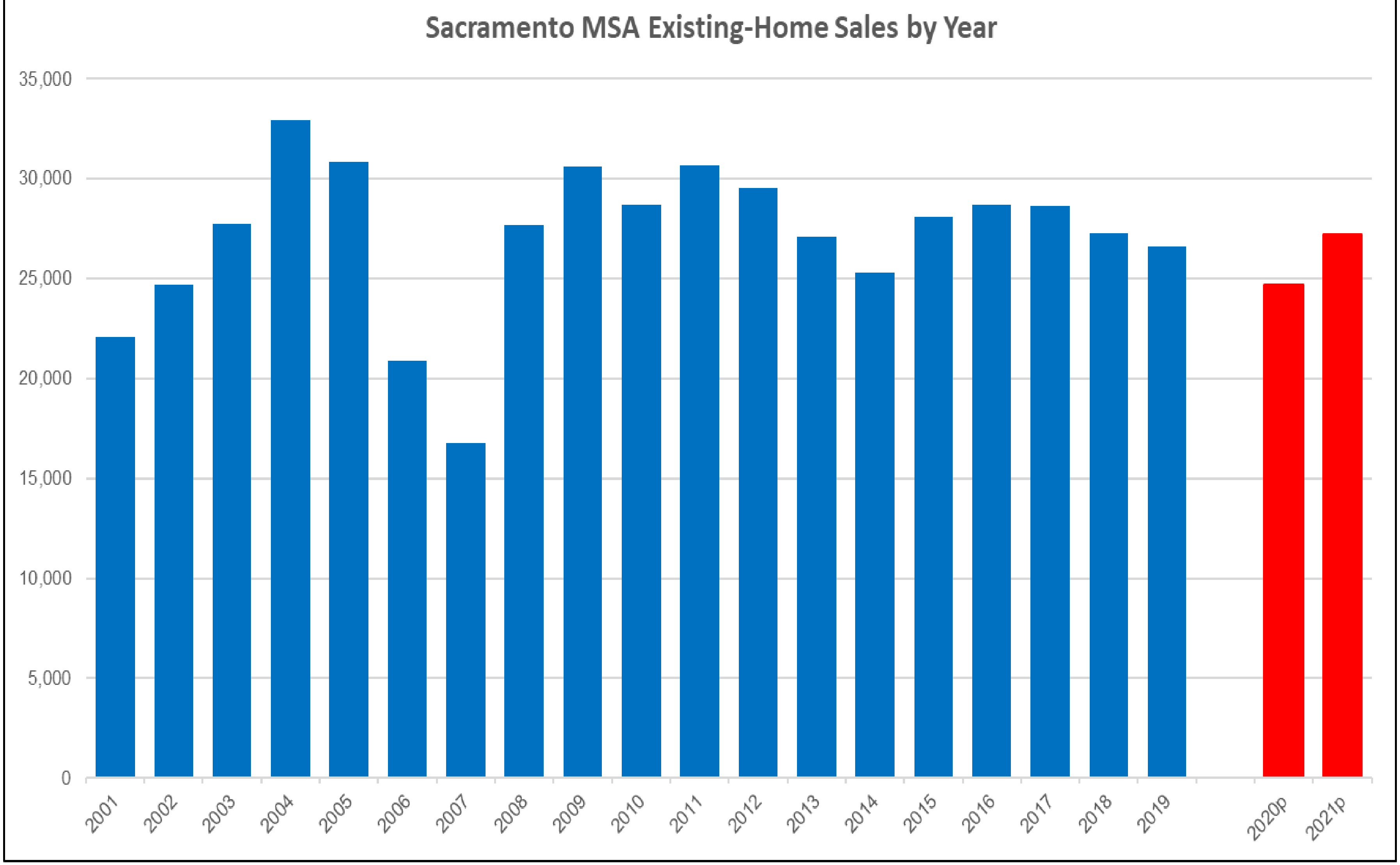
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
Single-Family Permits:	2,316	1,951	2,949	3,693	3,964	5,417	6,392	7,114	6,863	7,838	6,284	7,226
Multi-Family Permits:	536	686	575	698	475	1,138	1,073	2,692	1,486	2,271	4,405	4,625
Total Permits:	2,852	2,637	3,524	4,391	4,439	6,555	7,465	9,806	8,349	10,109	10,689	11,851
Percent Change:	-1.0%	-7.5%	33.6%	24.6%	1.1%	47.7%	13.9%	31.4%	-14.9%	21.1%	5.7%	10.9%
Percent Single Family Permits:	81.2%	74.0%	83.7%	84.1%	89.3%	82.6%	85.6%	72.5%	82.2%	77.5%	58.8%	61.0%
Percent Multi Family Permits:	18.8%	26.0%	16.3%	15.9%	10.7%	17.4%	14.4%	27.5%	17.8%	22.5%	41.2%	39.0%


NAHB/Wells Fargo Housing Market Index
90
85
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
Q1 2000
Q3 2000
Q1 2001
Q3 2001
Q1 2002
Q3 2002
Q1 2003
Q3 2003
Q1 2004
Q3 2004
Q1 2005
Q3 2005
Q1 2006
Q3 2006
Q1 2007
Q3 2007
Q1 2008
Q3 2008
Q1 2009
Q3 2009
Q1 2010
Q3 2010
Q1 2011
Q3 2011
Q1 2012
Q3 2012
Q1 2013
Q3 2013
Q1 2014
Q3 2014
Q1 2015
Q3 2015
Q1 2016
Q3 2016
Q1 2017
Q3 2017
Q1 2018
Q3 2018
Q1 2019
Q3 2019
Q1 2020
Q3 2020

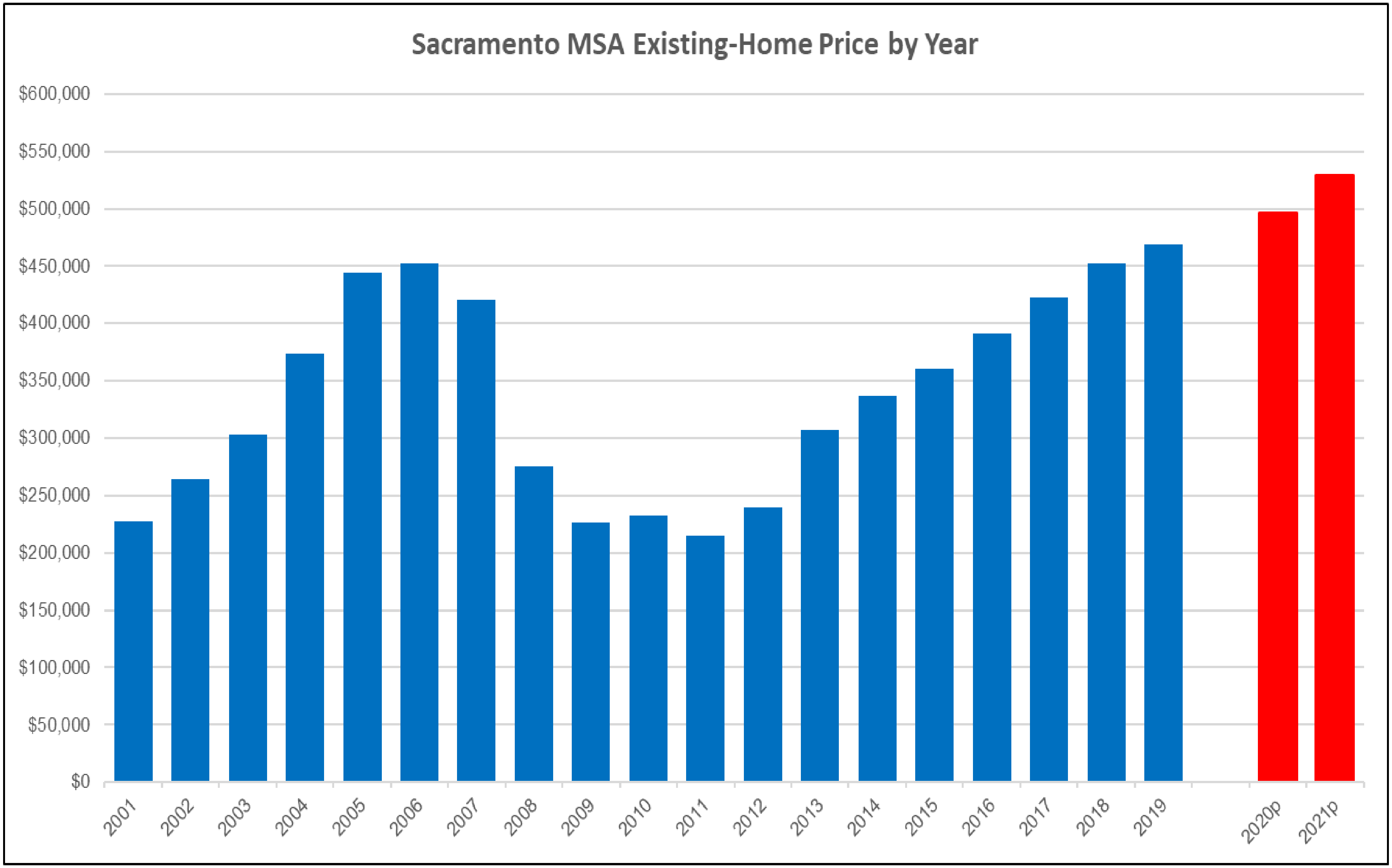

30-Year Mortgage Rates
9.00%
8.50%
8.00%
7.50%
7.00%
6.50%
6.00%
5.50%
5.00%
4.50%
4.00%
3.50%
3.00%
2.50%
2.00%
Q1 2000
Q4 2000
Q3 2001
Q2 2002
Q1 2003
Q4 2003
Q3 2004
Q2 2005
Q1 2006
Q4 2006
Q3 2007
Q2 2008
Q1 2009
Q4 2009
Q3 2010
Q2 2011
Q1 2012
Q4 2012
Q3 2013
Q2 2014
Q1 2015
Q4 2015
Q3 2016
Q2 2017
Q1 2018
Q4 2018
Q3 2019
Q2 2020

Sacramento Existing-Housing Analysis

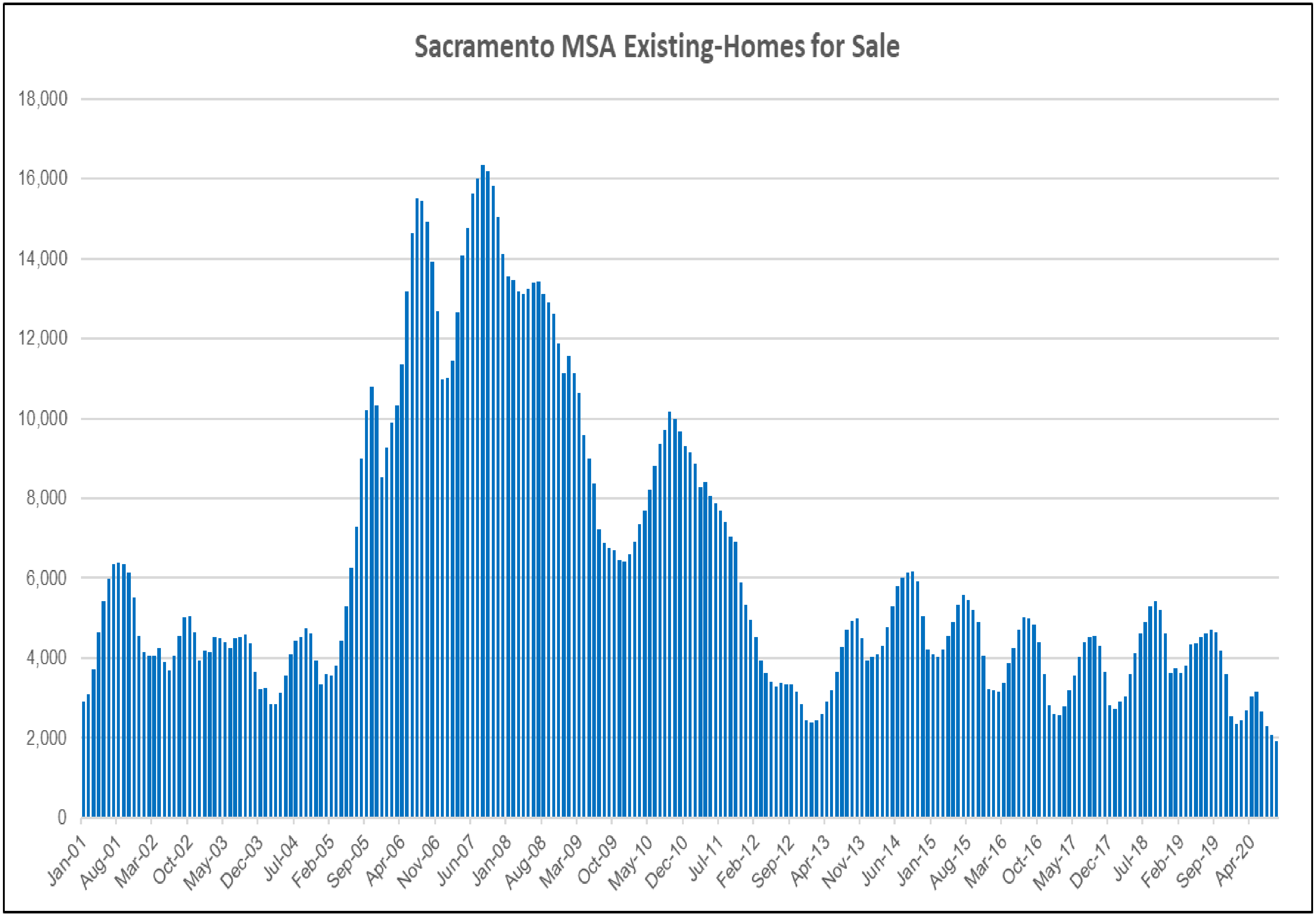
Sacramento MSA Existing-Home Sales by Year



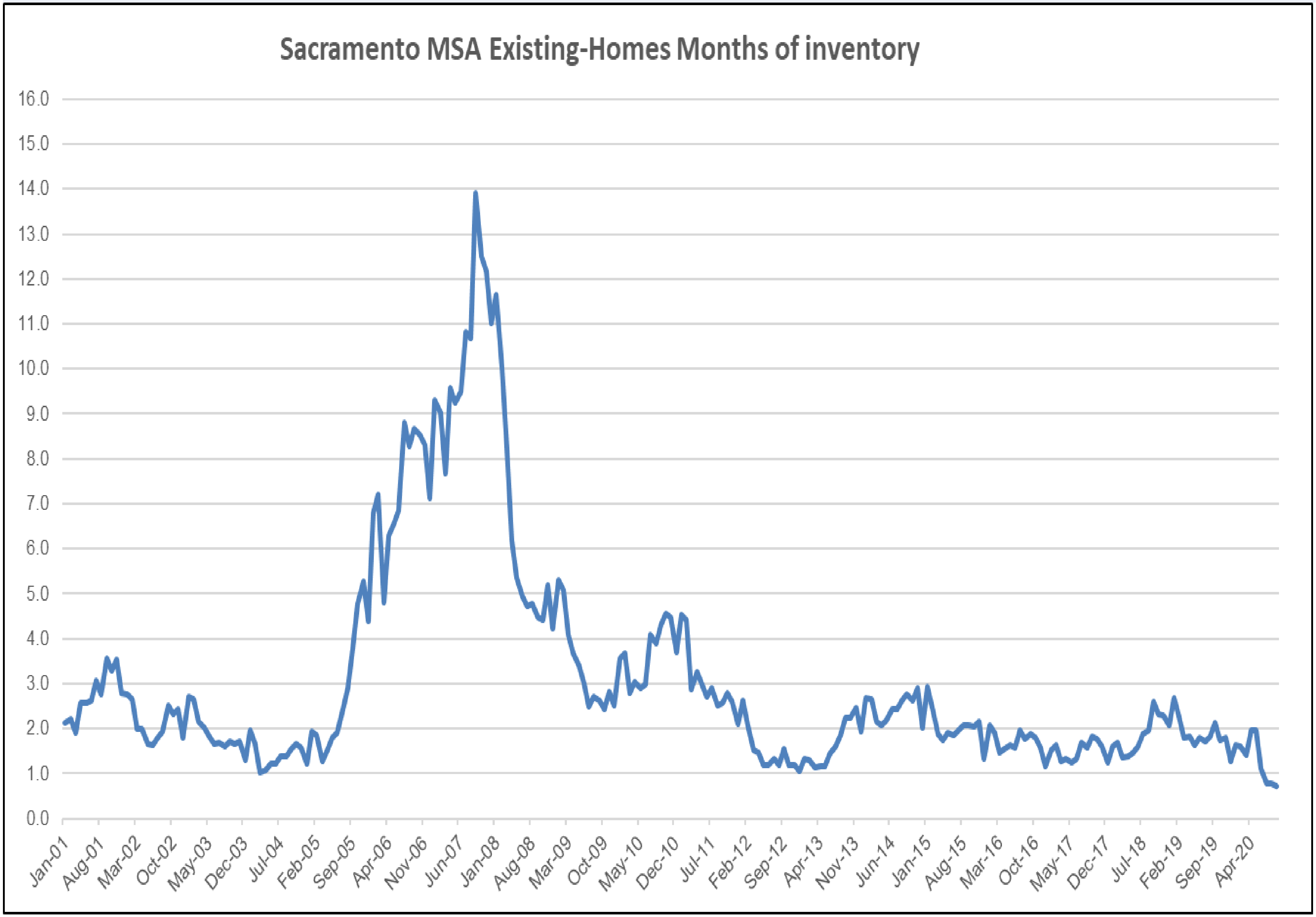
Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
Existing Homes Sales:	28,691	30,637	29,511	27,072	25,284	28,093	28,699	28,616	27,269	26,591	24,718	27,190
Number Change:	-1,885	1,946	-1,126	-2,439	-1,788	2,809	606	-83	-1,347	-678	-1,873	2,472
Percent Change:	-6.2%	6.8%	-3.7%	-8.3%	-6.6%	11.1%	2.2%	-0.3%	-4.7%	-2.5%	-7.0%	10.0%



Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
Existing Homes Pricing:	$232,050	$215,308	$239,813	$306,921	$337,340	$360,408	$390,925	$422,321	$452,779	$469,195	$496,777	$529,067
Number Change:	$6,202	-$16,742	$24,505	$67,108	$30,419	$23,068	$30,517	$31,396	$30,458	$16,416	$27,582	$32,290
Percent Change:	2.7%	-7.2%	11.4%	28.0%	9.9%	6.8%	8.5%	8.0%	7.2%	3.6%	5.9%	6.5%



Sacramento MSA Existing-Homes for Sale
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Jan-01
Aug-01
Mar-02
Oct-02
May-03
Dec-03
Jul-04
Feb-05
Sep-05
Apr-06
Nov-06
Jun-07
Jan-08
Aug-08
Mar-09
Oct-09
May-10
Dec-10
Jul-11
Feb-12
Sep-12
Apr-13
Nov-13
Jun-14
Jan-15
Aug-15
Mar-16
Oct-16
May-17
Dec-17
Jul-18
Feb-19
Sep-19
Apr-20


Sacramento MSA Existing-Homes Months of inventory
16.0
15.0
14.0
13.0
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Jan-01
Aug-01
Mar-02
Oct-02
May-03
Dec-03
Jul-04
Feb-05
Sep-05
Apr-06
Nov-06
Jun-07
Jan-08
Aug-08
Mar-09
Oct-09
May-10
Dec-10
Jul-11
Feb-12
Sep-12
Apr-13
Nov-13
Jun-14
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Aug-15
Mar-16
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May-17
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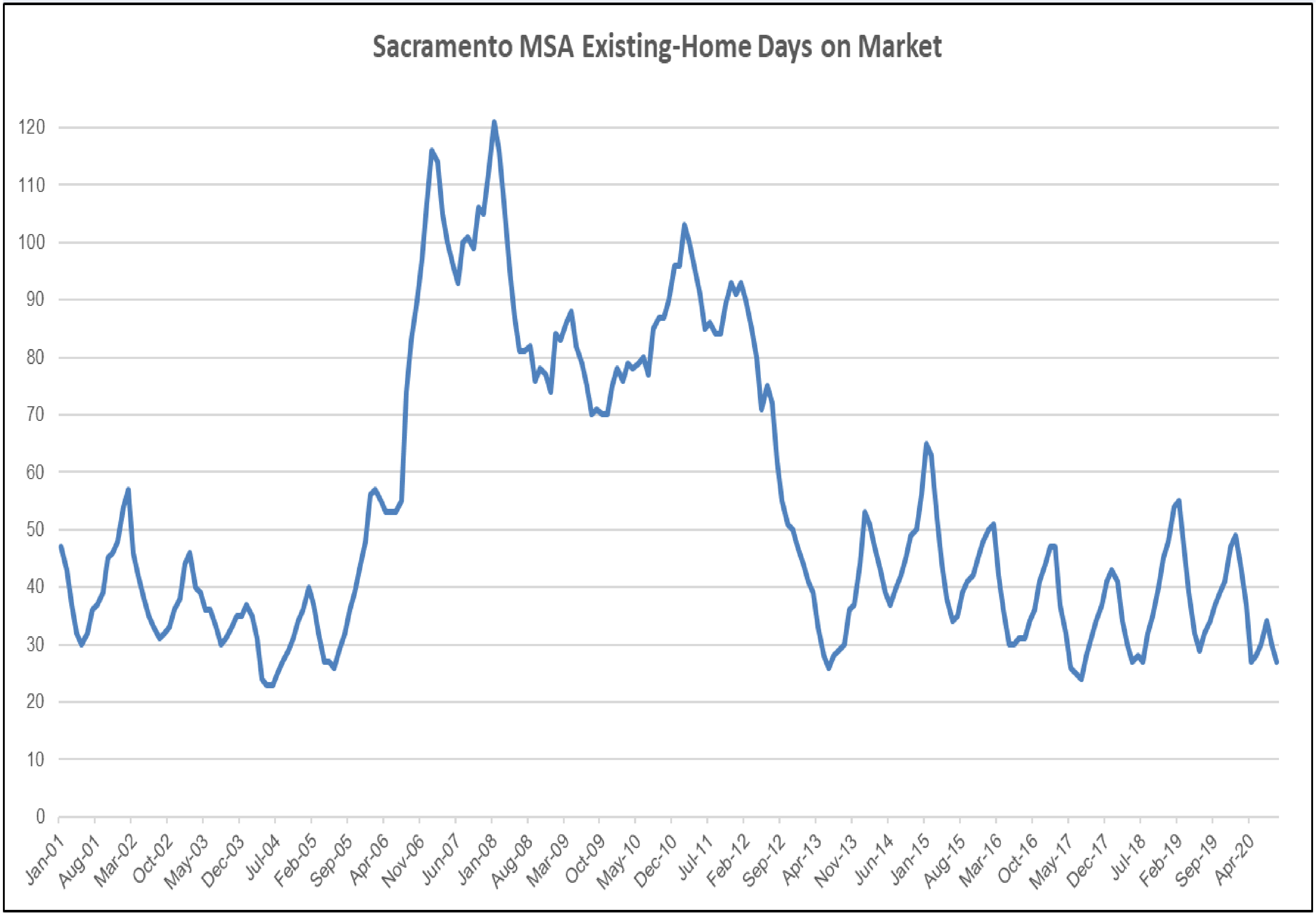
Jul-18
Feb-19
Sep-19
Apr-20


Sacramento MSA Existing-Home Days on Market
120
110
100
90
80
70
60
50
40
30
20
10
0
Jan-01
Aug-01
Mar-02
Oct-02
May-03
Dec-03
Jul-04
Feb-05
Sep-05
Apr-06
Nov-06
Jun-07
Jan-08
Aug-08
Mar-09
Oct-09
May-10
Dec-10
Jul-11
Feb-12
Sep-12
Apr-13
Nov-13
Jun-14
Jan-15
Aug-15
Mar-16
Oct-16
May-17
Dec-17
Jul-18
Feb-19
Sep-19
Apr-20

Potential Future Supply

Within the greater subject market area, there are a total of 31,993 planned units on 10,940.9 acres (a density of 2.9 units per acre). 26,731 of these units (84% of the total) are in two major master planned communities; Upper Westside and Sutter Pointe. Neither of these communities will offer homes in the immediate future, and it could be many years before a first phase of development occurs.

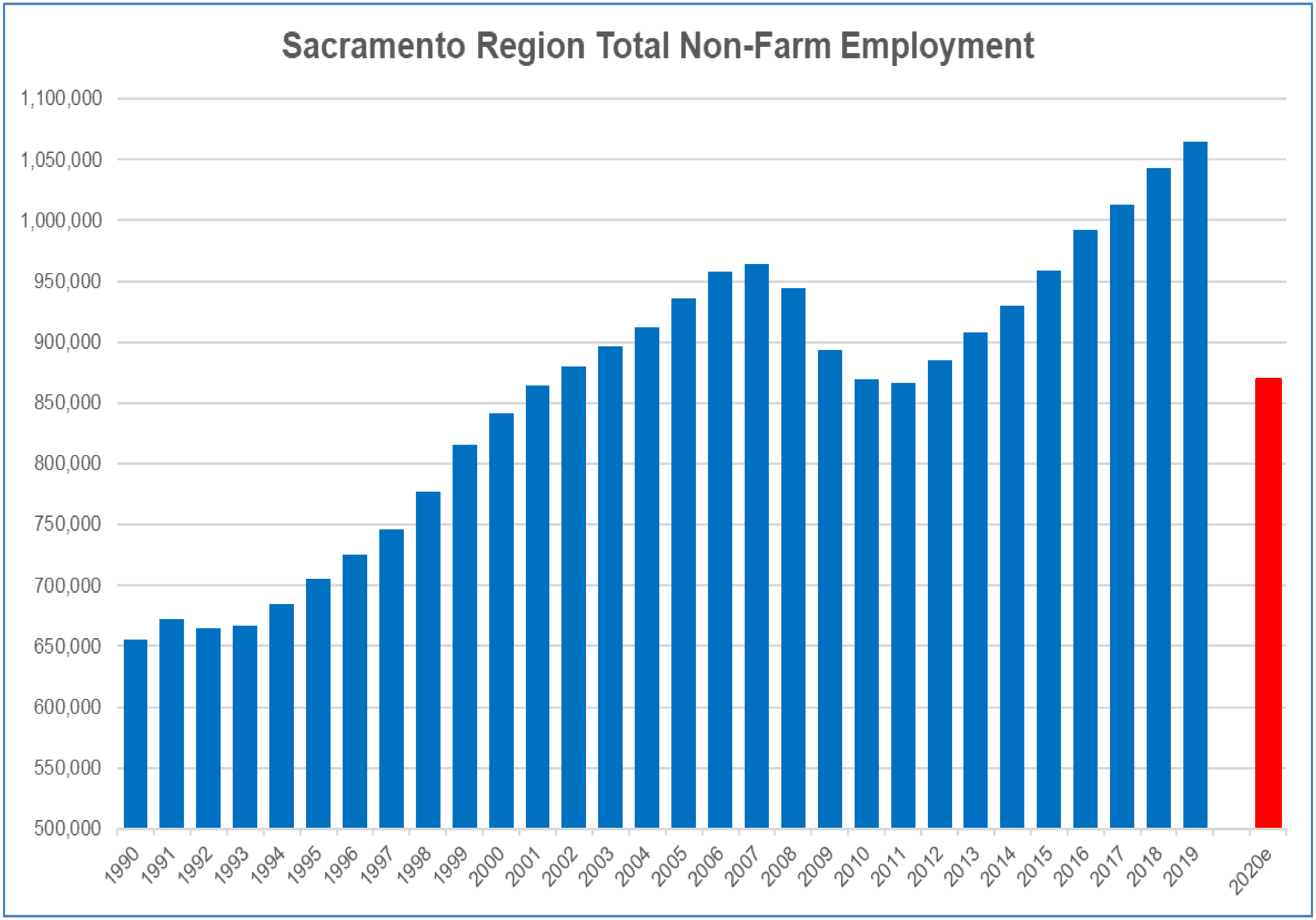
Therefore, there are only 2,509 units (not including the subject project) that could potentially offer future competition to the subject project. While it is understood that a portion of these units may open for sale within the development time-frame of the subject project, it is not believed that they will provide any significant competition to the subject project. As current projects sell out (estimated to be within the next five quarters), newer projects will enter the marketplace, but at substantially lower rates than previous years.

As the recession and levee reconstruction slowed the pace of development, leftover existing home sites (finished lots that were unbuilt on as a result of the 2008 housing depression) were gradually reintroduced to the market and absorbed by homebuilders; the majority of these projects have sold out. Therefore, while there are several projects that will be selling concurrently with the subject project, it is believed that the Natomas new-home market can absorb much greater sales than what is projected based on this analysis.

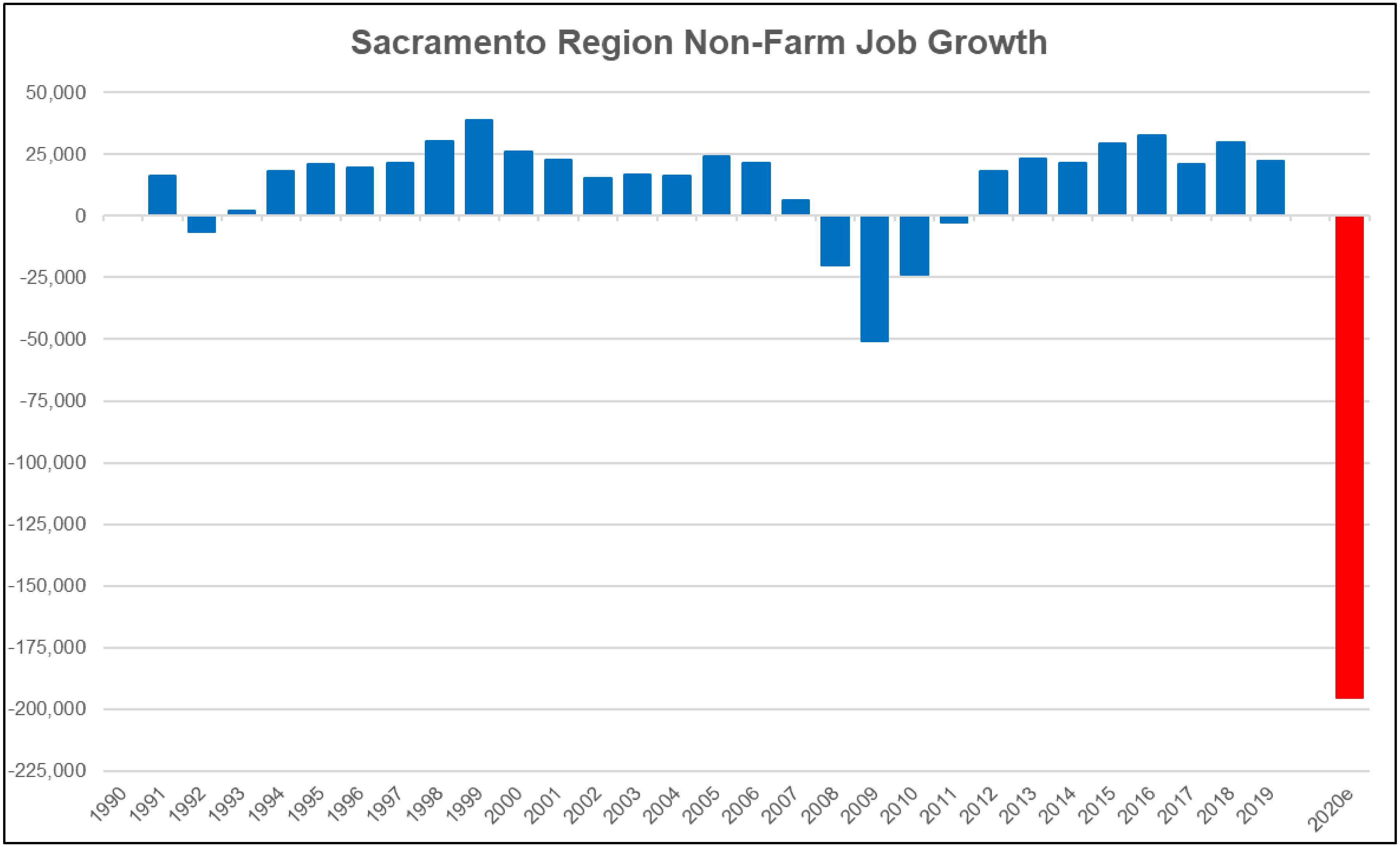
It is always difficult to determine when these proposed projects will be delivering homes, it is known from experience that delays in approvals, permits, plan and infrastructure financing make predicting a start date impractical.

Project Name	Developer/Owner	Location	Number Of Units	Acres	Density	Comments
Upper Westside	Upper Westside LLC	Natomas	9,231	2,066.0	4.5	Project is in planning and undergoing a EIR; waiting Specific Plan Approval. Development is many years in the future. Project is located west of Interstate 80 at West El Camino Avenue.
Sutter Pointe	Various	Sutter County	17,500	7,528.2	2.3	Project has Specific Plan Approval. Development is several years in the future and will be over a 20 - 30 year build out. Project is located in southern Sutter County west of Placer County.
Panhandle	Various	Natomas	1,662	589.4	2.8	Project has master Tentative Map Approval and could begin construction in the next several years. Project is located north of Del Paso Road and west of Sorento Road.
Natomas Vision Plan Area	Various	Natomas	--	--	--	Project is in review for potential future development with residential and commercial uses. There are three project areas that are in Sacramento County but are adjacent to the City of Sacramento and Natomas. Development is many years in the future and the three sites include 15,421.6 acres.
West Lakeside	Various	Natomas	464	129.6	3.6	Project is PUD and individual parcels are in the Tentative Map planning stages. The project is located north of Del Paso Road and west of the Westlake MPC.
Valley View	Avdis Property	Natomas	248	41.4	6.0	Project is in the planning stages and is located east of the Panhandle project.
Natomas Crossings	--	Natomas	135	9.3	14.5	Project is in the planning stages and includes 128 duplex units and seven single-family units. Project is located south of Arena Boulevard and east of East Commerce Way.
Northlake	Integral Partners	Natomas	2,753	577.0	4.8	First phase of the project is under development with 1,137 units and eight product types. Project is located north of Interstate 5 and west of Highway 99.
		Averages/Totals:	**31,993**	**10,940.9**	**2.9**	

Sacramento Economics and Demographics

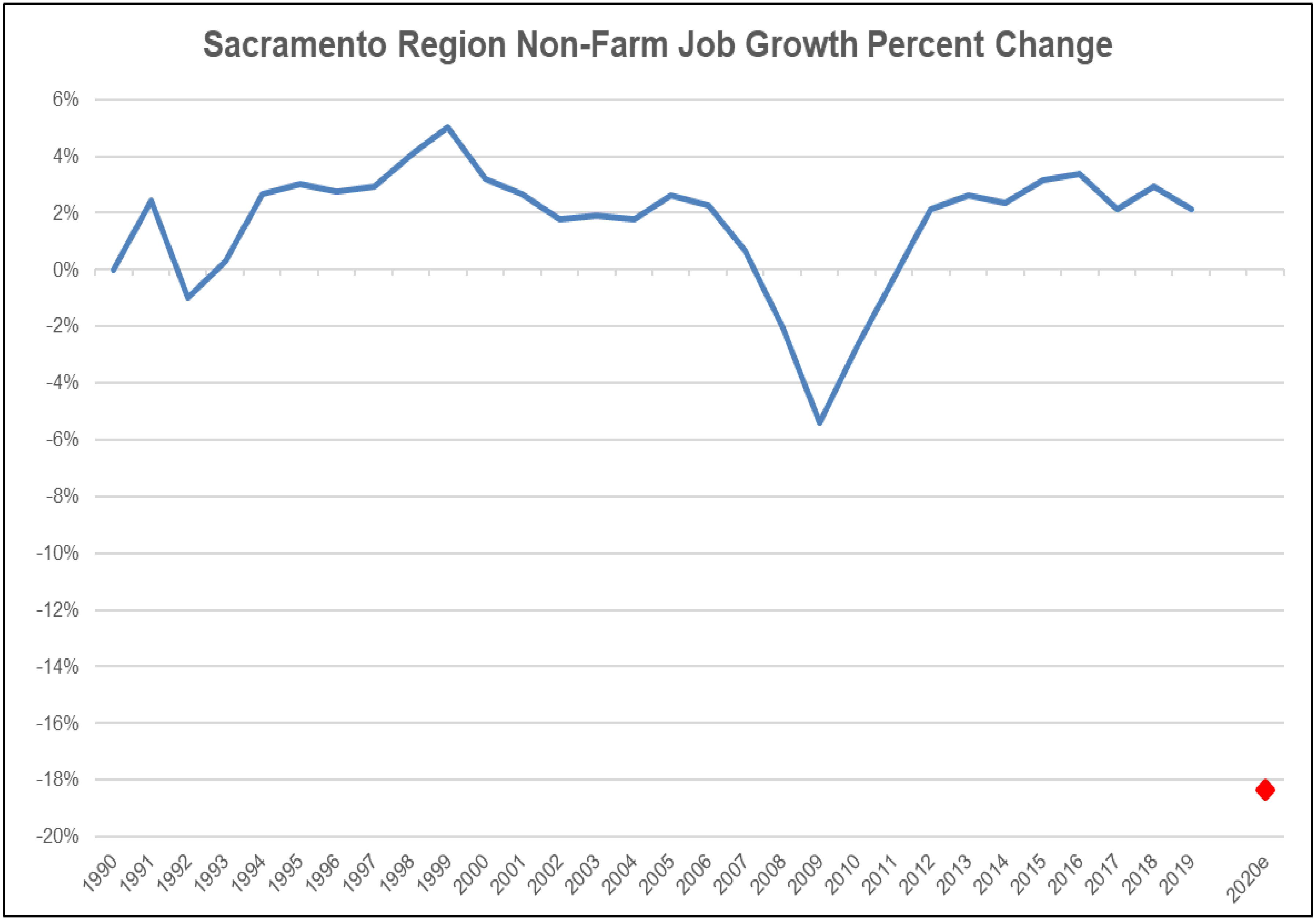


Source: California Employment Development Department, The Gregory Group

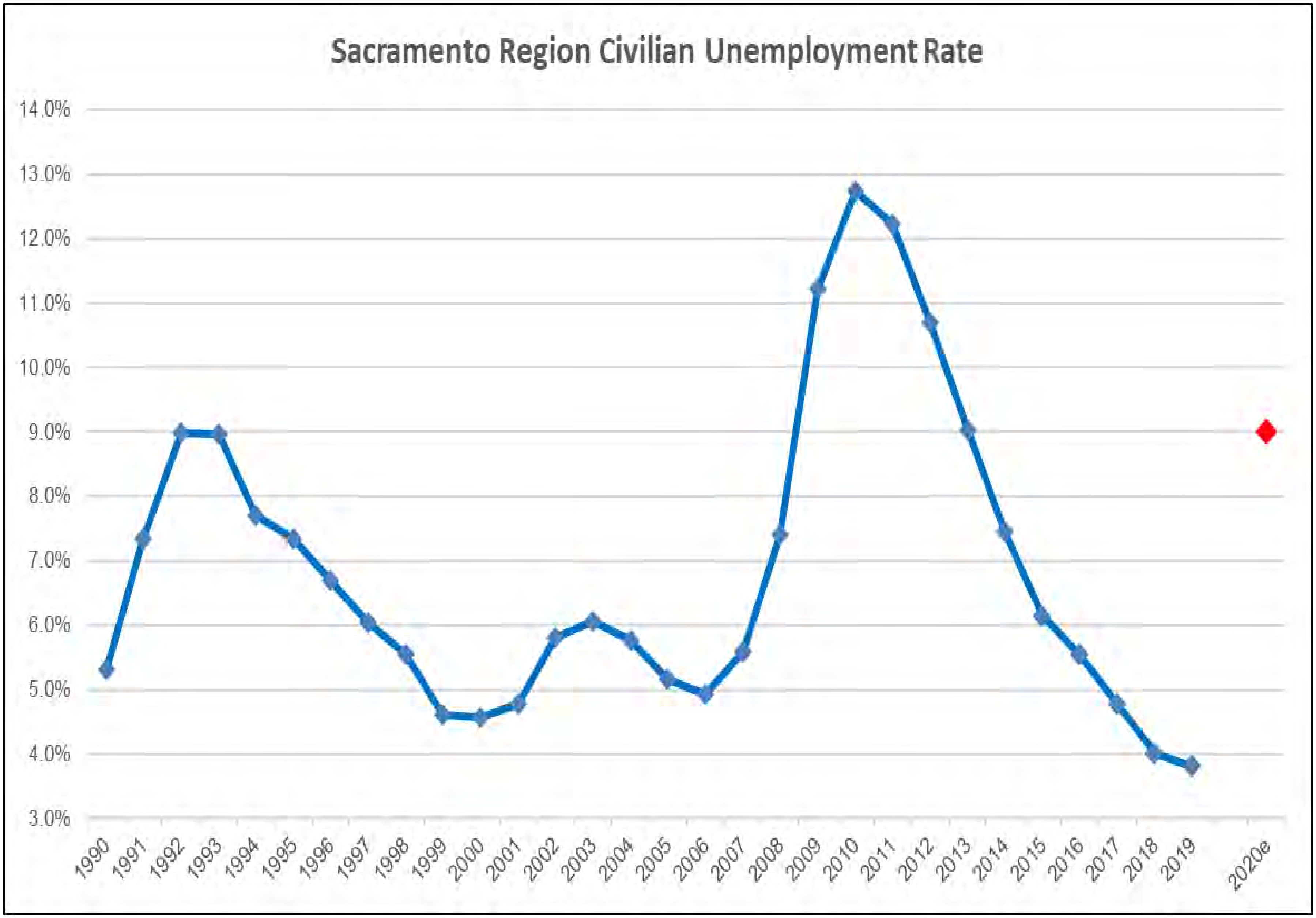


Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e
Total Nonfarm Employment:	869,500	867,000	885,300	908,500	930,000	959,400	991,900	1,013,000	1,042,700	1,065,100	869,500
Number Change:	-23,800	-2,500	18,300	23,200	21,500	29,400	32,500	21,100	29,700	22,400	-195,600
Percent Change:	-2.7%	-0.3%	2.1%	2.6%	2.4%	3.2%	3.4%	2.1%	2.9%	2.1%	-18.4%
Civilian Unemployment Rate:	12.7%	12.2%	10.7%	9.0%	7.4%	6.1%	5.5%	4.8%	4.0%	3.8%	9.0%

Source: California Employment Development Department, The Gregory Group

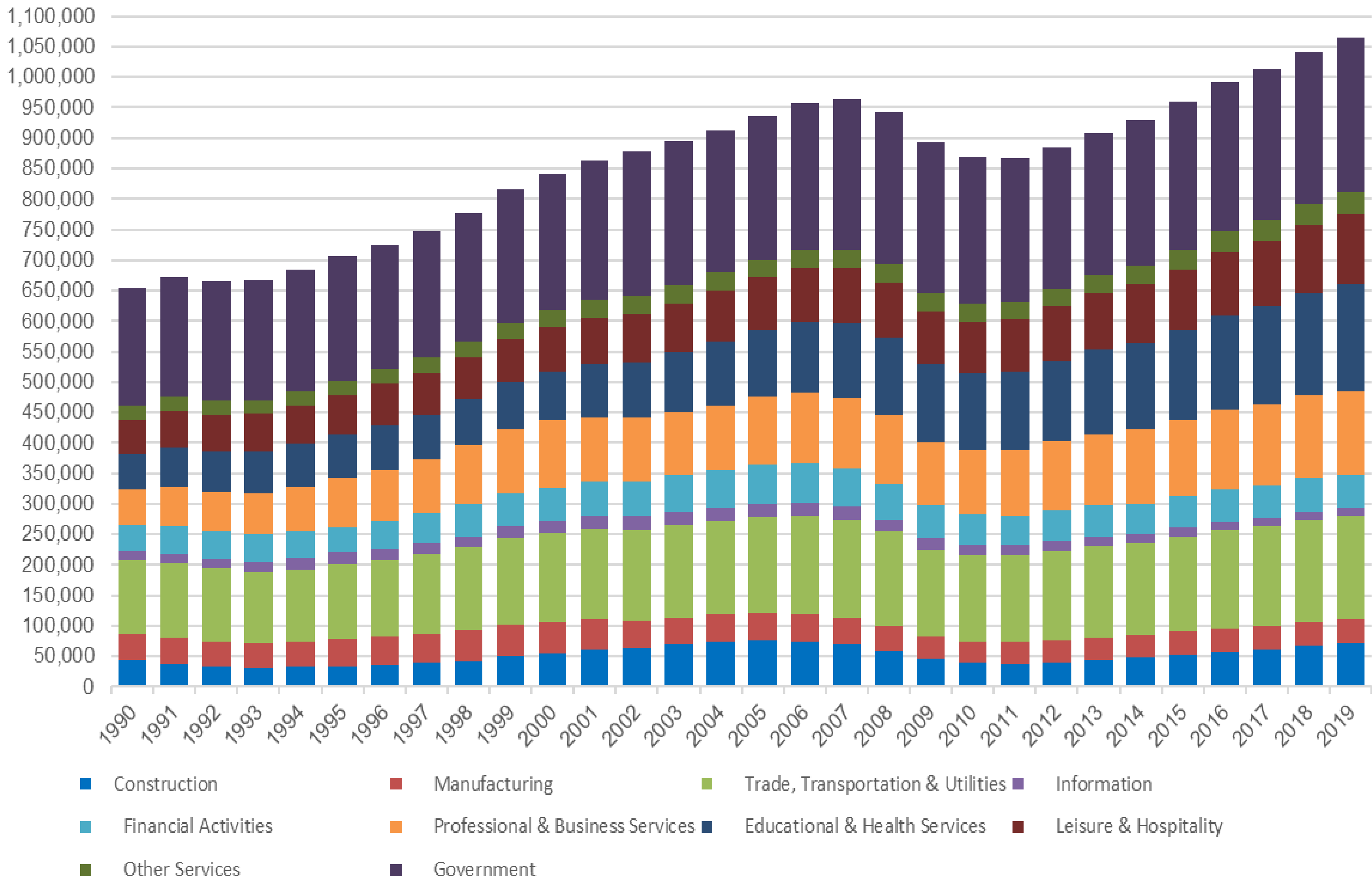


Source: California Employment Development Department, The Gregory Group



Source: California Employment Development Department, The Gregory Group

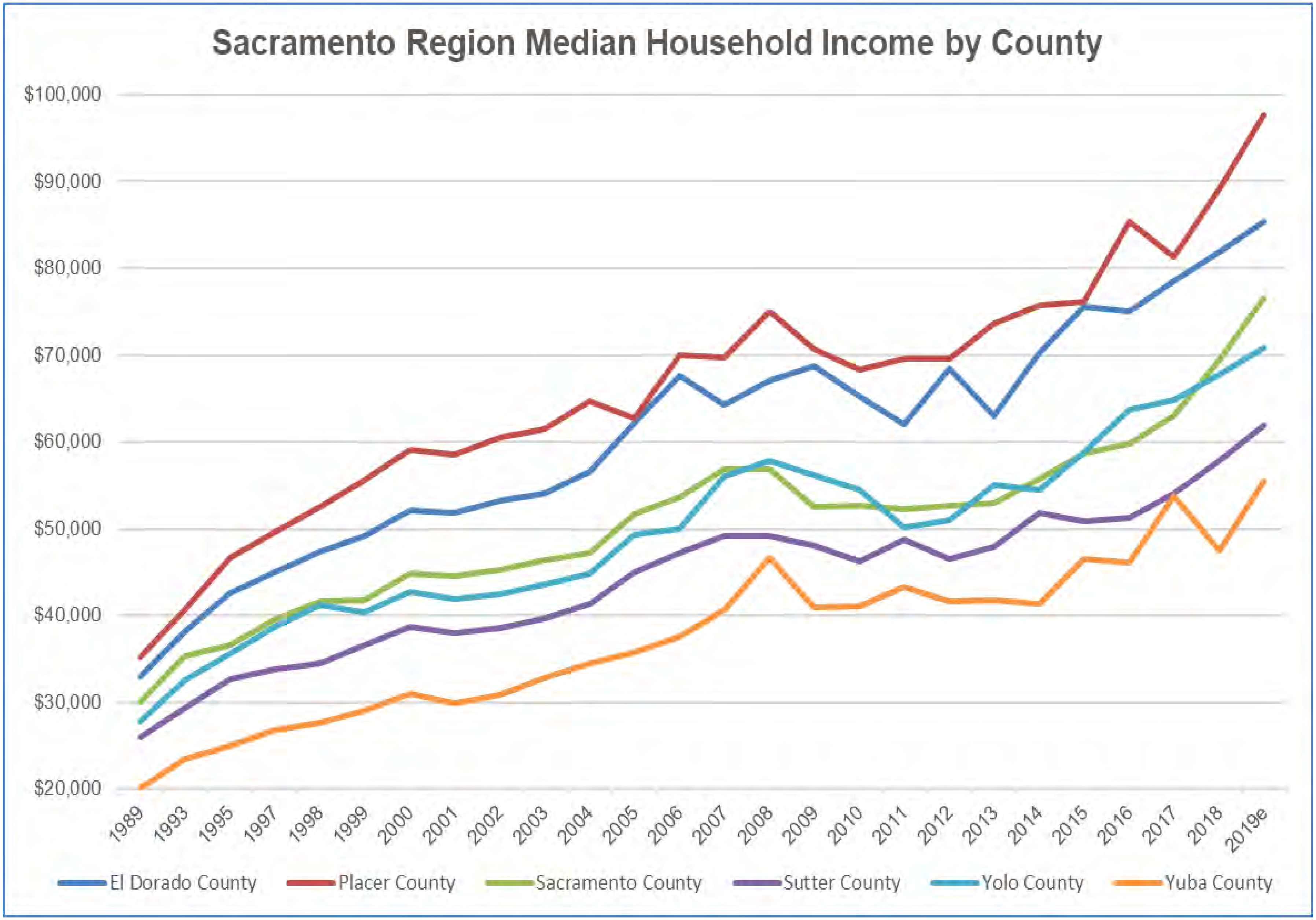
Sacramento Region Total Non-Farm Employment by Industry



Source: California Employment Development Department, The Gregory Group

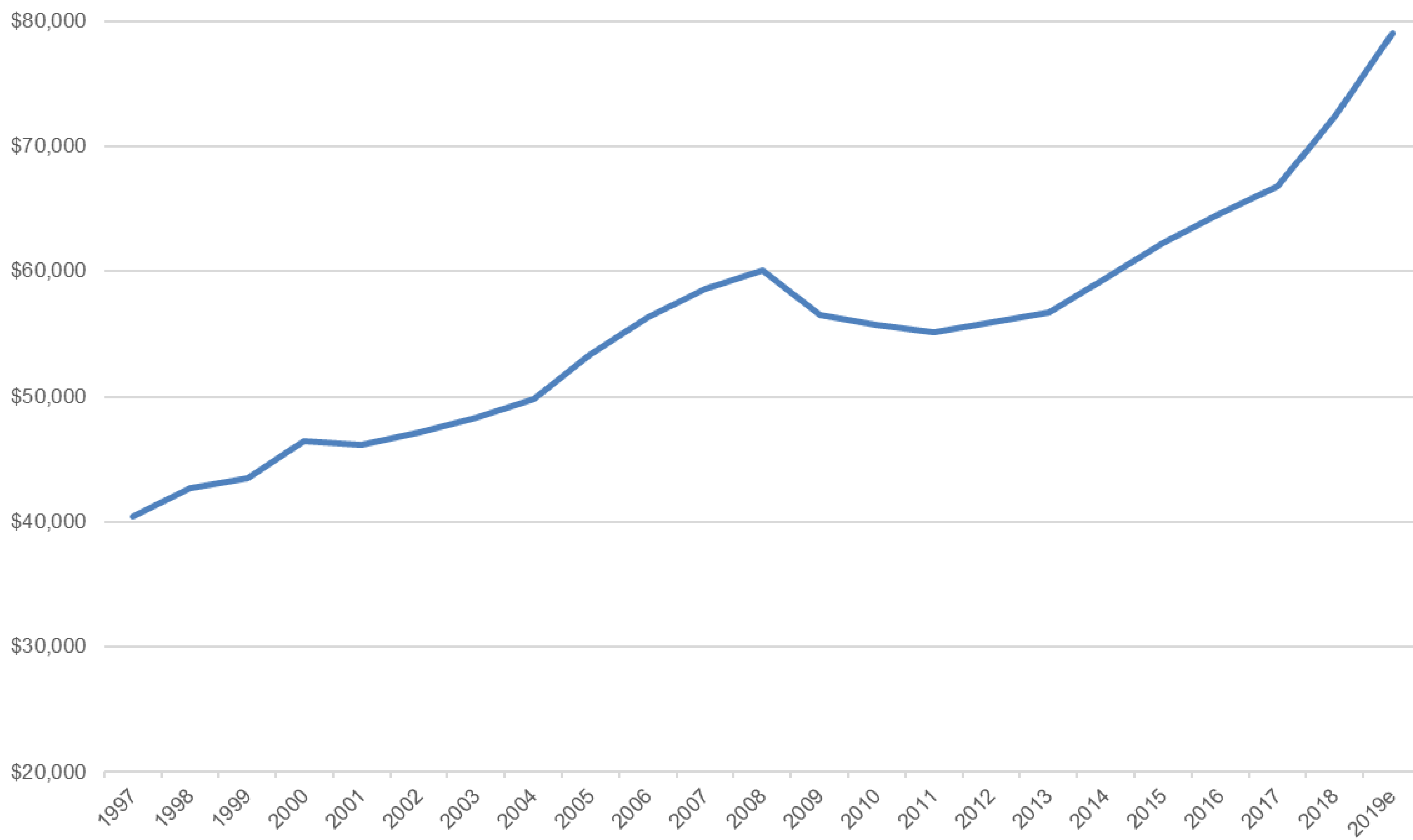
Category		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Construction		40,100	38,600	40,000	45,000	47,300	52,300	57,300	61,100	67,100	71,400
	Number Change:	-5,300	-1,500	1,400	5,000	2,300	5,000	5,000	3,800	6,000	4,300
	Percent Change:	-11.7%	-3.7%	3.6%	12.5%	5.1%	10.6%	9.6%	6.6%	9.8%	6.4%
Manufacturing		34,800	35,300	36,000	36,300	37,500	38,600	38,400	37,900	38,200	38,800
	Number Change:	-1,600	500	700	300	1,200	1,100	-200	-500	300	600
	Percent Change:	-4.4%	1.4%	2.0%	0.8%	3.3%	2.9%	-0.5%	-1.3%	0.8%	1.6%
Trade, Transportation & Utilities		140,100	141,800	146,700	149,300	151,300	155,600	160,800	163,700	169,100	171,200
	Number Change:	-2,300	1,700	4,900	2,600	2,000	4,300	5,200	2,900	5,400	2,100
	Percent Change:	-1.6%	1.2%	3.5%	1.8%	1.3%	2.8%	3.3%	1.8%	3.3%	1.2%
Information		17,600	16,700	16,000	15,200	14,300	14,500	14,100	12,900	12,700	12,200
	Number Change:	-1,200	-900	-700	-800	-900	200	-400	-1,200	-200	-500
	Percent Change:	-6.4%	-5.1%	-4.2%	-5.0%	-5.9%	1.4%	-2.8%	-8.5%	-1.6%	-3.9%
Financial Activities		49,900	48,100	49,700	50,900	50,400	52,300	53,200	53,800	54,800	53,900
	Number Change:	-4,600	-1,800	1,600	1,200	-500	1,900	900	600	1,000	-900
	Percent Change:	-8.4%	-3.6%	3.3%	2.4%	-1.0%	3.8%	1.7%	1.1%	1.9%	-1.6%
Professional & Business Services		104,600	106,600	133,500	117,300	121,100	123,200	130,900	133,100	136,700	138,000
	Number Change:	700	2,000	26,900	-16,200	3,800	2,100	7,700	2,200	3,600	1,300
	Percent Change:	0.7%	1.9%	25.2%	-12.1%	3.2%	1.7%	6.3%	1.7%	2.7%	1.0%
Educational & Health Services		128,100	129,800	133,100	138,500	142,100	148,400	154,300	161,800	168,200	175,200
	Number Change:	-800	1,700	3,300	5,400	3,600	6,300	5,900	7,500	6,400	7,000
	Percent Change:	-0.6%	1.3%	2.5%	4.1%	2.6%	4.4%	4.0%	4.9%	4.0%	4.2%
Leisure & Hospitality		83,900	85,600	88,500	93,000	96,100	99,700	104,100	107,700	110,800	113,900
	Number Change:	-1,600	1,700	2,900	4,500	3,100	3,600	4,400	3,600	3,100	3,100
	Percent Change:	-1.9%	2.0%	3.4%	5.1%	3.3%	3.7%	4.4%	3.5%	2.9%	2.8%
Other Services		29,300	29,200	29,700	30,100	31,400	32,000	32,900	34,200	35,300	36,300
	Number Change:	-800	-100	500	400	1,300	600	900	1,300	1,100	1,000
	Percent Change:	-2.7%	-0.3%	1.7%	1.3%	4.3%	1.9%	2.8%	4.0%	3.2%	2.8%
Government		240,800	235,000	231,800	232,600	238,200	242,600	245,600	246,400	249,500	253,700
	Number Change:	-5,700	-5,800	-3,200	800	5,600	4,400	3,000	800	3,100	4,200
	Percent Change:	-2.3%	-2.4%	-1.4%	0.3%	2.4%	1.8%	1.2%	0.3%	1.3%	1.7%

Source: California Employment Development Department, The Gregory Group



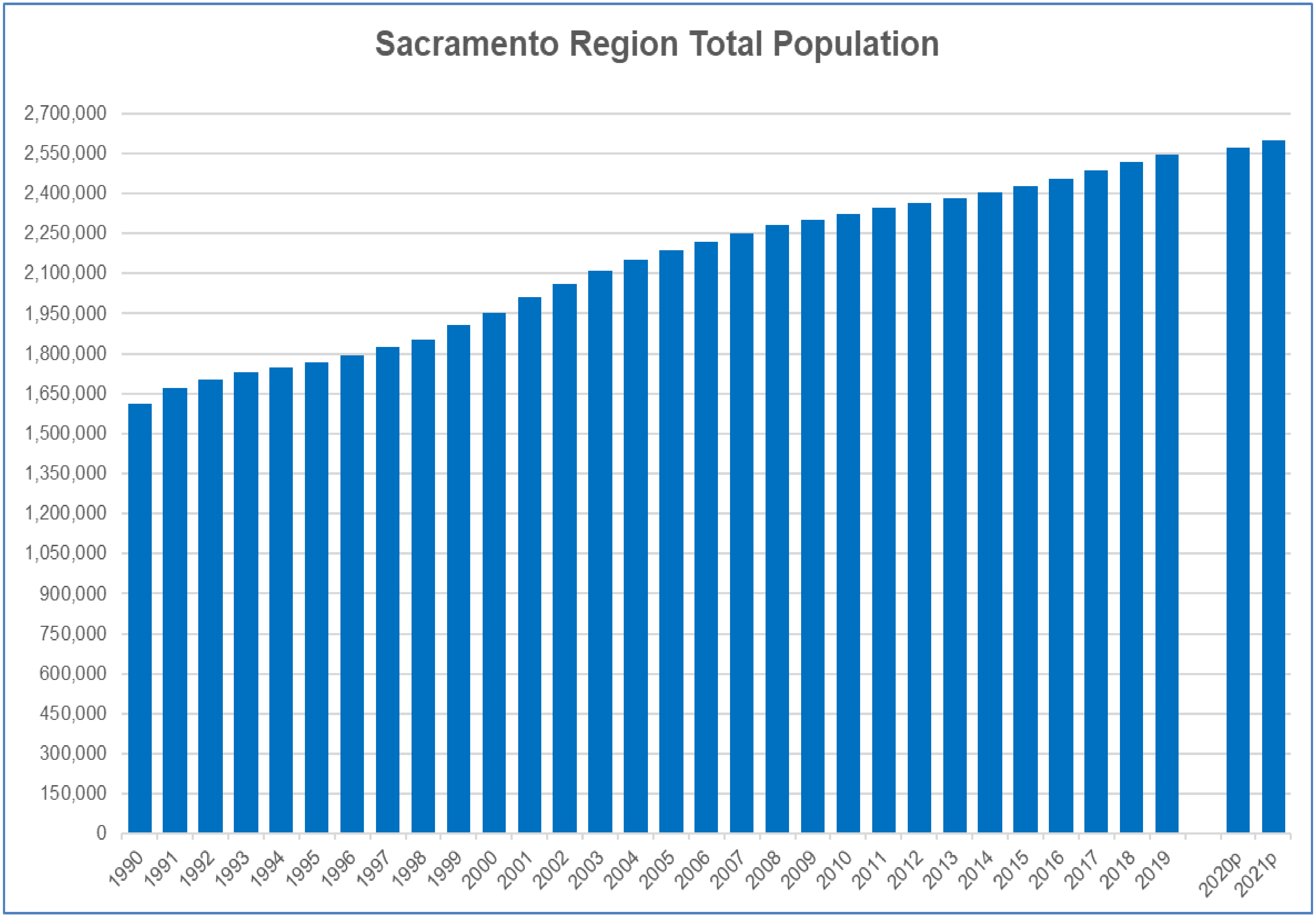
Source: U.S. Bureau Of Labor Statistics, The Gregory Group

Sacramento Region Estimated Median Household Income

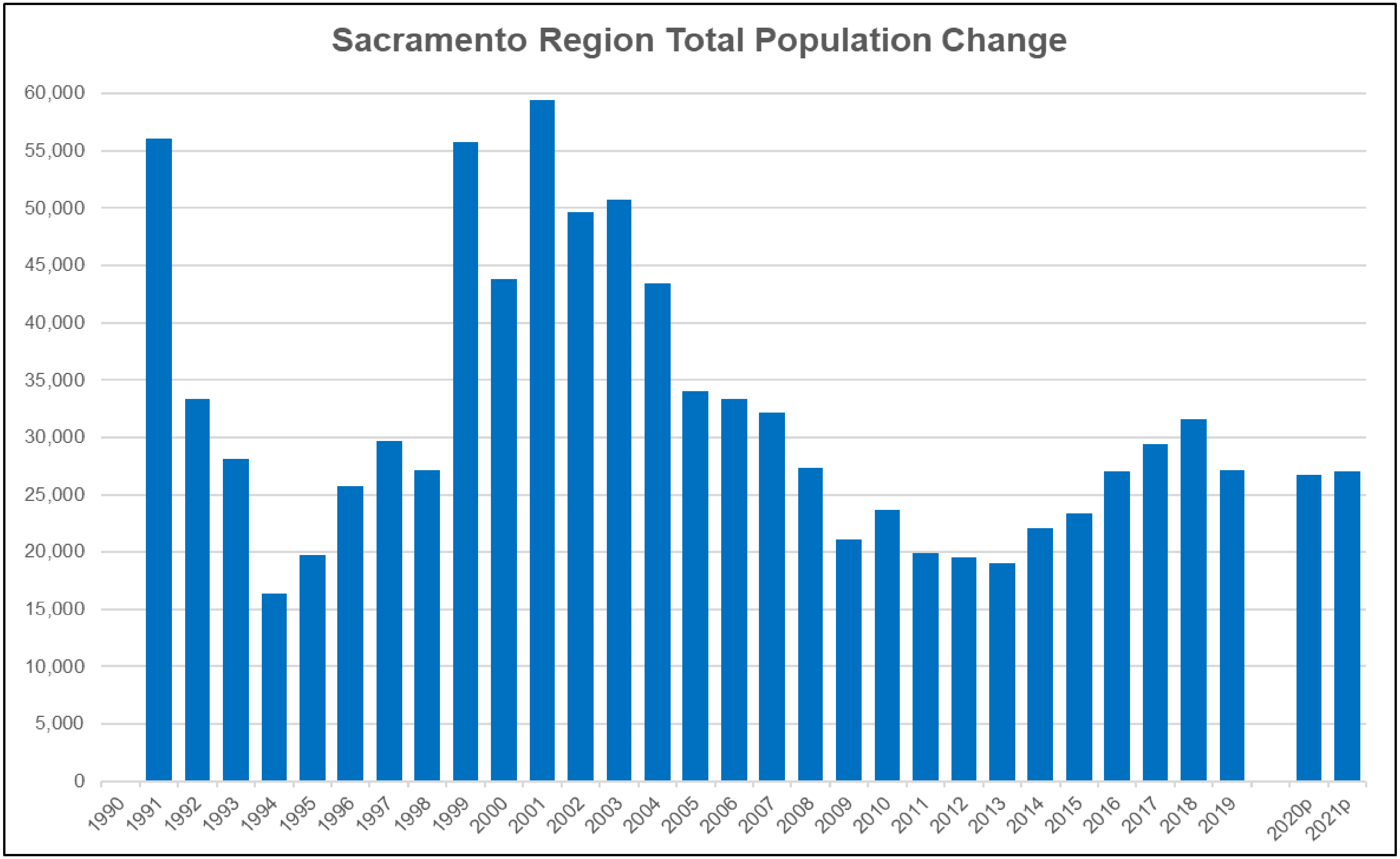


Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019e
Household Income:	$55,710	$55,178	$55,901	$56,708	$59,433	$62,210	$64,646	$66,744	$72,422	$79,061
Percent Change:	-1.4%	-1.0%	1.3%	1.4%	4.8%	4.7%	3.9%	3.2%	8.5%	9.2%

Source: U.S. Bureau Of Labor Statistics, The Gregory Group

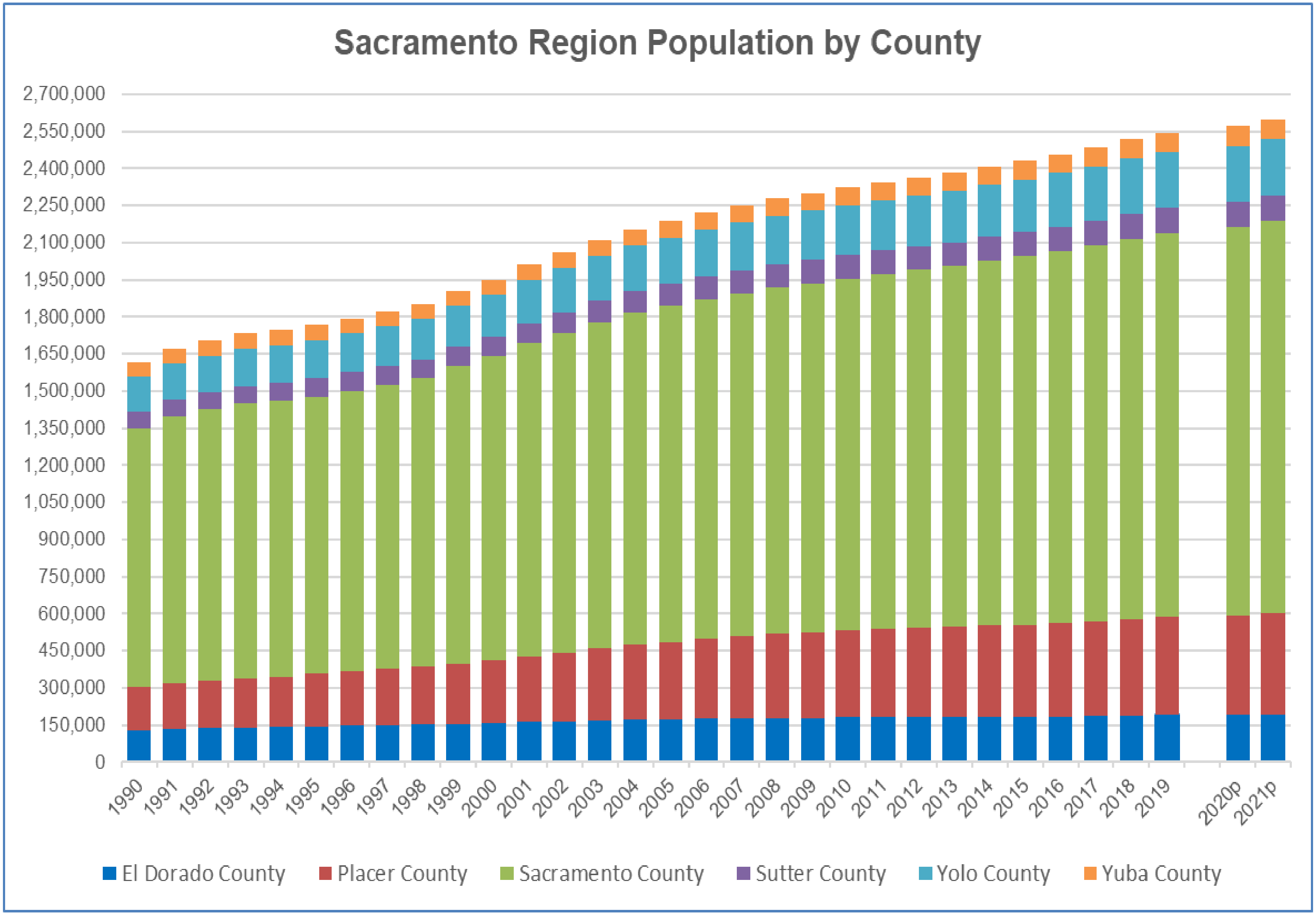


Source: California Department of Finance, The Gregory Group



Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020p	2021p
Total Population:	2,324,773	2,344,728	2,364,248	2,383,315	2,405,455	2,428,835	2,455,886	2,485,274	2,516,841	2,543,940	2,570,716	2,597,785
Number Change:	23,716	19,955	19,520	19,067	22,140	23,380	27,051	29,388	31,567	27,099	26,776	27,069
Percent Change:	1.0%	0.9%	0.8%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.1%	1.1%	1.1%

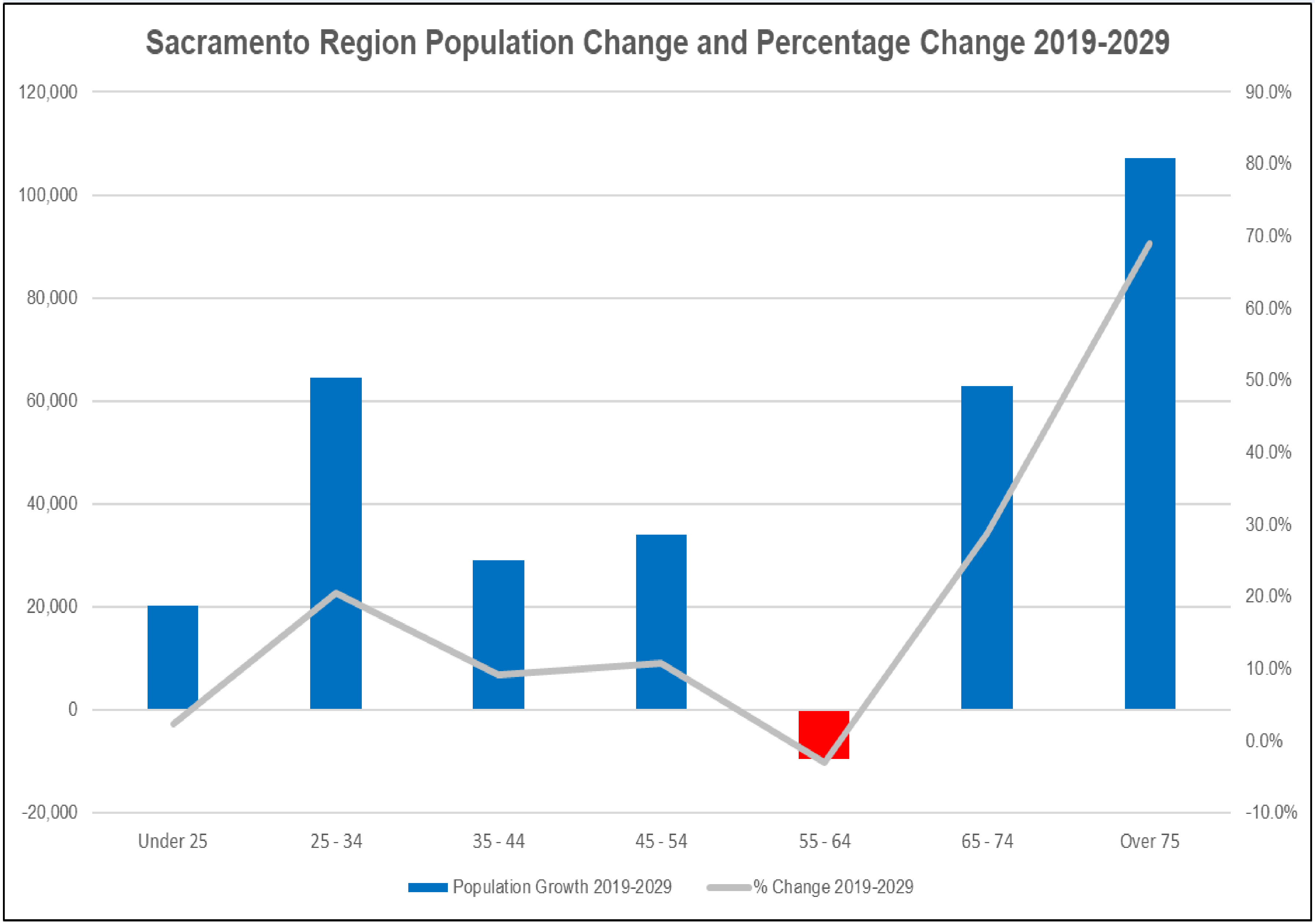
Source: California Department of Finance, The Gregory Group



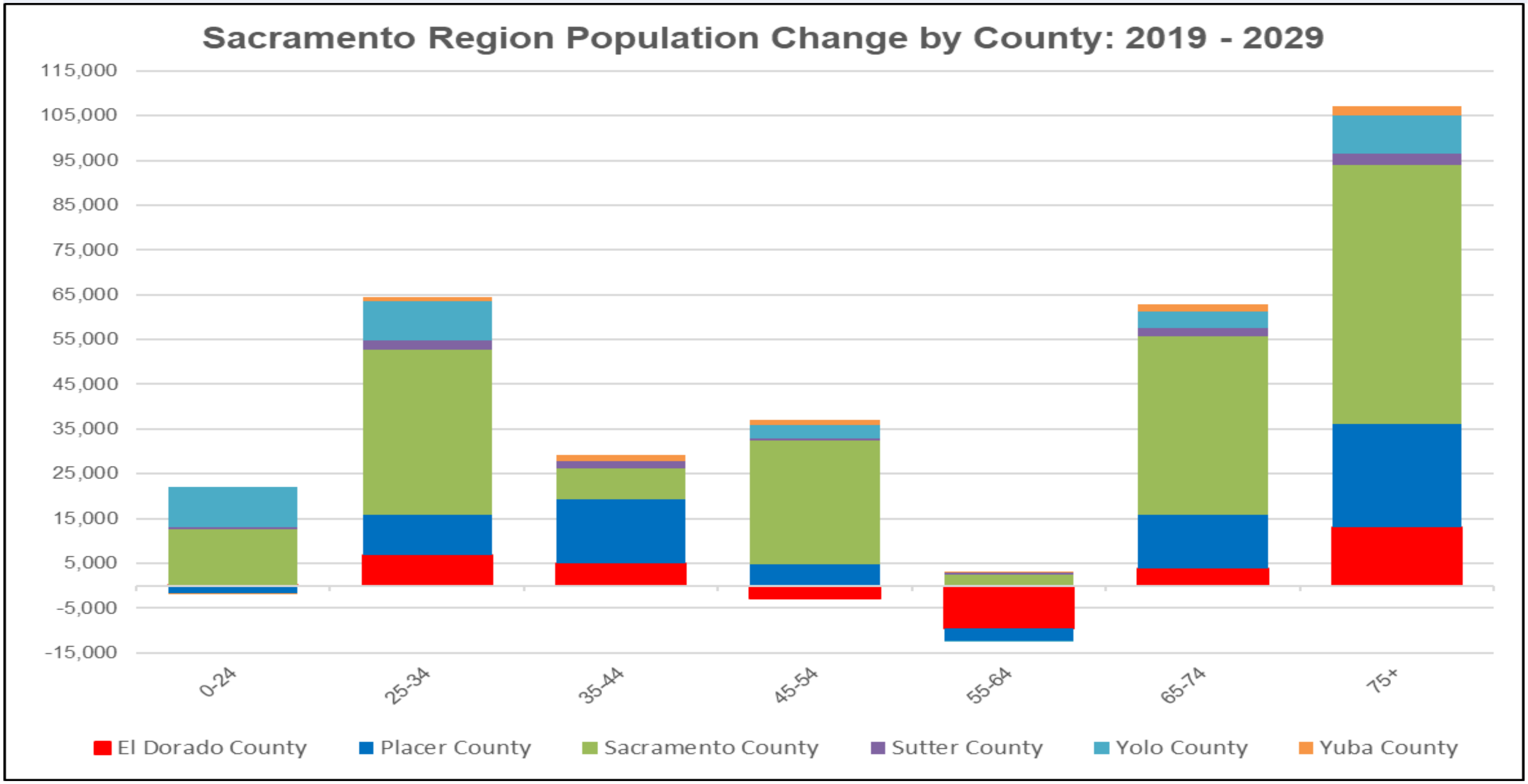
Source: California Department of Finance, The Gregory Group

Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020p	2021p
El Dorado County:	181,191	181,209	181,448	182,612	182,701	183,269	184,232	186,531	189,360	191,210	192,376	193,549
Number Change:	1,490	18	239	1,164	89	568	963	2,299	2,829	1,850	1,166	1,173
Percent Change:	0.8%	0.0%	0.1%	0.6%	0.0%	0.3%	0.5%	1.2%	1.5%	1.0%	0.6%	0.6%
Placer County:	350,629	356,233	360,566	364,778	368,318	371,414	376,486	382,748	389,278	394,737	400,263	405,867
Number Change:	6,541	5,604	4,333	4,212	3,540	3,096	5,072	6,262	6,530	5,459	5,526	5,604
Percent Change:	1.9%	1.6%	1.2%	1.2%	1.0%	0.8%	1.4%	1.7%	1.7%	1.4%	1.4%	1.4%
Sacramento County:	1,423,068	1,436,176	1,447,653	1,457,395	1,474,321	1,489,712	1,504,939	1,520,121	1,537,386	1,553,253	1,569,096	1,585,100
Number Change:	11,665	13,108	11,477	9,742	16,926	15,391	15,227	15,182	17,265	15,867	15,843	16,004
Percent Change:	0.8%	0.9%	0.8%	0.7%	1.2%	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%	1.0%
Sutter County:	94,898	94,855	95,362	96,699	96,197	96,976	97,871	99,465	101,337	103,580	104,636	105,703
Number Change:	526	-43	507	1,337	-502	779	895	1,594	1,872	2,243	1,056	1,067
Percent Change:	0.6%	0.0%	0.5%	1.4%	-0.5%	0.8%	0.9%	1.6%	1.9%	2.2%	1.0%	1.0%
Yolo County:	202,634	203,430	206,079	208,528	210,110	212,992	216,980	219,697	222,054	222,868	225,341	227,843
Number Change:	2,937	796	2,649	2,449	1,582	2,882	3,988	2,717	2,357	814	2,473	2,502
Percent Change:	1.5%	0.4%	1.3%	1.2%	0.8%	1.4%	1.9%	1.3%	1.1%	0.4%	1.1%	1.1%
Yuba County:	72,353	72,823	73,140	73,303	73,808	74,472	75,378	76,712	77,426	78,292	79,004	79,723
Number Change:	557	470	317	163	505	664	906	1,334	714	866	712	719
Percent Change:	0.8%	0.6%	0.4%	0.2%	0.7%	0.9%	1.2%	1.8%	0.9%	1.1%	0.9%	0.9%

Source: California Department of Finance, The Gregory Group



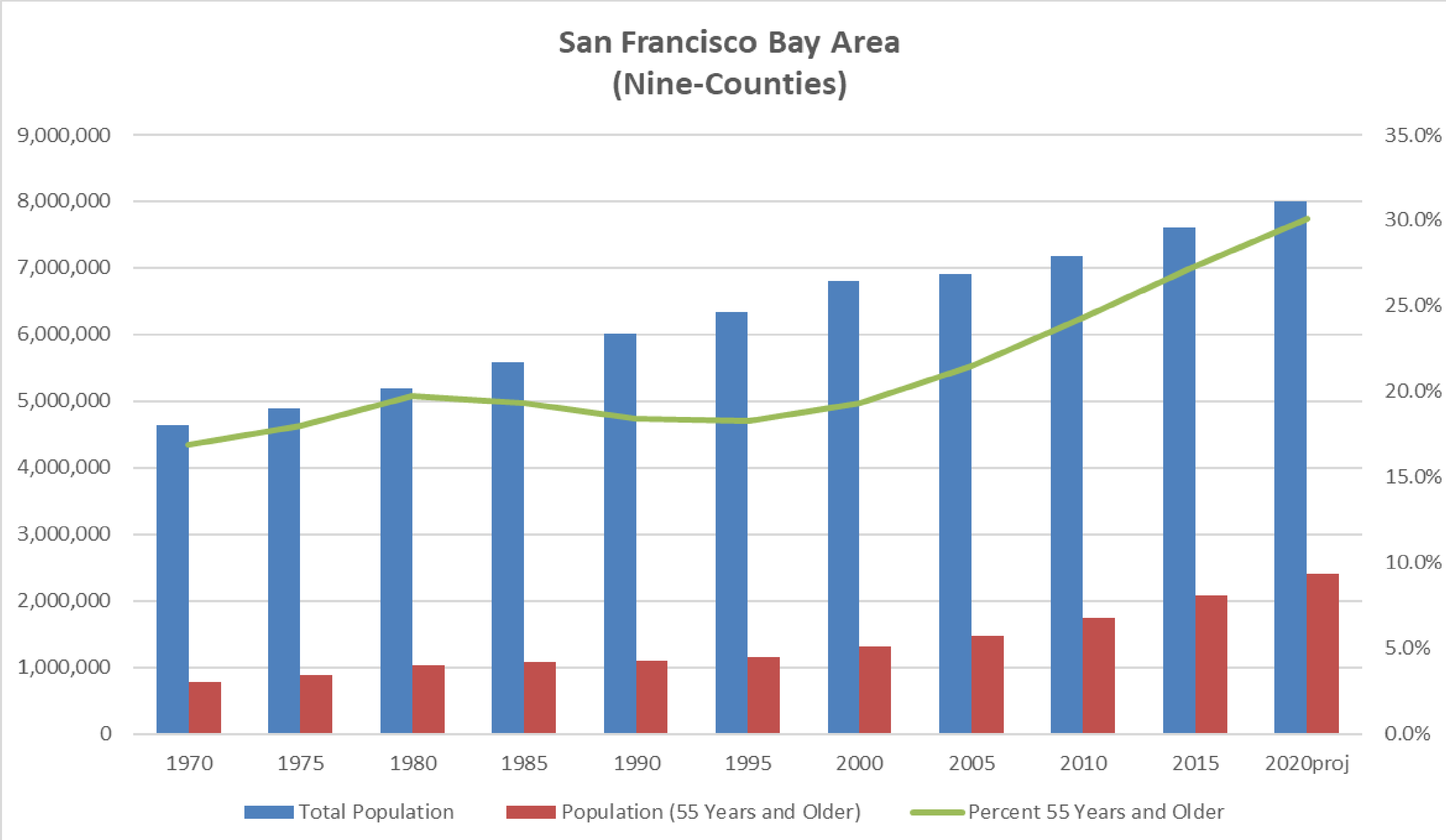
Source: California Department of Finance, The Gregory Group



Population Change: 2019 - 2029

Age Range	El Dorado County	Placer County	Sacramento County	Sutter County	Yolo County	Yuba County	Total	Percent Change
0-24	174	-1,795	12,508	424	9,027	-16	20,322	2.4%
25-34	6,727	9,092	36,969	1,984	8,728	984	64,484	19.9%
35-44	4,926	14,345	6,843	1,604	-112	1,517	29,123	8.8%
45-54	-2,893	4,850	27,669	447	2,823	1,218	34,114	10.9%
55-64	-9,659	-2,665	2,444	436	-146	3	-9,587	-3.0%
65-74	3,912	11,852	39,873	1,946	3,591	1,747	62,921	26.5%
75+	12,937	23,180	57,750	2,676	8,506	2,135	107,184	63.2%
Total:	**16,124**	**58,859**	**184,056**	**9,517**	**32,417**	**7,588**	**308,561**	**12.1%**

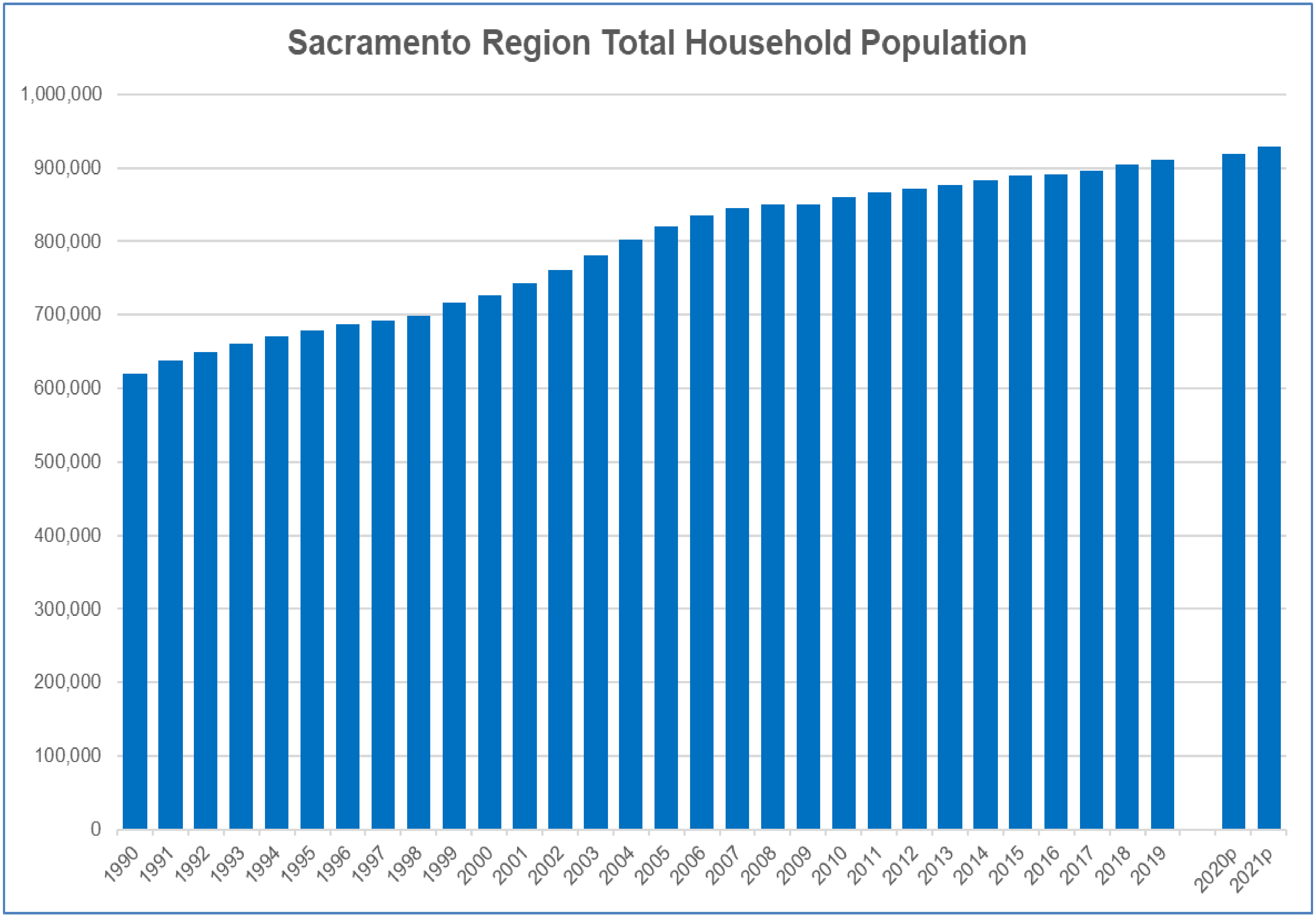
Source: California Department of Finance, The Gregory Group



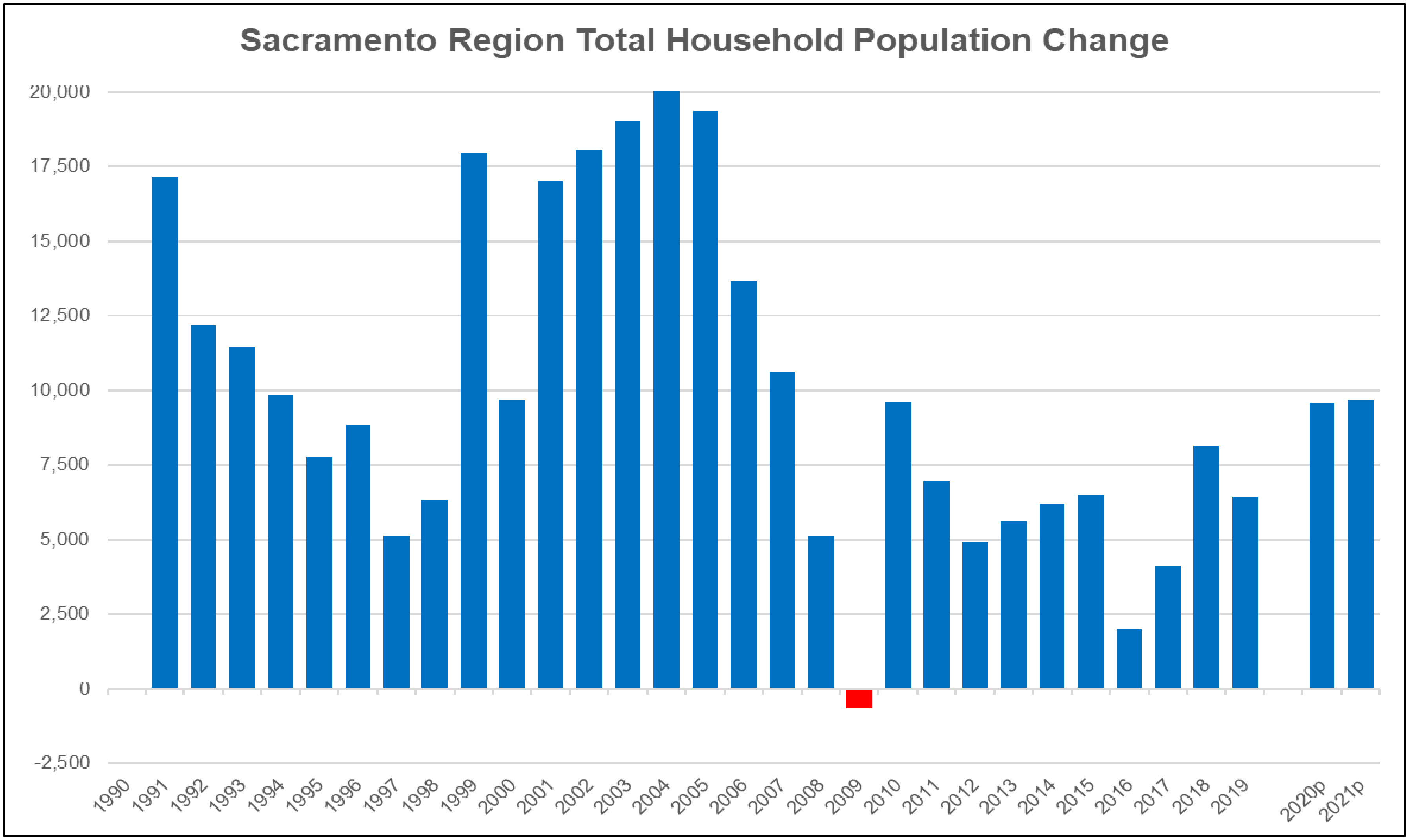
Category	San Francisco Bay Area (Nine-Counties) 1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2020proj
Total Population	4,638,633	4,897,386	5,197,178	5,592,126	6,021,836	6,344,925	6,805,690	6,900,081	7,171,673	7,613,250	7,996,841
Percent Change	--	5.6%	6.1%	7.6%	7.7%	5.4%	7.3%	1.4%	3.9%	6.2%	5.0%
Population (55 Years and Older)	783,843	882,386	1,025,974	1,081,962	1,108,480	1,158,267	1,313,966	1,481,507	1,745,786	2,079,832	2,405,369
Percent Change	--	12.6%	16.3%	5.5%	2.5%	4.5%	13.4%	12.8%	17.8%	19.1%	15.7%
Percent 55 Years and Older	**16.9%**	**18.0%**	**19.7%**	**19.3%**	**18.4%**	**18.3%**	**19.3%**	**21.5%**	**24.3%**	**27.3%**	**30.1%**

Source: California Department of Finance (Revised May 2018)

Source: California Department of Finance, The Gregory Group

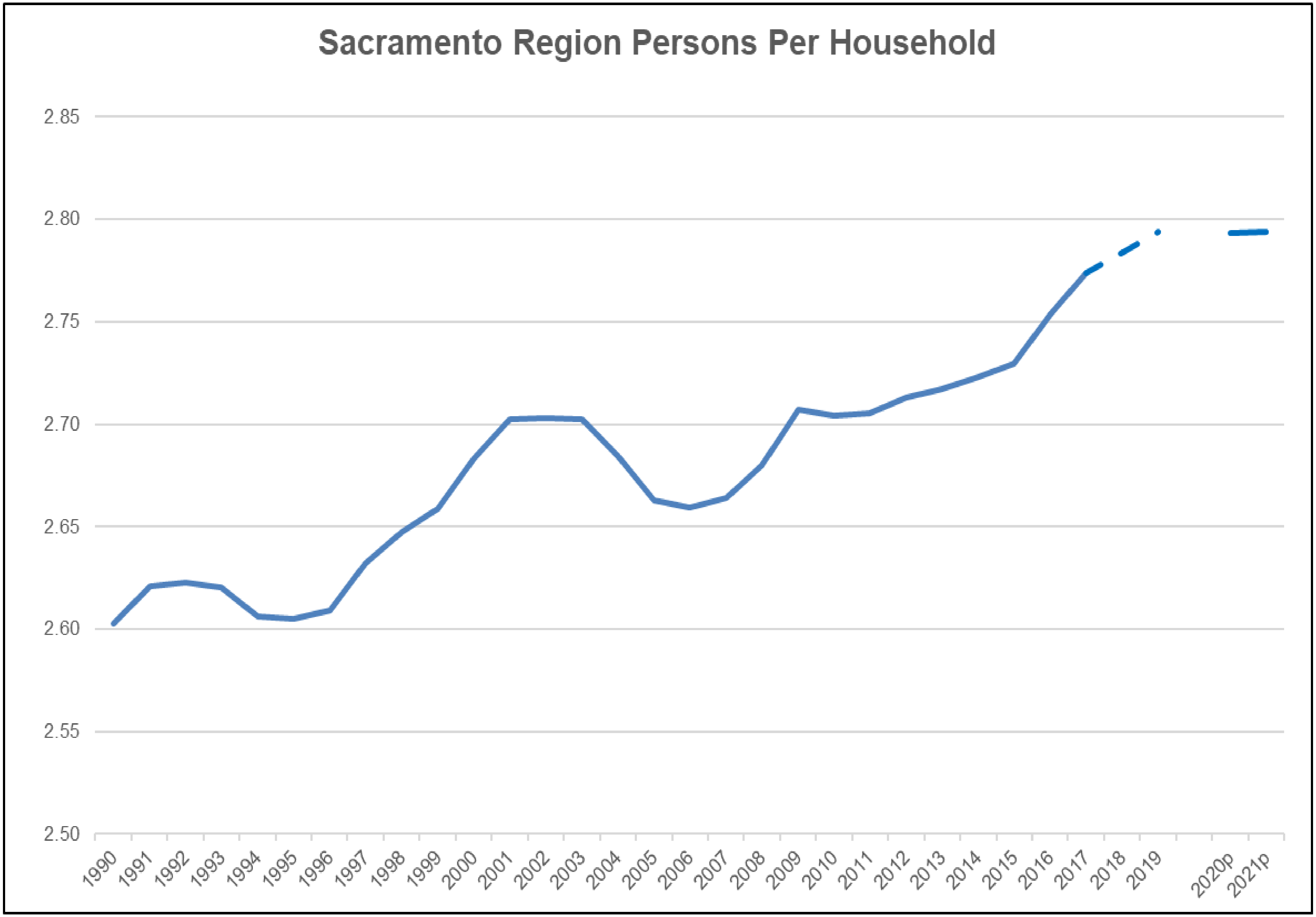


Source: California Department of Finance, The Gregory Group

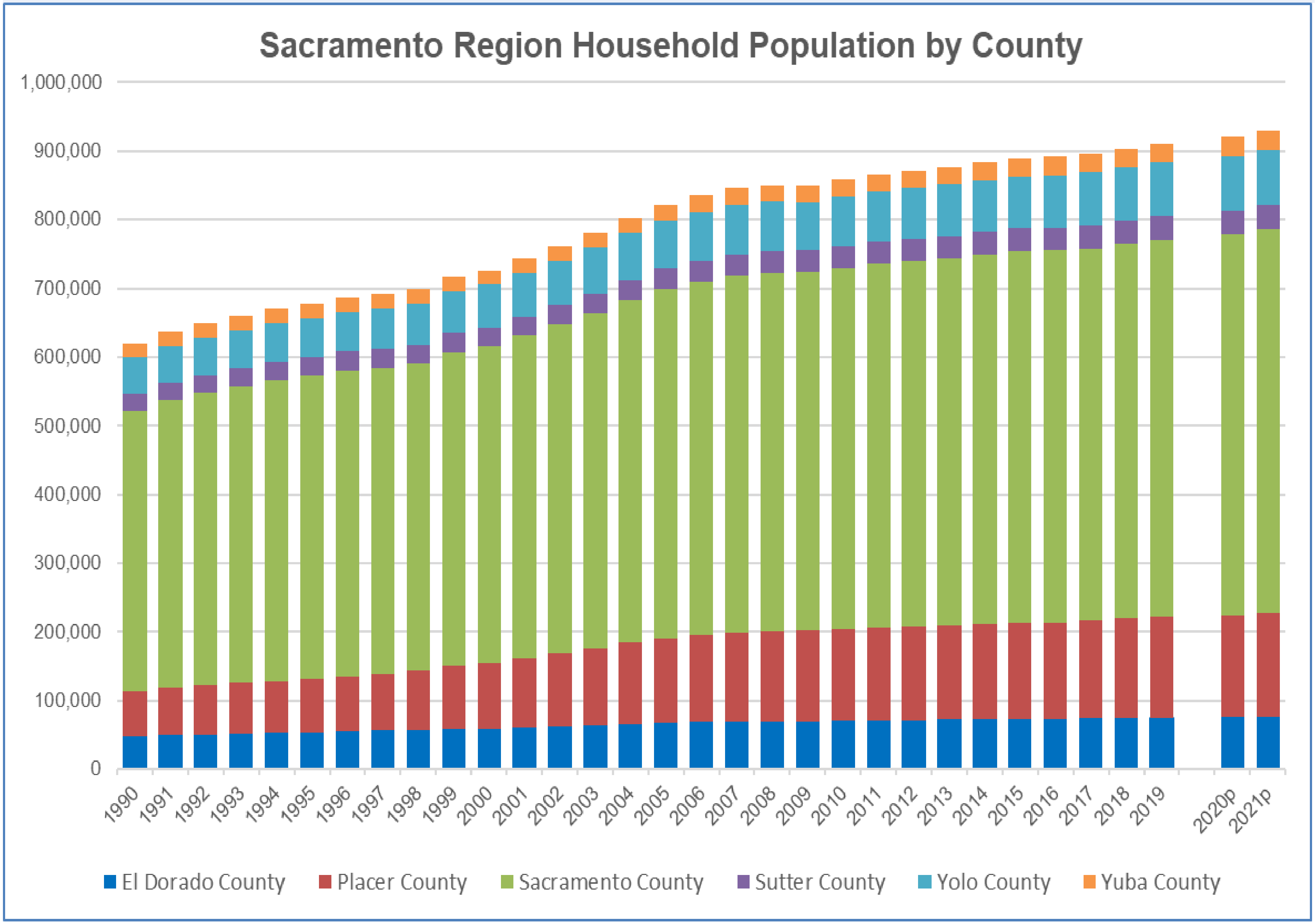


Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020p	2021p
Total Households:	859,650	866,604	871,505	877,107	883,309	889,803	891,781	895,898	904,050	910,501	920,073	929,750
Number Change:	9,605	6,954	4,901	5,602	6,202	6,494	1,978	4,117	8,152	6,451	9,572	9,677
Percent Change:	1.1%	0.8%	0.6%	0.6%	0.7%	0.7%	0.2%	0.5%	0.9%	0.7%	1.1%	1.1%
Persons Per Household:	2.70	2.71	2.71	2.72	2.72	2.73	2.75	2.77	2.78	2.79	2.80	2.81

Source: California Department of Finance, The Gregory Group



Source: California Department of Finance, The Gregory Group



Source: California Department of Finance, The Gregory Group

Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020p	2021p
El Dorado County:	71,055	71,342	72,003	72,465	72,500	72,726	72,819	74,315	75,143	75,577	76,038	76,502
Number Change:	612	287	661	462	35	226	93	1,496	828	434	461	464
Percent Change:	0.9%	0.4%	0.9%	0.6%	0.0%	0.3%	0.1%	2.1%	1.1%	0.6%	0.6%	0.6%
Placer County:	133,828	134,937	136,578	137,652	138,988	140,156	141,006	142,816	144,713	146,199	148,246	150,321
Number Change:	1,078	1,109	1,641	1,074	1,336	1,168	850	1,810	1,897	1,486	2,047	2,075
Percent Change:	0.8%	0.8%	1.2%	0.8%	1.0%	0.8%	0.6%	1.3%	1.3%	1.0%	1.4%	1.4%
Sacramento County:	525,117	529,955	532,225	533,844	538,073	541,713	541,345	540,968	545,172	548,853	554,451	560,106
Number Change:	4,496	4,838	2,270	1,619	4,229	3,640	-368	-377	4,204	3,681	5,598	5,655
Percent Change:	0.9%	0.9%	0.4%	0.3%	0.8%	0.7%	-0.1%	-0.1%	0.8%	0.7%	1.0%	1.0%
Sutter County:	31,633	31,724	31,787	32,233	32,173	32,542	32,843	33,155	33,667	34,298	34,648	35,001
Number Change:	-57	91	63	446	-60	369	301	312	512	631	350	353
Percent Change:	-0.2%	0.3%	0.2%	1.4%	-0.2%	1.1%	0.9%	0.9%	1.5%	1.9%	1.0%	1.0%
Yolo County:	73,153	73,707	73,863	75,010	75,308	76,069	76,943	77,631	78,188	78,199	79,067	79,945
Number Change:	2,713	554	156	1,147	298	761	874	688	557	11	868	878
Percent Change:	3.9%	0.8%	0.2%	1.6%	0.4%	1.0%	1.1%	0.9%	0.7%	0.0%	1.1%	1.1%
Yuba County:	24,864	24,939	25,048	25,902	26,266	26,597	26,825	27,011	27,167	27,375	27,624	27,875
Number Change:	763	75	109	854	364	331	228	186	156	208	249	251
Percent Change:	3.2%	0.3%	0.4%	3.4%	1.4%	1.3%	0.9%	0.7%	0.6%	0.8%	0.9%	0.9%

Source: California Department of Finance, The Gregory Group

Notes

The Sacramento MSA includes the four counties of El Dorado, Placer, Sacramento and Yolo

The Sacramento Region includes the six counties of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba

All projections are provided by The Gregory Group

Sources include US Bureau of Economic Analysis, US Bureau of Labor Statistics, US Bureau of Census, Thomson Reuters/University of Michigan, Board of Governors of the Federal Reserve, NAHB/Wells Fargo Bank, National Association of Realtors, Zillow Real Estate Research, California Association of Realtors, Federal Reserve Bank of St. Louis, California Department of Finance, Google Maps, City of Sacramento, Sacramento County, American FactFinder, MLS, The Gregory Group

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Projections are based on the information available at the time of the projections. There will be differences between projections and actual results and those differences may be material.

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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

February 26, 2021

City Council
City of Sacramento
915 I Street
Sacramento, California 95814

OPINION: $43,470,000 City of Sacramento
Greenbriar Community Facilities District No. 2018-03 (Improvements)
Improvement Area No. 1 Special Tax Bonds, Series 2021

Members of the City Council:

We have acted as bond counsel to the City of Sacramento (the "City") in connection with the issuance by the City of the special tax bonds captioned above (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, opinions, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being sections 53311 et seq. of the California Government Code (the "Act"), a resolution of the City Council of the City adopted on February 2, 2021 (the "Resolution"), and a Master Indenture, dated as of February 1, 2021, as amended and supplemented by a First Supplemental Indenture, dated as of February 1, 2021 (together, the "Indenture"), by and between the City and U.S. Bank National Association, as trustee. Under the Indenture, the City has pledged certain special tax revenues (the "Special Taxes") for the payment of principal, premium (if any) and interest on the Bonds when due.

Regarding questions of fact material to our opinion, we have relied on representations of the City contained in the Indenture, and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The City is a charter city, duly organized and existing under the Constitution of the State of California, with the power to adopt the Resolution, enter into the Indenture and perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been duly authorized, executed and delivered by the City, and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

3. The Indenture creates a valid lien on the Special Taxes and other funds pledged by the Indenture for the security of the Bonds.

4. 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 Special Taxes and other sources provided therefor in the Indenture.

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 paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each of such requirements. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of delivery of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

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 D

GENERAL INFORMATION ABOUT THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO

The following information is included only for the purpose of supplying general information regarding the City of Sacramento (the "City") and the County of Sacramento (the "County"). This information is provided only for general informational purposes and provides prospective investors limited information about the City and the County and their economic base. The Bonds are not a debt of the City, the County, or the State or any of its political subdivisions, and the City, the County, and the State and its political subdivisions are not liable therefor.

The information and data within this Appendix D is historical in nature and speaks only as of the dates indicated. Neither the delivery of this Official Statement nor any sale thereafter of the securities offered hereby shall under any circumstances create any implication that there has been no change in any information contained in this Appendix D since the date of such information. In particular, certain of the information provided in this Appendix D predates the COVID-19 pandemic and the related regional and State-wide stay at home orders that have been implemented and revised over time. Certain information for calendar year 2020 and the first quarter of calendar 2021, when released, could be materially different from such information for prior years. See "SPECIAL RISK FACTORS — COVID-19 (Coronavirus) Pandemic" in the Official Statement.

General

The City is located at the confluence of the Sacramento and American Rivers in the south-central portion of the Sacramento Valley, a part of the State's Central Valley. Although the City is approximately 75 air miles northeast of San Francisco, its temperature range is more extreme than that of most Northern California coastal cities, ranging from a daily average of 45 degrees Fahrenheit in January to 85 degrees Fahrenheit in July. Average elevation of the City is 30 feet above sea level.

Population

The following table lists population figures for the City, the County and the State as of January 1 for 2016 through 2020.

CITY AND COUNTY OF SACRAMENTO
Population Estimates

Calendar Year	*City of Sacramento*	*County of Sacramento*	*State of California*
2016	487,455	1,496,385	39,131,307
2017	492,858	1,512,721	39,398,702
2018	498,563	1,527,132	39,586,646
2019	505,230	1,541,301	39,695,376
2020	510,931	1,555,365	39,782,870

Source: State Department of Finance estimates (as of January 1).

Industry and Employment

The unemployment rate in the Sacramento—Arden-Arcade—Roseville, CA Metropolitan Statistical Area ("Sacramento MSA"), which includes Sacramento, Placer, El Dorado, and Yolo Counties, was 3.6% in

2019, down from the 2018 estimate of 3.8%. As of December 2020, the unemployment rate in the Sacramento MSA was 7.9%.

The table below provides information about employment rates and employment by industry type for the Sacramento MSA for calendar years 2015 through 2019.

SACRAMENTO MSA
Civilian Labor Force, Employment and Unemployment
Calendar Years 2015 through 2019
Annual Averages

	2015	*2016*	*2017*	*2018*	*2019*
Civilian Labor Force [(1)]	1,052,800	1,068,300	1,075,300	1,089,600	1,101,000
Employment	991,200	1,012,000	1,026,400	1,048,200	1,061,400
Unemployment	61,700	56,400	48,900	41,400	39,600
Unemployment Rate	5.9%	5.3%	4.5%	3.8%	3.6%
Wage and Salary Employment [(2)]					
Agriculture	9,400	9,700	9,800	9,100	8,800
Natural Resources and Mining	400	400	400	500	500
Construction	50,300	55,000	58,700	64,500	68,400
Manufacturing	36,400	36,200	35,700	36,000	36,500
Wholesale Trade	24,400	25,500	26,500	28,400	28,700
Retail Trade	98,000	100,500	101,400	102,000	100,600
Transportation, Warehousing and Utilities	24,600	26,000	26,700	29,600	32,300
Information	14,200	13,800	12,600	12,400	11,900
Finance and Insurance	37,100	37,300	37,200	36,600	35,200
Real Estate and Rental and Leasing	13,800	14,500	15,200	16,800	17,400
Professional and Business Services	120,100	127,800	130,000	133,500	134,900
Educational and Health Services	140,900	146,500	153,600	159,800	166,400
Leisure and Hospitality	95,400	99,800	103,300	106,200	109,200
Other Services	30,900	31,700	33,000	34,200	35,100
Federal Government	13,700	14,000	14,200	14,100	14,200
State Government	115,300	116,600	118,400	120,400	122,500
Local Government	102,900	104,000	102,600	103,500	104,800
Total, All Industries	927,700	959,300	979,200	1,007,400	1,027,300

(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.
Source: State of California Employment Development Department.

Major Employers

The following table shows the largest private sector employers located in the County as of fiscal year 2020.

COUNTY OF SACRAMENTO
PRIVATE SECTOR PRINCIPAL EMPLOYERS
As of June 30, 2020

Rank	*Name of Company*	*Number of Employees*	*Percentage of Total County Employment*
1.	Kaiser Permanente	15,585	2.27%
2.	UC Davis Health System	14,510	2.11
3.	Sutter/California Health Services	10,764	1.57
4.	Dignity/Mercy Healthcare	7,871	1.15
5.	Intel Corporation	6,200	0.90
6.	Amazon – Sacramento Fulfillment Center	4,500	0.66
7.	Raley's Inc./Bel Air	3,500	0.51
8.	Health Net of California Inc.	3,227	0.47
9.	VPS Global	2,429	0.35
10.	Safeway	1,878	0.27

Source: County of Sacramento Comprehensive Annual Financial Report for the year ending June 30, 2020.

The following table shows the largest employers located in the City as of fiscal year 2020.

CITY OF SACRAMENTO
PRINCIPAL EMPLOYERS
As of June 30, 2020

Rank	*Name of Company*	*Number of Employees*	*Percentage of Total City Employment*
1.	State of California	77,172	12.42%
2.	Kaiser Permanente	15,585	2.51
3.	UC Davis Health System	14,510	2.34
4.	Sacramento County	12,360	1.99
5.	Sutter Health	10,764	1.73
6.	U.S. Government	10,559	1.70
7.	Dignity Health	7,871	1.27
8.	Intel Corporation	6,200	1.00
9.	Elk Grove Unified School District	6,164	0.99
10.	San Juan Unified School District	5,350	0.86

Source: City of Sacramento Comprehensive Annual Financial Report for the year ending June 30, 2020.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

The following table summarizes the personal income for the County of Sacramento, the State and the United States for the period 2015 through 2019.

COUNTY OF SACRAMENTO
Personal Income
2015 through 2019

Year	*Sacramento County*	*California*	*United States*
2015	$71,615,140	$2,172,930,200	$15,717,140,000
2016	74,321,409	2,273,557,500	16,151,881,000
2017	77,459,778	2,383,130,500	16,937,582,000
2018	81,589,289	2,514,503,400	17,839,255,000
2019	85,775,621	2,632,279,800	18,542,262,000

Note: Dollars in Thousands.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for the County of Sacramento, the State and the United States for 2015-2019. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME
County of Sacramento, State of California and the United States
2015 Through 2019

Year	*Sacramento County*	*California*	*United States*
2015	$47,946	$55,833	$49,019
2016	49,187	58,048	50,015
2017	50,717	60,549	52,118
2018	53,023	63,720	54,606
2019	55,266	66,619	56,490

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Commercial Activity

A summary of historic taxable sales within the City for 2015-2019 and through the first quarter of 2020 is shown in the following table.

CITY OF SACRAMENTO
Taxable Transactions
(dollars in thousands)

	Retail Stores		*Total All Outlets*	
	Number of Permits	*Taxable Transactions*	*Number of Permits*	*Taxable Transactions*
2015	8,782	$4,287,141	13,164	$6,220,369
2016	9,334	4,484,212	14,068	6,482,931
2017	9,422	4,679,961	14,258	6,792,197
2018	9,839	4,904,555	15,421	7,157,369
2019	10,006	4,999,470	15,970	7,463,634
2020[1]	10,106	2,016,910	16,165	3,119,262

(1) Through first quarter of 2020.
Source: State Board of Equalization.

A summary of historic taxable sales within the County for 2015-2019 and through the first quarter of 2020 is shown in the following table.

COUNTY OF SACRAMENTO
Taxable Transactions
(dollars in thousands)

	Retail Stores		*Total All Outlets*	
	Number of Permits	*Taxable Transactions*	*Number of Permits*	*Taxable Transactions*
2015	23,543	$15,396,375	35,584	$22,218,348
2016	24,289	16,200,531	36,800	23,368,174
2017	24,501	16,934,872	37,317	24,610,617
2018	24,853	17,593,375	39,066	25,443,669
2019	25,530	18,195,302	40,858	26,836,365
2020[1]	25,961	8,653,465	41,737	12,499,131

(1) Through first quarter of 2020.
Source: State Board of Equalization.

Building and Construction

Provided below are the building permits and valuations for the City and the County for calendar years 2015 through 2019.

CITY OF SACRAMENTO
Total Building Permit Valuations
(valuations in thousands)

	2015	*2016*	*2017*	*2018*	*2019*
Permit Valuation					
New Single-family	$ 106,772.4	$ 288,236.6	$ 432,659.8	$ 406,973.1	$ 400,648.4
New Multi-family	108,079.3	181,997.4	158,324.1	106,149.2	176,862.7
Res. Alterations/Additions	92,380.4	99,166.2	113,843.3	97,761.1	140,240.6
Total Residential	$ 307,232.1	$ 569,400.2	$ 704,827.2	$ 610,883.4	$ 717,751.7
New Commercial	$ 26,629.2	$ 125,112.7	$ 143,368.7	$ 133,602.0	$ 540,144.9
New Industrial	0.0	150.0	0.0	2,489.1	31,485.4
New Other	39,614.62	34,081.1	76,890.9	71,153.7	427,661.2
Com. Alterations/Additions	222,068.0	238,524.2	120,410.0	242,928.6	491,148.7
Total Nonresidential	$ 288,311.82	$ 397,868.0	$ 340,669.6	$ 450,173.4	$ 1,490,440.2
New Dwelling Units					
Single Family	435	995	1,723	1,608	1,552
Multiple Family	813	601	1,076	813	1,487
TOTAL	1,248	1,596	2,799	2,421	3,039

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF SACRAMENTO
Total Building Permit Valuations
(valuations in thousands)

	2015	*2016*	*2017*	*2018*	*2019*
Permit Valuation					
New Single-family	$ 547,340.7	$ 611,073.6	$ 744,006.3	$ 1,069,568.3	$ 1,108,399.8
New Multi-family	108,510.6	83,282.9	242,222.8	158,638.0	265,188.8
Res. Alterations/Additions	241,507.7	255,821.8	214,028.1	276,723.5	293,210.5
Total Residential	$ 897,359.0	$ 950,178.3	$ 1,200,257.2	$ 1,504,929.8	$ 1,666,799.1
New Commercial	$ 155,624.2	$ 482,772.0	$ 270,736.7	$ 292,766.9	$ 639,170.3
New Industrial	0.0	150.0	3,026.0	14,151.1	31,851.4
New Other	101,500.5	418,862.1	265,276.7	137,414.6	131,286.6
Com. Alterations/Additions	394,304.5	85,354.4	140,367.2	518,663.2	700,603.9
Total Nonresidential	$ 651,429.2	$ 987,138.5	$ 679,406.6	$ 962,995.8	$ 1,502,912.2
New Dwelling Units					
Single Family	2,358	2,676	3,174	3,589	3,981
Multiple Family	815	609	1,761	1,272	2,008
TOTAL	3,173	3,285	4,935	4,861	5,989

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

Sacramento's strategic location and broad transportation network have contributed to the City's economic growth. The City is traversed by the main east-west and north-south freeways serving northern and central California. Interstate 80 connects Sacramento with the San Francisco Bay Area, Reno, Nevada, and points east. U.S. 50 carries traffic from Sacramento to the Lake Tahoe area. Interstate 5 is the main north-south route through the interior of California, running from Mexico to Canada. State Route 99 parallels Interstate 5 through central California and passes through Sacramento.

The Union Pacific Railroad, a transcontinental line, has junctions in Sacramento and is connected to the Burlington Northern Santa Fe Railway via the Central California Traction Company. Passenger rail service is provided by AMTRAK. Bus lines offering intercity as well as local service include Greyhound and the Sacramento Regional Transit District. The Sacramento Regional Transit District also provides light-rail service within the City. The Port of Sacramento, located 79 nautical miles northeast of San Francisco, provides direct ocean-freight service to all major United States and world ports. Via a deep-water channel, ships can reach Sacramento from San Francisco in less than eight hours. The major rail links serving Sacramento connect with the port, and Interstate 80 and Interstate 5 are immediately adjacent to it.

Trucking services are offered through facilities of interstate common carriers operating terminals in the area and by contract carriers of general commodities. Greyhound Bus Lines also has passenger and package-service stations in the City.

Sacramento International Airport, about 12 miles northwest of the City's downtown, is served by 15 major carriers and 1 commuter carrier. Sacramento Executive Airport, about 6 miles south of the City's downtown, is a full-service, 540-acre facility serving general aviation and providing a wide array of facilities and services. Mather Airport, about 13 miles east of the City's downtown, is a 2,875 acre facility and serves as an air cargo and general aviation facility.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture which are not described elsewhere in this Official Statement. This summary is not intended to be definitive, and reference is made to the complete copy of the Indenture for the terms thereof.

Definitions

"Accountant's Report" means a report signed by an Independent Certified Public Accountant.

"Acquisition and Construction Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1, Special Tax Bonds Acquisition and Construction Fund established pursuant to the Indenture (to be maintained by the Treasurer).

"Act" means collectively the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 et seq. of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto.

"Authorization" means the maximum principal amount of bonded indebtedness authorized for Improvement Area No. 1.

"Bond Redemption Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1, Special Tax Bonds Bond Redemption Fund established pursuant to the Indenture (to be maintained by the Trustee).

"Bond Reserve Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1, Special Tax Bonds Bond Reserve Fund established pursuant to the Indenture (to be maintained by the Trustee).

"Bond Year" means the twelve-month period ending on September 1 of each year; provided, that the first Bond Year shall commence on the date of the execution, authentication and initial delivery of the first Series issued under the Indenture.

"Bonds" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1 Special Tax Bonds at any time Outstanding that are executed, authenticated and delivered in accordance with the provisions hereof. "Serial Bonds" means Bonds for which no Sinking Fund Account Payments are established. "Term Bonds" means Bonds which are redeemable or payable on or before their specified maturity date or dates from Sinking Fund Account Payments established for the purpose of redeeming or paying such Bonds on or before their specified maturity date or dates.

"Business Day" means any day (other than a Saturday or a Sunday) on which the Trustee is open for business at its Principal Corporate Trust Office.

"Certificate of the City" means an instrument in writing signed by the City Manager or the Treasurer, or by any other officer of the City duly authorized by the City Council for that purpose.

"City" means the City of Sacramento, a California charter city and municipal corporation.

"City Council" means the City Council of the City.

"City Clerk" means the City Clerk of the City.

"City Manager" means the City Manager of the City.

"Code" means the Internal Revenue Code of 1986 and all regulations of the United States Department of the Treasury issued thereunder from time to time to the extent that such regulations are, at the time, applicable and in effect, and in this regard reference to any particular section of the Code shall include reference to any successor to such section of the Code.

"Community Facilities District" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements), a community facilities district duly organized and existing in the City under and by virtue of the Act.

"Community Facilities Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1, Community Facilities Fund established pursuant to the Indenture (to be maintained by the Treasurer).

"Costs of Issuance" means, with respect to any Series, all costs and expenses payable by or reimbursable to the City that are related to the authorization, sale, execution, authentication and initial delivery of such Series or the Community Facilities District proceedings under the Act, including, but not limited to, costs of preparation and reproduction of documents, rating agency fees, fees and charges of the Trustee (including fees and expenses of its counsel), legal fees and charges and fees and charges of other consultants and professionals, together with all costs for the preparation of the Bonds of such Series, and any other cost or expense in connection with the authorization, sale, execution, authentication and initial delivery of such Series.

"Costs of Issuance Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1, Special Tax Bonds Costs of Issuance Fund established pursuant to the Indenture (to be maintained by the Trustee).

"Debt Service" means, for any Bond Year, the sum of (1) the interest payable during such Bond Year on all Outstanding Bonds, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds are redeemed or paid as scheduled at the times of and in amounts equal to the sum of all Sinking Fund Account Payments (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds), plus (2) the principal amount of all Outstanding Serial Bonds maturing by their terms in such Bond Year, plus (3) the Sinking Fund Account Payments required to be deposited in the Sinking Fund Account in such Bond Year.

"Event of Default" means an event described as such in the Indenture.

"Expense Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1, Special Tax Bonds Expense Fund established pursuant to the Indenture (to be maintained by the Treasurer).

"Expenses" means all expenses paid or incurred by the City for the cost of acquiring, planning, designing, inspecting or constructing the Facilities or the facilities to be financed with the Fees, including the cost of environmental evaluations, and all costs associated with the determination of the amount of the Special Tax, the collection of the Special Tax and the payment of the Special Tax, together with all costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, and any other expenses incidental to the acquisition, construction, completion and inspection of the Facilities and the facilities to be financed with the Fees; all as determined in accordance with Generally Accepted Accounting Principles.

"Facilities" means the public facilities authorized to be acquired or constructed for the Community Facilities District under the Act.

"Federal Securities" means (a) any securities now or hereafter authorized both the interest on and principal of which are guaranteed by the full faith and credit of the United States of America, and (b) any of the following obligations of federal agencies not guaranteed by the full faith and credit of the United States of America: (1) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (2) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act and bonds of any federal home loan bank established under such act, and (3) 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, as and to the extent that such securities or obligations are eligible for the legal investment of City funds, together with any repurchase agreements which are secured by any of such securities or obligations that have a fair market value (determined at least daily) at least equal to one hundred two percent (102%) of the amount invested in the repurchase agreement, are in the possession of the Trustee or a third party acting solely as custodian for the Trustee who holds a perfected first lien therein, and are free from all third-party claims.

"Fees" means the governmental fees authorized to be financed for or through the Community Facilities District under the Act.

"Fiscal Year" means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the City as its Fiscal Year in accordance with applicable law.

"Fitch" means Fitch, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"Generally Accepted Accounting Principles" means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

"Holder" means any person who shall be the registered owner of any Outstanding Bond, as shown on the registration books maintained by the Trustee pursuant to the Indenture.

"Improvement Area No. 1" means Improvement Area No. 1 of the Community Facilities District.

"Indenture" means the Master Indenture and all Supplemental Indentures.

"Independent Certified Public Accountant" means any nationally recognized certified public accountant or firm of such accountants, appointed and paid by the City, and who, or each of whom –

(1) is in fact independent and not under the domination of the City;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the City; and

(3) is not connected with the City as an officer or employee of the City, but who may be regularly retained to audit the accounting records of and make reports thereon to the City.

"Independent Consultant" means any consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relative to special taxes and special tax bond financing for California community facilities districts formed pursuant to the Act, appointed and paid by the City, and who, or each of whom –

(1) is in fact independent and not under the domination of the City;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the City; and

(3) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or other reports to the City.

"Legal Investments" means any securities in which funds of the City may be legally invested in accordance with the applicable law in effect at the time of such investment and in accordance with the then current investment policy of the City (as established by the City Council).

"Master Indenture" means the Master Indenture, between the City and the Trustee entered into under and pursuant to the Act.

"Maximum Annual Debt Service" means, as of any date of calculation, the largest Debt Service in any Bond Year during the period from the date of such calculation through the final maturity date of all Outstanding Bonds.

"Mayor" means the Mayor of the City.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"Opinion of Counsel" means a written opinion of counsel (including, without limitation, counsel for the City) retained by the City.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds except --

(1) Bonds cancelled and destroyed by the Trustee or delivered to the Trustee for cancellation and destruction;

(2) Bonds paid or deemed to have been paid within the meaning of the Indenture; and

(3) Bonds in lieu of or in substitution for which other Bonds shall have been executed by the City and authenticated and delivered by the Trustee pursuant to the Indenture.

"Principal Corporate Trust Office" means the corporate trust office of the Trustee in San Francisco, California, at which at any particular time its corporate trust business is being administered, except that with respect to presentation of Bonds for registration, payment, redemption, transfer or exchange, such term shall mean the corporate trust operations office of the Trustee in St. Paul, Minnesota, or such other office designated by the Trustee from time to time as its Principal Corporate Trust Office.

"Rebate Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1, Special Tax Bonds Rebate Fund established pursuant to the Indenture (to be maintained by the Treasurer).

"Required Bond Reserve" means, as of any date of calculation, the least of (a) ten percent (10%) of the principal amount of the Outstanding Bonds, or (b) Maximum Annual Debt Service, or (c) one hundred twenty-five percent (125%) of the average annual Debt Service payable under the Indenture in the current and in all future Bond Years, all as determined by the City under the Code and specified in writing to the Trustee; provided, that such requirement (or any portion thereof) may be satisfied by the provision of one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer or by a letter of credit issued by a bank, the obligations insured by which insurer or issued by which bank, as the case may be, have at least one rating at the time of issuance of such policy or surety bond or letter of credit equal to "AA" or higher assigned by Fitch or "Aa" or higher assigned by Moody's or "AA" or higher assigned by S&P, in each case without regard to any numerical modifier or plus or minus sign; and provided further, that the amount of the Required Bond Reserve shall not increase at any time except upon the issuance of a Series of Bonds; and provided further, that, with respect to the issuance of any issue of Bonds, if the amount on deposit in the Bond Reserve Fund would have to be increased by an amount greater than ten percent (10%) of the stated principal amount of such issue of Bonds (or, if the issue has more than a de minimis amount of original issue discount or premium, of the issue price of such issue of Bonds) then the Required Bond Reserve shall be such lesser amount as is determined by a deposit of such 10%.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"Series" means any series of the Bonds authorized, executed and authenticated pursuant hereto and pursuant to one or more Supplemental Indentures as constituting a single series and delivered on initial issuance in a simultaneous transaction pursuant to the Indenture, and any Bonds thereafter executed, authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

"Series 2021 Bonds" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1 Special Tax Bonds, Series 2021.

"Sinking Fund Account" means the account in the Bond Redemption Fund referred to by that name established pursuant to the Indenture.

"Sinking Fund Account Payments" means the payments required by all Supplemental Indentures to be deposited in the Sinking Fund Account for the payment of the Term Bonds.

"Special Tax" means the special tax authorized to be levied and collected annually on all Taxable Land in Improvement Area No. 1 in accordance with the Special Tax Formula under and pursuant to the Act.

"Special Tax Formula" means the Amended and Restated Rate and Method of Apportionment of Special Tax for Improvement Area No. 1, approved at the special election of qualified electors held in Improvement Area No. 1 on November 24, 2020, and as may be further amended or supplemented in accordance with the Act.

"Special Tax Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1, Special Tax Bonds Special Tax Fund established pursuant to the Indenture (to be maintained by the Treasurer).

"Supplemental Indenture" means any indenture then in full force and effect that has been made and entered into by the City and the Trustee, amendatory of or supplemental hereto; but only to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"Tax Certificate" means any certificate(s) delivered upon the original issuance of a Series relating to Section 148 of the Code, or any functionally similar replacement certificate.

"Taxable Land" means all land within Improvement Area No. 1 taxable under the Act in accordance with the proceedings for the authorization of the issuance of the Bonds and the levy and collection of the Special Tax.

"Treasurer" means the City Treasurer of the City.

"Trustee" means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America and authorized to accept and execute trusts of the character in the Indenture set forth, at its Principal Corporate Trust Office, and its successors or assigns, or any other bank or trust company having a corporate trust office in San Francisco, California which may at any time be substituted in its place as provided in the Indenture.

"Written Request of the City" means an instrument in writing signed by the City Manager or the Treasurer, or by any other officer of the City duly authorized by the City Council for that purpose.

General Provisions of Series 2021 Bonds; Redemption

General provisions of the Series 2021 Bonds, including terms of payment and redemption, are set forth in the main body of the Official Statement.

All Sinking Fund Account Payments for the Series 2021 Bonds that are term bonds shall be deposited in the Sinking Fund Account. All money in the Sinking Fund Account representing such Sinking Fund Account Payments shall be used and withdrawn by the Trustee (upon receipt of a Written Request of the City) at any time for the purchase of such Series 2021 Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the City may in its discretion determine, but not to exceed the principal amount of such Series 2021 Bonds.

Transfer and Exchange of Bonds

The Trustee will keep at its Principal Corporate Trust Office sufficient books for the transfer and exchange of the Bonds, which books shall at all times during normal business hours with reasonable prior notice be open to inspection by the City or by any Holder. Any Bond may, in accordance with its terms, be transferred or exchanged on such books by the person in whose name it is registered, in person or by his duly authorized attorney, upon payment by the Holder requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange and upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the City shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of the same Series and maturity date and of authorized denominations for the same aggregate principal amount, except that neither the City nor the Trustee shall be required (i) to transfer or exchange any Bonds of any Series during the fifteen-day period prior to the selection of any Bonds of such Series for redemption under the Indenture, or (ii) to transfer or exchange any Bond which has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part under the Indenture.

The City and the Trustee may deem and treat the registered owner of any Bond as the absolute owner of such Bond for all purposes hereof, whether such Bond shall be overdue or not, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on such Bond shall be made only to the registered owner thereof at the close of business as the 15th day of the month next preceding each interest payment date and payment of the principal of and redemption premium, if any, on such Bond shall be made only to the registered owner thereof, which payments shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid.

Mutilated, Destroyed, Stolen or Lost Bonds

In case any Bond shall become mutilated in respect of the body of such Bond or shall be believed by the Trustee to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Trustee and upon the surrender of such mutilated Bond at the Principal Corporate Trust Office of the Trustee, or upon the receipt of evidence satisfactory to the Trustee of such destruction, theft or loss and upon receipt of indemnity satisfactory to the Trustee, and also upon payment of all expenses incurred by the City and the Trustee in the premises, the City shall execute and the Trustee shall authenticate and deliver at its Principal Corporate Trust Office a new Bond or Bonds of the same Series and maturity date for the same aggregate principal amount of like tenor and date and bearing such numbers and notations as the Trustee shall determine in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for the Bond so destroyed, stolen or lost.

If any such destroyed, stolen or lost Bond shall have matured or shall have been called for redemption, payment of the amount due thereon may be made by the Trustee upon receipt of like proof, indemnity and payment of expenses.

Any replacement Bonds issued pursuant to the Indenture shall be entitled to equal and proportionate benefits with all other Bonds issued under the Indenture, and the City and the Trustee shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued under the Indenture or for the purpose of determining any percentage of Bonds Outstanding, but both the original and the replacement Bond shall be treated as one and the same.

Temporary Bonds

Any Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery, which temporary Bonds shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, shall be issued in fully registered form, shall contain such reference to any of the provisions of the Indenture as may be appropriate and shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations of the same Series and maturity date or dates, and until so exchanged, the temporary Bonds shall be entitled to the same benefits as definitive Bonds.

Security for the Bonds

Provisions regarding the security for the Bonds are set forth in the main body of the Official Statement.

Allocation of Money in the Special Tax Fund

All money in the Special Tax Fund shall be set aside by the Treasurer in the following respective funds and accounts (each of which funds and accounts the City agrees and covenants to maintain with the Treasurer or the Trustee, as the case may be, so long as any Bonds are Outstanding) in the following order of priority, and all money in each of such funds and accounts shall be applied, used and withdrawn only for the purposes authorized in the Indenture, namely:

(1) Bond Redemption Fund (maintained by the Trustee). On or before the first (1st) day in each March and September, the Treasurer shall, from the money in the Special Tax Fund, transfer to the Trustee for deposit in the Bond Redemption Fund an amount of money equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such March 1 or September 1, as the case may be, and on or

before the first (1st) day in September 1 in each year, the Treasurer shall, from the then remaining money in the Special Tax Fund, transfer to the Trustee for deposit in the Bond Redemption Fund an amount of money equal to the aggregate amount of principal becoming due and payable on all Outstanding Serial Bonds on such September 1 plus the Sinking Fund Account Payments required to be made on such September 1 into the Sinking Fund Account; provided, that all of the aforesaid payments shall be made without priority of any payment over any other payment, and in the event that the money in the Bond Redemption Fund on any March 1 or September 1 is not equal to the amount of interest becoming due on all Bonds on such date, or in the event that the money in the Bond Redemption Fund on any September 1 is not equal to the amount of principal of the Bonds becoming due on such date plus the amount of the Sinking Fund Account Payments becoming due on such date, as the case may be, then such money shall be applied pro rata in such proportion as such interest and principal and Sinking Fund Account Payments bear to each other; and provided further, that no deposit need be made into the Bond Redemption Fund if the amount of money contained therein is at least equal to the amount required by the terms of this paragraph to be deposited therein at the times and in the amounts provided.

All money in the Bond Redemption Fund shall be used and withdrawn by the Trustee solely to pay the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity) plus the principal of and redemption premiums, if any, on the Bonds as they shall mature or upon the prior redemption thereof, except that any money in the Sinking Fund Account shall be used only to purchase or redeem or retire Term Bonds and any money deposited in the Bond Redemption Fund from the proceeds of a Series of Bonds to be used to pay interest on that Series of Bonds shall be used only to pay interest on that Series of Bonds.

(2) Bond Reserve Fund (maintained by the Trustee). On or before the first (1st) day in September in each year, the Treasurer shall, from the then remaining money in the Special Tax Fund, transfer to the Trustee for deposit in the Bond Reserve Fund such amount of money as shall be required to restore the Bond Reserve Fund to an amount equal to the Required Bond Reserve. Investments held in the Bond Reserve Fund shall be valued on or before September 1 of each year at the face value thereof if such investments mature within twelve (12) months from the date of valuation, or if such investments mature more than twelve (12) months after the date of valuation, at the price at which such investments are redeemable by the holder at his or her option, if so redeemable, or if not so redeemable, at the par value of such investments; provided, that no deposit need be made into the Bond Reserve Fund if the amount contained therein is at least equal to the Required Bond Reserve.

All money in the Bond Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of (i) paying the interest on or principal of the Bonds in the event there is insufficient money in the Bond Redemption Fund available for this purpose; (ii) reinstating the amount available under any municipal bond insurance policy, surety bond, or letter of credit held in satisfaction of all or a portion of the Required Bond Reserve; or (iii) retiring Bonds, in whole or in part, to the extent that the amount on deposit in the Bond Reserve Fund exceeds the Required Bond Reserve due to a redemption or defeasance of Bonds; provided, that if as a result of any of the valuations required by the first paragraph of this clause (2) it is determined that the amount of money in the Bond Reserve Fund exceeds the Required Bond Reserve, the Trustee shall withdraw the amount of money representing such excess from such fund and shall deposit such amount of money in the Bond Redemption Fund.

(3) Expense Fund (maintained by the Treasurer). On September 1 in each year, the Treasurer shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in the Expense Fund a sum equal to the amount required by the City for the payment of budgeted Expenses during the twelve-month period beginning on such date, or to reimburse the City for the payment of unbudgeted Expenses during the prior twelve-month period. All money in the Expense Fund shall be used and withdrawn by the Treasurer only for transfer to or for the account of the City to pay budgeted Expenses as provided in the Indenture, or to reimburse the City for the payment of unbudgeted Expenses as provided in the Indenture, or to pay interest on or principal of or redemption premiums, if any, on the Bonds in the event that no other money is available therefor.

All money remaining in the Special Tax Fund on September 1 of each year, after transferring all of the sums required to be transferred therefrom on or prior to such date by the provisions of clauses (1), (2) and (3), shall be withdrawn from the Special Tax Fund by the Treasurer for and deposited in the Community Facilities Fund, which fund the City hereby agrees and covenants to maintain with the Treasurer so long as any Bonds are Outstanding, and all money in the Community Facilities Fund shall be used and withdrawn by the City solely for the benefit of the Community Facilities District in accordance with the Act; provided, that the Treasurer shall not make any such withdrawal of money in the Special Tax Fund if and when (to the Treasurer's actual knowledge) an Event of Default is then existing under the Indenture.

Bond Reserve Fund

Provisions regarding the Bond Reserve Fund are set forth in the main body of the Official Statement.

Issuance of Refunding Bonds

Provisions regarding the issuance of Refunding Bonds are set forth in the main body of the Official Statement.

Certain Covenants of the City

Certain covenants of the City are set forth in the main body of the Official Statement. In addition:

Punctual Payment and Performance. The City will punctually pay the interest on and principal of and redemption premium, if any, to become due on every Bond issued under the Indenture in strict conformity with the terms of the Act and the Indenture and of the Bonds, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Master Indenture and in all Supplemental Indentures and in the Bonds required to be observed and performed by it.

Against Indebtedness and Encumbrances. The City will not issue any evidences of indebtedness payable from the proceeds of the Special Tax except as provided in the Indenture, and will not create, nor permit the creation of, any pledge, lien, charge or other encumbrance upon any money in the Special Tax Fund other than as provided in the Indenture; provided, that the City may at any time, or from time to time, issue evidences of indebtedness for any lawful purpose of the Community Facilities District which are payable from any money in the Community Facilities Fund as may from time to time be deposited therein (as provided in the Indenture) so long as any payments due under the Indenture shall be subordinate in all respects to the use of the proceeds of the Special Tax as provided in the Indenture.

Against Federal Income Taxation. The City will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Bonds pursuant to Section 103 of the Code, and specifically the City will not directly or indirectly use or make any use of the proceeds of the Bonds or any other funds of the City or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code or "private activity bonds" subject to federal income taxation by reason of Section 141(a) of the Code or obligations subject to federal income taxation because they are "federally guaranteed" as provided in Section 149(b) of the Code; and to that end the City, with respect to the proceeds of the Bonds and such other funds, will comply with all requirements of such sections of the Code; provided, that if the City shall obtain an opinion of nationally recognized bond counsel to the effect that any action required under this provision is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Bonds pursuant to Section 103 of the Code, the City may rely conclusively on such opinion in complying with the provisions hereof. In the event that at any time the City is of the opinion that for purposes of this provision it is necessary to restrict or limit the yield on the investment of any money held by the Treasurer under the Indenture or otherwise the City shall so instruct the Treasurer in writing, and the Treasurer shall take such action as may be necessary in accordance with such instructions.

Without limiting the generality of the foregoing, the City will pay from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such regulations are, at the time, applicable and in effect, which obligation shall survive payment in full or defeasance of the Bonds, and to that end, there is hereby established in the treasury of the City a fund to be known as the Rebate Fund, to be held in trust and administered by the Treasurer. The City will comply with the provisions of each Tax Certificate with respect to making deposits in the Rebate Fund, and all money held in the Rebate Fund is pledged to provide payments to the United States of America as provided in the Indenture and in each Tax Certificate and no other person shall have claim to such money except as provided in each Tax Certificate.

In connection with the issuance of a Series of Bonds, the City may exclude the application of the foregoing covenants to such Series of Bonds.

Payment of Claims. The City will pay and discharge any and all lawful claims which, if unpaid, might become payable from the proceeds of the Special Tax or any part thereof or upon any funds in the hands of the Treasurer or the Trustee allocated to the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, or which might impair the security of the Bonds.

Accounting Records and Other Reports. The City will keep, or in the case of transactions made by the Trustee it will cause the Trustee to keep, appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the proceeds of the Special Tax and of the proceeds of the Bonds, which accounting records shall at all times during normal business hours with reasonable prior notice be subject to the inspection of any Holder (or his representative authorized in writing). The City will prepare annually not later than October 30 of each year (commencing in the year 2021) and file with the California Debt and Investment Advisory Commission by mail, postage prepaid, or any other method approved by the California Debt and Investment Advisory Commission all information required to be filed pursuant to Section 53359.5(b) of the Act. Additionally, the City will notify the California Debt and Investment Advisory Commission by mail, postage prepaid, or any other method approved by the California Debt and Investment Advisory Commission, within ten (10) days if the Trustee fails to pay any interest on or principal of any of the Bonds on any scheduled payment date or if funds are withdrawn from the Bond Reserve Fund to pay any interest on or principal of the Bonds.

Protection of Security and Rights of Holders. The City will preserve and protect the security of the Bonds and the rights of the Holders and will warrant and defend their rights against all claims and demands of all persons.

Levy and Collection of Special Tax; Foreclosure of Special Tax Lien; Continuing Disclosure. These provisions are summarized in the main body of the Official Statement.

Further Assurances. The City will adopt, deliver, execute, make and file any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance under the Indenture and for the better assuring and confirming unto the Holders of the rights and benefits provided therein, including without limitation the filing of all financing statements, agreements, instruments or other documents in the forms and in the locations necessary to perfect and protect, and to continue the perfection of, the pledge of the Special Taxes provided in the Indenture to the fullest extent possible under applicable law of the State of California.

The Trustee

U.S. Bank National Association, at its Principal Corporate Trust Office, is appointed Trustee for the purpose of receiving all money which the City is required to transfer to it under the Indenture and for applying and using such money as provided for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds. The City agrees that it will at all times maintain a Trustee having a Principal Corporate Trust Office in San Francisco or Los Angeles, California.

The City may remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank or trust company doing business and having a corporate trust office in San Francisco or Los Angeles, California, having a combined capital (exclusive of borrowed capital) and surplus of at least $100,000,000 and subject to supervision or examination by a federal or state banking authority, and if such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this provision the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the City and by giving notice of such resignation by mail pursuant to the Indenture to the Holders, and upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing having the qualifications required hereby. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If within 30 days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed by the City and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

Notwithstanding anything to the contrary contained in the Indenture, any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee without the execution or filing of any paper or any further act on the part of any of the parties.

The Trustee is authorized to pay interest on the Bonds due on or before the maturity or prior redemption thereof to the Holders as their names appear at the close of business as of the 15th day of the month next preceding each interest payment date on the registration books required to be kept by it pursuant to the Indenture as the registered owners thereof, such interest to be paid by check mailed by first class mail to the Holders at their addresses appearing on such books (except that in the case of a Holder of $1,000,000 or more in principal amount of Outstanding Bonds, payment shall be made at such Holder's option by wire transfer of immediately available funds to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the United States of America according to written instructions provided by such Holder to the Trustee at least 15 days before such interest payment date) and to pay to the Holders the principal of and redemption premiums, if any, on the Bonds upon presentation and surrender of the Bonds to the Trustee at maturity or on redemption prior to maturity. The Trustee shall cancel and destroy all Bonds paid by it at maturity or on redemption prior to maturity and all Bonds surrendered to it by the City, and shall (if requested by the City) deliver to the City a certificate of such destruction, and the Trustee shall keep accurate records of all Bonds cancelled and destroyed by it. All money held by or on behalf of the Trustee for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, whether at maturity or upon prior redemption, shall be held in trust for the account of the Holders, and the Trustee shall not be required to pay Holders or the City any interest on, or be liable to the City, the Holders or any other person for any interest earned on, any money so held.

The City shall from time to time, subject to any agreement between the City and the Trustee then in force, pay the Trustee compensation for its services, reimburse the Trustee for all its advances and expenditures, including but not limited to advances to and fees and expenses of independent accountants, counsel and engineers or other experts employed by it in the exercise and performance of its rights and obligations under the Indenture, and indemnify and save the Trustee harmless against loss, expenses, costs, claims and liabilities (including without limitation those of its attorneys and agents) not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its rights and obligations under the Indenture, which obligation shall survive the resignation or removal of any Trustee or the defeasance of the Bonds.

Liability of Trustee

The recitals of facts, agreements and covenants contained in the Indenture and in the Bonds shall be taken as statements, agreements and covenants of the City, and the Trustee does not assume any responsibility for the correctness of the same and does not make any representation as to the sufficiency or validity of the Indenture or of the Bonds or of the Special Tax, or as to the financial or technical feasibility of the acquisition and construction of any of the Facilities and the financing of the Fees, and shall not incur any responsibility in respect thereof other than in connection with the rights and obligations expressly assigned to or imposed upon it in the Indenture or in the Bonds, and shall not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct. The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and no provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any liability for the performance of its duties under the Indenture, or in the exercise of any of its rights or powers under the Indenture.

Notice to the Trustee

The Trustee shall perform only those duties expressly set forth in the Indenture, and no implied duties or obligations shall be read in the Indenture against the Trustee. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

The Trustee shall be protected in acting upon any Bond, certificate, consent, notice, opinion, report, request, resolution or other document or paper believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered under the Indenture in good faith and in accordance therewith. The Trustee shall not be deemed to have knowledge of any default or Event of Default unless and until an officer at its Principal Corporate Trust Office responsible for the administration of its obligations under the Indenture shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its Principal Corporate Trust Office.

Whenever in the administration of its rights and obligations under the Indenture the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be in the Indenture specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively established or proved by a Certificate of the City or an Accountant's Report, which shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, and on which the Trustee may conclusively rely, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Deposit and Investment of Moneys

All money held by the Treasurer in any fund established in the Indenture shall be invested in Legal Investments or in any other lawful investment for City funds, which by its terms matures prior to the date on which such money is required to be paid out. All money held by the Trustee in any fund established in the Indenture shall be invested by the Trustee pursuant to a Written Request of the City received by the Trustee at least 2 days before making any such investment in those Legal Investments specified in such Written Request of the City that mature not later than the date on which it is estimated that such money will be required to be paid out, and the Trustee may conclusively rely that any investment specified in such Written Request of the

City is a Legal Investment; provided, that in the absence of receipt of any such Written Request of the City, the Trustee shall, to the extent practicable, invest such money in units of a taxable government money-market portfolio composed of or secured by Federal Securities.

The Trustee (or any of its affiliates) may act as principal or agent or as sponsor, advisor or manager in connection with the making of any investment by the Trustee and may impose its customary charges therefor, and the Trustee shall not be responsible for any loss suffered in connection with any investment made in accordance with the Indenture. In making any valuations, the Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system and rely thereon.

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; provided, that the Trustee will furnish the City periodic cash transaction statements which shall include details for all investment transactions made by the Trustee under the Indenture.

All interest received on any such money so deposited or invested which exceeds the requirements of the fund from which such money was deposited or invested shall (subject to the requirements of the Indenture) be deposited in the Bond Redemption Fund. All losses on any such money so deposited or invested shall be borne by the fund from which the deposit or investment was made.

Amendment or Supplement to Indenture with Consent of Holders

The Master Indenture and the rights and obligations of the City and of the Holders may be amended or supplemented at any time by the execution and delivery of a Supplemental Indenture by the City and the Trustee, which Supplemental Indenture shall become binding when the written consents of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Indenture, shall have been filed with the Trustee; provided, that no such amendment or supplement shall (1) extend the maturity of or reduce the interest rate on or otherwise alter or impair the obligation of the City to pay the interest on or principal of or Sinking Fund Account Payment for or redemption premium, if any, on any Bond at the time and place and at the rate and in the currency and from the funds provided in the Indenture without the written consent of the Holder of such Bond, or (2) permit the issuance by the City of any obligations payable from the proceeds of the Special Tax on a parity with the Bonds other than as provided in the Indenture, or jeopardize the ability of the City to levy and collect the Special Tax, or (3) reduce the percentage of Bonds required for the written consent to any such amendment or supplement, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto.

The written consent of the Holders of a Series of Bonds may be effected (a) through a consent by the underwriter of such Series of Bonds at the time of the issuance of such Series of Bonds and (b) through a provision of a Supplemental Indenture that deems any Holder purchasing such Series of Bonds to consent for purposes of the Indenture by virtue of its purchase of such Series of Bonds.

Amendment of Supplement Without Consent of Holders

The Master Indenture and the rights and obligations of the City and of the Holders may also be amended or supplemented at any time by the execution and delivery of a Supplemental Indenture by the City and the Trustee, which Supplemental Indenture shall become binding upon execution without the prior written consent of any Holders, but only for any one or more of the following purposes –

(i) To add to the agreements and covenants required in the Indenture to be performed by the City other agreements and covenants thereafter to be performed by the City which shall not (in the opinion of the City) adversely affect the interests of the Holders, or to surrender any right or power reserved in the Indenture to or conferred in the Indenture upon the City which shall not (in the opinion of the City) materially adversely affect the interests of the Holders;

(ii) To make such provisions for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained in the Indenture or in regard to questions arising under the Indenture which the City may deem desirable or necessary and which shall not (in the opinion of the City) materially adversely affect the interests of the Holders;

(iii) To authorize the issuance under the Act and the Indenture of a Series and to provide the conditions and terms under which such Series may be issued, subject to and in accordance with the provisions of the Indenture;

(iv) To authorize the issuance under and subject to the Act of any refunding bonds for any of the Bonds and to provide the conditions and terms under which such refunding bonds may be issued, subject to and in accordance with the provisions of the Indenture;

(v) To make such additions, deletions or modifications as may be necessary or appropriate to insure compliance with Section 148(f) of the Code relating to the required rebate of excess investment earnings to the United States of America, or otherwise as may be necessary to insure the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds or the exemption of such interest from State of California personal income taxes;

(vi) To make such additions, deletions or modifications as may be necessary or appropriate to maintain any then current rating on the Bonds;

(vii) To permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by that act or similar federal statute and which shall not (in the opinion of the City) materially adversely affect the interests of the Holders; and

(viii) For any other purpose that does not (in the opinion of the City) materially adversely affect the interests of the Holders.

Disqualified Bonds

Bonds owned or held for the account of the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in the Indenture, and shall not be entitled to consent to or take any other action provided for in the Indenture.

Endorsement or Replacement of Bonds After Amendment

After the effective date of any action taken as in the Indenture provided, the City may determine that the Bonds may bear a notation by endorsement in form approved by it as to such action, and in that case upon demand of the Holder of any Bond Outstanding on such effective date and presentation of his Bond for such purpose at the Principal Corporate Trust Office of the Trustee a suitable notation as to such action shall be made on such Bond. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Holder of any Bond Outstanding on such effective date such new Bonds shall, upon surrender of such Outstanding Bonds, be exchanged at the Principal Corporate Trust Office of the Trustee, without cost to each Holder, for Bonds then Outstanding.

Amendment by Mutual Consent

The provisions of the Indenture shall not prevent any Holder from accepting any amendment or supplement as to any particular Bonds held by him; provided, that due notation thereof is made on such Bonds.

Events of Default and Remedies

If one or more of the following events ("Events of Default") shall happen, that is to say –

(a) if default shall be made by the City in the due and punctual payment of any interest on or principal of or Sinking Fund Account Payment for any of the Bonds when and as the same shall become due and payable, whether at maturity, by proceedings for redemption or otherwise;

(b) if default shall be made by the City in the observance or performance of any of the other agreements or covenants contained in the Indenture required to be observed or performed by it, and such default shall have continued for a period of 30 days after the City shall have been given notice in writing of such default by the Trustee; or

(c) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property;

then in each and every such case during the continuance of such Event of Default, the Trustee may take the following remedial steps –

(a) by mandamus or other suit or proceeding at law or in equity to compel the City Council or the City or any of the officers or employees of the City to perform each and every term, provision and covenant contained in the Indenture and in the Bonds and carry out their duties under the Act and the agreements and covenants with the Holders contained in the Indenture;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Holders; or

(c) by suit in equity upon the nonpayment of the Bonds to require the City Council or the City or its officers and employees to account as the trustee of an express trust.

Application of Proceeds of Special Tax After Event of Default

If an Event of Default shall occur and be continuing, all proceeds of the Special Tax thereafter received by the City shall be immediately transferred to the Trustee and the Trustee shall apply all proceeds of the Special Tax and any other funds thereafter received by the Trustee under any of the provisions of the Indenture as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds, including the costs and expenses of the Trustee and the Holders in declaring such Event of Default, and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under the Indenture.

(b) To the payment of the principal of and interest and premium, if any, then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

> *First*: to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and
>
> *Second*: to the payment to the persons entitled thereto of the unpaid principal (including Sinking Fund Account Payments) of and redemption premium, if any, on the Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal of and premium, if any, due on such date to the persons entitled thereto, without any discrimination or preference.

(c) Any remaining amounts shall be transferred by the Trustee to the City for deposit in the Special Tax Fund.

Trustee to Represent Holders

The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, the Indenture, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Holders, the Trustee in its discretion may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power granted in the Indenture, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under the Indenture, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the proceeds of the Special Tax and other amounts and assets pledged under the Indenture, pending such proceedings. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of the Indenture.

Holders' Direction of Proceedings

Anything in the Indenture to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnifying the Trustee to its satisfaction therefor, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Holders not parties to such direction.

Limitation on Owner's Right to Sue

No Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Act or any other applicable law with respect to such Bond, unless (1) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy under the Indenture or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by such Holder's or Holders' action to affect, disturb or prejudice the security of the Indenture or the rights of any other Holders of Bonds, or to enforce any right under the Indenture, the Act or other applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner provided in the Indenture and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of the Indenture.

Absolute Obligation of the City

Nothing in the Indenture, or in the Bonds, contained shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of and redemption premium, if any, and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as in the Indenture provided, but only out of the proceeds of the Special Tax and other assets pledged therefor in the Indenture, and not otherwise, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Termination of Proceedings

In case any proceedings taken by the Trustee or any one or more Holders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Holders, then in every such case the City, the Trustee and the Holders, subject to any determination in such proceedings, shall be restored to their former positions and rights under the Indenture, severally and respectively, and all rights, remedies, powers and duties of the City, the Trustee and the Holders shall continue as though no such proceedings had been taken.

Remedies Not Exclusive

No remedy conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or otherwise.

No Waiver of Default

No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Indenture to the Trustee or to the Holders of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Discharge of Bonds

If the City shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated therein and in the Indenture, then all agreements, covenants and other obligations of the City to the Holders of such Bonds under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the City for deposit in the Community Facilities Fund all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds.

Any Outstanding Bonds shall on the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed above if there shall be on deposit with the Trustee money which is sufficient to pay the interest due on such Bonds on such date and the principal and redemption premiums, if any, due on such Bonds on such date.

Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed above if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, notice of redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, (2) there shall have been deposited with an escrow agent or the Trustee either (x) money in an amount which shall be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity dates or redemption dates thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds on and prior to the maturity dates or the redemption dates thereof, as the case may be or (y) Federal Securities which are not subject to redemption except by the holder thereof prior to maturity (including any Federal Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with such escrow agent or the Trustee at the same time, shall be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity dates or redemption dates thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds on and prior to the maturity dates or the redemption dates thereof, as the case may be, as evidenced by an Accountant's Report on file with the City and the Trustee in the case of a deposit pursuant to clause (y), and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the City shall have instructed the Trustee to mail pursuant to the Indenture a notice to the Holders of such Bonds that the deposit required by clause (2) above has been made with such escrow agent or the Trustee and that such Bonds are deemed to have been paid in accordance with this provision and stating the maturity dates or redemption dates, as the case may be, upon which money will be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

Unclaimed Money

Anything contained in the Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or any interest thereon which remains unclaimed for 2 years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee on such date, or for 2 years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds or interest thereon became due and payable, shall be repaid by the Trustee to the City as its absolute property free from trust for deposit in the Community Facilities Fund and for use in accordance with the Act, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders shall look only to the City for the payment of such Bonds and interest thereon; provided, that before the Trustee shall be required to make any such repayment the City shall mail pursuant to the Indenture a notice to the Holders of all Outstanding Bonds that such money remains unclaimed and that after a date named in such notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the City for deposit in the Community Facilities Fund.

Benefits Limited to Parties

Nothing contained in the Indenture, express or implied, is intended to give to any entity or person other than the City Council, the City, the Treasurer, the Trustee and the Holders any right, remedy or claim under or by reason hereof, and any agreement or covenant required to be performed by or on behalf of the City Council or the City or any officer or employee thereof shall be for the sole and exclusive benefit of the Trustee and the Holders.

Successor is Deemed Included in All References to Predecessor

Whenever either the City Council or the City or any officer or employee thereof is named or referred to in the Indenture, such reference shall be deemed to include the successor to the powers, duties and functions with respect to the administration, control and management of the Community Facilities District and the Facilities and the Fees that are presently vested in the City Council or the City or such officer or employee, and all agreements and covenants required to be performed by or on behalf of the City Council or the City or any officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Execution of Documents by Holders

Any declaration, request, consent or other instrument which is permitted or required in the Indenture to be executed by Holders may be in one or more instruments of similar tenor, and may be executed by Holders in person or by their attorneys duly authorized in writing. The fact and date of the execution by any Holder or his attorney of any declaration, request, consent or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request, consent or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness to such execution duly sworn to before such notary public or other officer. The ownership of Bonds and the amount, maturity, number and date of holding the same shall be provided by the registration books required to be kept by the Trustee pursuant to the Indenture.

Any declaration, request, consent or other instrument or writing of the Holder of any Bond shall bind all future Holders of such Bond with respect to anything done or suffered to be done by the City in good faith and in accordance therewith.

Waiver of Personal Liability

No member of the City Council or officer or employee of the City shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, but nothing in the Indenture shall relieve any member of the City Council or officer or employee of the City from the performance of any official duty provided hereby or by the Act or by any other applicable provisions of law.

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APPENDIX F

FORM OF CITY CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of February 1, 2021 (this "**Certificate**"), is executed and delivered by the City of Sacramento, a California municipal corporation and charter city (the "**Issuer**"), in connection with the issuance of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1, Special Tax Bonds, Series 2021 (the "**Bonds**"). The Bonds are being issued under Resolution No. 2021-0030 adopted by the Sacramento City Council on February 2, 2021, and a Master Indenture, dated as of February 1, 2021, as supplemented by a First Supplemental Indenture dated as of February 1, 2021 (collectively, the "**Indenture**"), each between the Issuer and U.S. Bank National Association, as trustee (the "**Trustee**").

The Issuer hereby covenants as follows:

1. **Purpose of this Certificate**. This Certificate is being executed and delivered for the benefit of the Holders and Beneficial Owners of the Bonds and to assist the Participating Underwriter in complying with the Rule.

2. **Definitions.** In addition to the definitions set forth in the Indenture and the Rate and Method of Apportionment, which apply to any capitalized term used in this Certificate unless the term is otherwise defined in this section 2, the following capitalized terms have the following meanings:

- "***Annual Report***" means any annual report that meets the criteria in section 4 and is provided by the Issuer under section 3.

- "***Beneficial Owner***" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including a person holding Bond through a nominee, depository, or other intermediary); or (b) is treated as the owner of any Bond for federal income-tax purposes.

- "***Dissemination Agent***" initially means the Issuer, and thereafter it means any successor Dissemination Agent the Issuer designates in writing.

- "***District***" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

- "***EMMA***" means the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org, or any other repository of disclosure information the Securities and Exchange Commission may designate in the future.

- ***"Fiscal Year"*** means the Issuer's fiscal year, which begins on July 1 and ends the following June 30.

- ***"Improvement Area No. 1"*** means Improvement Area No. 1 of the District.

- "***Listed Event***" means any of the events listed in section 5 below.

- "***MSRB***" means the Municipal Securities Rulemaking Board.

- "***Official Statement***" means the Issuer's official statement with respect to the Bonds.

- "***Participating Underwriter***" means Piper Sandler & Co.

- "***Rate and Method of Apportionment***" means the Amended and Restated Rate and Method of Apportionment of Special Tax for Improvement Area No. 1 approved by the Resolution of Formation.

- "***Resolution of Formation***" means the Resolution adopted by the Sacramento City Council on November 17, 2020, and designated as Resolution No. 2020-0372, by which the City undertook change proceedings with respect to Improvement Area No. 1.

- "***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.

3. **Provision of Annual Reports**.

(a) Beginning with the Fiscal Year ending June 30, 2020, the Issuer shall provide to EMMA, or shall cause the Dissemination Agent to provide to EMMA, in either case not later than March 31 after the end of the Fiscal Year, an Annual Report that is consistent with the requirements of section 4 of this Certificate. The Annual Report may be submitted as a single document or as separate documents composing a package and may include by reference other information as provided in section 4 of this Certificate, except that the Issuer's audited financial statements may be submitted separately from, and later than, the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

(b) If the Dissemination Agent is an entity other than the Issuer, then the provisions of this section 3(b) will apply. The Issuer shall provide the Annual Report to the Dissemination Agent, in a form suitable for filing with EMMA, not later than 15 business days before the date specified in section 3(a) for providing the Annual Report to EMMA. If the Dissemination Agent has not received a copy of the Annual Report by the 15th business day before the date for providing the Annual Report, then the Dissemination Agent shall contact the Issuer to determine if the Issuer will be filing the Annual Report in compliance with section 3(a). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that the Annual Report constitutes the Annual Report required to be furnished by it under this Certificate. The Dissemination Agent may conclusively rely upon the Issuer's certification and will have no duty or obligation to review the Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in section 3(a), then the Dissemination Agent shall send a notice in a timely manner to EMMA, in the form required by EMMA.

(d) If the Dissemination Agent is other than the Issuer, then the Dissemination Agent shall—

(1) determine each year, before the date for providing the Annual Report, the name and address of the repository if other than the MSRB through EMMA; and

(2) file a report with the Issuer, promptly after receipt of the Annual Report, certifying that the Annual Report has been provided to EMMA and the date it was provided.

(e) Notwithstanding any other provision of this Certificate, all filings must be made in accordance with the EMMA system or in another manner approved under the Rule.

4. **Content of Annual Reports**. The first Annual Report due on March 31, 2021 shall consist of the Official Statement and the Issuer's audited financial statements as described in Section 4(a) below. Thereafter, the Annual Reports shall contain or incorporate by reference the following:

(a) *Financial Statements*. The Issuer's audited financial statements for the most recent Fiscal Year then ended. If audited financial statements are not available by the time the Annual Report is required to be filed by section 3, then the Annual Report must contain unaudited financial statements, and the audited financial statements must be filed in the same manner as the Annual Report when they become available.

(b) *Financial and Operating Data*. The Annual Report must contain or incorporate by reference the following information except to the extent the information is included in the Issuer's audited financial statements or in a report to the California Debt and Investment Advisory Commission that has been uploaded to EMMA:

(1) Balances in each of the following funds established under the Indenture as of the close of the prior fiscal year:

(A) The Bond Redemption Fund (with a statement of the debt-service requirement to be discharged by the fund before the receipt of expected additional Special Tax revenue, *i.e.*, the Debt Service due on the following September 1).

(B) The Bond Reserve Fund.

(2) The aggregate land assessed valuation and the aggregate improvement assessed valuation within Improvement Area No. 1.

(3) A statement of the debt-service requirements for the Bonds for the prior Fiscal Year.

(4) An update of the information in Table 4 of the Official Statement based on the assessed valuation of the Taxable Property within Improvement Area No. 1 for the Fiscal Year in which the Annual Report is filed, except that the Special Tax levy at buildout and the information with respect to overlapping land-secured debt need not be included.

(5) A statement of the actual Special Tax collections for Improvement Area No. 1 for the prior Fiscal Year.

(6) The following information (to the extent that it is no longer reported in the Issuer's annual filings with the California Debt and Investment Advisory Commission regarding the Bonds):

(A) The Required Bond Reserve for the prior Fiscal Year.

(B) A statement as to the status of any foreclosure actions with respect to delinquent payments of the Special Tax.

(C) A statement of any discontinuance of the County's Teeter Plan with respect to any Taxable Parcel.

(c) Any or all of the items listed in section 4(a) or 4(b) may be included by specific reference to other documents (including official statements of debt issues of the Issuer or related public entities) that have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available through EMMA. The Issuer shall clearly identify each document included by reference.

5. **Reporting of Significant Events**.

(a) The Issuer shall give or cause the Dissemination Agent to give notice to the MSRB, through EMMA, not more than ten business days after the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Unscheduled draws on debt-service reserves reflecting financial difficulties.

(3) Unscheduled draws on credit enhancements reflecting financial difficulties.

(4) Substitution of credit or liquidity providers, or their failure to perform.

(5) Adverse tax opinions or 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 Bonds.

(6) Defeasances.

(7) Tender offers.

(8) Bankruptcy, insolvency, receivership, or similar proceedings.

Note: For the purposes of the event identified in section 5(a)(8), the event is considered to occur when any of the following occur: if a receiver, fiscal agent, or similar officer is appointed for the Issuer in a proceeding under the U.S. 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 Issuer; or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority; or if an order confirming a plan of reorganization, arrangement, or liquidation is entered by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(9) Ratings changes.

(10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Additionally, the Issuer shall give or cause the Dissemination Agent to give notice to the MSRB, through EMMA, not more than ten business days after the occurrence of any of the following events with respect to the Bonds, if material:

(1) Unless described in section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds.

(2) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the 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 under its terms.

(3) Appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent.

(4) Nonpayment related defaults.

(5) Modifications to the rights of Bondholders.

(6) Bond calls.

(7) Release, substitution, or sale of property securing repayment of the Bonds.

(8) Incurrence of a financial obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect Bondholders.

(c) For purposes of the events identified in section 5(a)(10) or 5(b)(8), “financial obligation” means a (1) debt obligation; (2) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (3) guarantee of (1) or (2). “Financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) If the Issuer’s Fiscal Year changes, then the Issuer shall report or shall instruct the Dissemination Agent to report the change in the same manner and to the same parties as a Listed Event would be reported under this section 5.

(e) The undertaking set forth in this Certificate is the Issuer’s responsibility. The Dissemination Agent, if other than the Issuer, is not responsible for determining whether the Issuer’s instructions to the Dissemination Agent under this section 5 comply with the Rule.

6. **Termination of Reporting Obligation.** The obligations of the Issuer and the Dissemination Agent under this Certificate terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If termination occurs before the final maturity of the Bonds, then the Issuer shall give notice of the termination in the same manner as for a Listed Event under section 5.

7. **Dissemination Agent.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Issuer will be the initial Dissemination Agent. The Dissemination Agent may resign by providing 30-days’ advance written notice to the Issuer, with the resignation effective upon appointment of a new Dissemination Agent.

8. **Amendment.**

(a) The parties may amend this Certificate by written agreement of the parties without the consent of the Holders, and any provision of this Certificate may be waived, if all of the following conditions are satisfied:

(1) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law, or a change in the identity, nature, or status of the Issuer or the type of business the Issuer conducts.

(2) The undertakings in this Certificate as so amended or waived would have complied, in the opinion of a nationally recognized bond counsel, with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule as well as any change in circumstances.

(3) The amendment or waiver either (A) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (B) does not, in the determination of the Issuer, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

(b) To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided under this Certificate, the first Annual Report provided after the change must include a narrative explanation of the reasons for the amendment and the effect of the change on the type of operating data or financial information being provided.

(c) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made must 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 must include both a quantitative discussion and, to the extent reasonably feasible, a qualitative discussion of the differences in the accounting principles and the effect of the change in the accounting principles on the presentation of the financial information.

9. **Additional Information.** This Certificate does not prevent the Issuer (a) from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication; or (b) from including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that specifically required by this Certificate, then the Issuer will have no obligation under this Certificate to update the information or include it in any future Annual Report or notice of occurrence of a Listed Event.

10. **Default.** If the Issuer or the Dissemination Agent fails to comply with any provision of this Certificate, then any Holder or Beneficial Owner of the Bonds may take any necessary and appropriate actions, including seeking mandate or specific performance by court order, to cause the Issuer and the Dissemination Agent to comply with their obligations under this Certificate. A default under this Certificate will not be an Event of Default under the Indenture, and the sole remedy under this Certificate in the event of any failure of the Issuer or the Dissemination Agent to comply with this Certificate is an action to compel performance.

11. **Duties, Immunities, and Liabilities of Dissemination Agent.**

(a) Where an entity other than the Issuer is acting as the Dissemination Agent, the Dissemination Agent will have only the duties expressly set forth in this Certificate, and the Issuer shall indemnify and save the Dissemination Agent and its officers, directors, employees, and agents harmless against all losses, expenses, and liabilities that arise out of, or in the exercise or performance of, their powers and duties under this Certificate, including reasonable attorney's fees and other expenses of defending against any claim of liability, but excluding losses, expenses, and liabilities due to the Dissemination Agent's negligence or willful misconduct.

(b) Except as provided in section 11(a), the Issuer shall pay any Dissemination Agent (1) compensation for its services provided under this Certificate in accordance with an agreed-upon schedule of fees; and (2) all expenses, legal fees, and advances made or incurred by the Dissemination Agent in the performance of its duties under this Certificate.

(c) The Dissemination Agent has no duty or obligation to review any information the Issuer provides to it under this Certificate. The Issuer's obligations under this section 11 will survive the Dissemination Agent's resignation or removal and payment of the Bonds. No person has any right to commence any action against the Dissemination Agent for any remedy other than specific performance of this Certificate. The Dissemination Agent is not liable under any circumstances for monetary damages to any person for any breach under this Certificate.

12. **Beneficiaries.** This Certificate inures solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and Holders and Beneficial Owners from time to time of the Bonds, and it creates no rights in any other person or entity.

13. **Merger.** Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business will be the successor Dissemination Agent without the filing of any paper or any further act.

14. **Effective Date.** This Certificate is effective as of the date and year set forth above in the preamble.

CITY OF SACRAMENTO

By: ____
John P. Colville Jr., City Treasurer

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APPENDIX G

FORMS OF PROPERTY OWNER CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE
(The Greenbriar Project Owner, LLC)

This Continuing Disclosure Certificate (The Greenbriar Project Owner, LLC) (this "**Disclosure Certificate**") is executed and delivered by The Greenbriar Project Owner, LLC, a Delaware limited liability company (the "**Property Owner**"), in connection with the issuance by the City of Sacramento (the "**City**") of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1 Special Tax Bonds, Series 2021 (the "**Bonds**"). The Bonds are being issued pursuant to Resolution No. 2021-0030 adopted by the Sacramento City Council on February 2, 2021, and a Master Indenture, dated as of February 1, 2021 as supplemented by a First Supplemental Indenture dated as of February 1, 2021, each by and between the City and U.S. Bank National Association, as trustee (the "**Trustee**") (collectively, the "**Indenture**"). The Property Owner covenants and agrees as follows:

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

Section 2. Definitions. In addition to the definitions set forth above and herein, and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"***Affiliate***" means any person presently directly (or indirectly through one or more intermediaries) under managerial control of the Property Owner, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to the proposed development of the Property or to the Property Owner's ability to pay the Special Taxes levied on the Property prior to delinquency). For purposes of this Disclosure Certificate, the term "Affiliates" shall not include Lennar Homes of California, Inc.

*"**Assumption Agreement**"* means an undertaking of a Major Owner, 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 property in Improvement Area No. 1 acquired by the Major Owner), whereby such Major Owner agrees to provide semi-annual 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 Improvement Area No. 1 owned by such Major Owner and, at the option of the Property Owner or such Major Owner, agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 12 hereof.

"***Dissemination Agent***" means the Property Owner or an entity experienced in providing dissemination agent services such as those required under this Disclosure Certificate designated by the Property Owner to serve as the Dissemination Agent hereunder and who has accepted such obligation in writing, and for which the Property Owner has filed with the City and the Participating Underwriter notice of such designation and acceptance.

"***District***" means City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

*"**Improvement Area No. 1**"* means Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

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

"***Major Owner***" means, as of any date of calculation, an owner of land that, together with any Affiliates, owns 225 or more residential lots (or property intended to be subdivided into 225 or more residential lots) in Improvement Area No. 1.

"***MSRB***" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"***Official Statement***" means the final Official Statement dated February 17, 2021, executed by the City in connection with the issuance of the Bonds.

"***Participating Underwriter***" means Piper Sandler & Co., the original underwriter of the Bonds.

"***Property***" means, as of the date of determination, (i) the property owned by the Property Owner or any Affiliate in Improvement Area No. 1 of the District, and (ii) the property in Improvement Area No. 1 of the District that the Property Owner sold to a Major Owner who has not assumed the undertakings of this Disclosure Certificate under Section 7(b) with respect to such property.

"***Report Date***" means (a) March 31 of each year, and (b) September 30 of each year.

"***Semi-Annual Report***" means any Semi-Annual Report provided by the Property Owner pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"***Special Taxes***" means the special taxes of the District levied by the City on the Property in Improvement Area No. 1.

Section 3. Provision of Semi-Annual Reports.

(a) Until such obligations are terminated pursuant to Section 7 herein, the Property Owner shall, or upon written direction of the Property Owner the Dissemination Agent shall, not later than the Report Date, commencing September 30, 2021, provide to the MSRB, in an electronic format as prescribed by the MSRB, a Semi-Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Property Owner shall provide the Semi-Annual Report to the Dissemination Agent (if different from the Property Owner). The Property Owner shall provide a written certification with (or included as a part of) each Semi-Annual Report furnished to the Dissemination Agent (if different from the Property Owner), the Participating Underwriter and the City to the effect that such Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Participating Underwriter, and the City may conclusively rely upon such certification of the Property Owner and shall have no duty or obligation to review the Semi-Annual Report. The Semi-Annual 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 is not the Property Owner and it does not receive a Semi-Annual Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Property Owner that the Semi-Annual Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Property Owner to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 7 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 Property Owner does not provide, or cause the Dissemination Agent to provide, a Semi-Annual Report to the MSRB by the Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice to the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the City and the Participating Underwriter.

(c) The Dissemination Agent shall:

(i) determine prior to each Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of continuing disclosure reports; and

(ii) to the extent the Semi-Annual Report has been furnished to it, file a report with the Property Owner (if the Dissemination Agent is other than the Property Owner), the City, and the Participating Underwriter certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Semi-Annual Reports. Each Semi-Annual Report shall contain or incorporate by reference the information set forth in Exhibit A, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Property Owner 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 Property Owner 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 A, each Semi-Annual 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) Until such obligations are terminated pursuant to Section 7 herein, the Property Owner 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 Property Owner and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Property Owner;

(ii) failure to pay any Special Taxes due with respect to the Property prior to the delinquency date, to the extent such failure is not promptly cured by the Property Owner upon discovery thereof;

(iii) filing of a lawsuit against the Property Owner or, if known, an Affiliate of the Property Owner, seeking damages which, if successful, could have a material and adverse impact on the Property Owner's ability to pay Special Taxes prior to delinquency 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 Property Owner that continues to exist beyond any applicable notice and cure periods on any loan with respect to the construction of improvements on the Property.

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

(c) If the Property Owner determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Property Owner shall, or shall cause the Dissemination Agent to, within 10 business days file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the City and the Participating Underwriter.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Duration of Reporting Obligation.

(a) All of the Property Owner's obligations hereunder shall commence on the date hereof and shall terminate (except as provided in Section 12) 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) on the later of (A) the date that the Property in Improvement Area No. 1 of the District consists of fewer than 225 residential lots (or property intended to be subdivided into fewer than 225 residential lots) and (B) the date that 90% of the costs of the Backbone Infrastructure shown in the Status of Improvements Within Improvement Area No. 1 table under the caption "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1 – Infrastructure Development" in the Official Statement have been expended, or

(iii) the date on which all of the Special Taxes attributable to the Property are prepaid in full.

The Property Owner 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 is conveyed to a person or entity that, upon such conveyance, will be a Major Owner, the obligations of the Property Owner hereunder with respect to the property conveyed to such Major Owner may be assumed by such Major Owner and the Property Owner's obligations hereunder with respect to the property conveyed will be terminated. In order to effect such assumption, such Major Owner shall enter into an Assumption Agreement in form and substance substantially similar to this Disclosure Certificate. However, a Major Owner shall not be required to enter into an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the Bonds, and under which the property conveyed to such Major Owner will become subject to future semi-annual reports. As of the date hereof, the Property Owner has sold property, and is under contract to sell additional property, in Improvement Area No. 1 to Lennar Homes of California, Inc. ("**Lennar**"). Lennar has entered into a continuing disclosure certificate wherein Lennar has agreed to provide information regarding the property Lennar owns in Improvement Area No. 1 (the "**Lennar CDC**'). The Lennar CDC specifically states that as additional property is acquired by Lennar from the Property Owner, such property automatically (and without the necessity of an Assumption Agreement) becomes subject to the Lennar CDC. Accordingly, so long as the Lennar CDC has not been terminated, as the Property Owner sells additional property to Lennar, the Property Owner shall be released from providing information on the property conveyed without requiring the execution of an Assumption Agreement.

Section 8. Dissemination Agent. The Property Owner may, from time to time, with the written consent of the City, appoint or engage a Dissemination Agent to assist the Property Owner in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with the written consent of the City, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Property Owner. The Dissemination Agent may resign by providing 30 days' written notice to the District, the Property Owner, the City, and the Participating Underwriter.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Property Owner 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, or change in law;

(b) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture 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 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Property Owner 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 Semi-Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Property Owner chooses to include any information in any Semi-Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Property Owner shall have no obligation under this Disclosure Certificate to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Property Owner to comply with any provision of this Disclosure Certificate, the Participating Underwriter, the City, 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 Property Owner 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 Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Property Owner to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. 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 Property Owner agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, 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 any loss, expense and liabilities due to the Dissemination Agent's negligence or willful misconduct or failure to perform its duties hereunder. If the Dissemination Agent is not the Property Owner, the Dissemination Agent shall be paid compensation for its services provided hereunder from the Administrative Expense Fund established under the Indenture in accordance with the Dissemination Agent's 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 Property Owner, the Participating Underwriter, the Bond owners, or any other party. The obligations of the Property Owner under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given by regular, overnight, or electronic mail as follows:

To the issuer:	City of Sacramento Historic City Hall 915 I Street, 3rd Floor Sacramento, California 95814 Attn: City Treasurer Email: CTO_Debt@cityofsacramento.org Email: bwong@cityofsacramento.org
To the Participating Underwriter:	Piper Sandler & Co. 2626 Fair Oaks Boulevard, Suite 100 Sacramento, CA 95864 Attention: Dennis McGuire Email: dennis.j.mcguire@pjc.com
To the Property Owner:	The Greenbriar Project Owner, LLC c/o Integral Communities 888 San Clemente, Suite 100 Newport Beach, CA 92660 Attention: John Stanek Email: jstanek@integralcommunities.com cread@integralcommunities.com

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 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Property Owner (its successors and assigns), 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 Property Owner hereunder shall be assumed by any legal successor to the obligations of the Property Owner as a result of a sale, merger, consolidation or other reorganization.

Date: February 26, 2021

THE GREENBRIAR PROJECT OWNER, LLC,
a Delaware limited liability company

By: ________________________________

Name: ________________________________

Title: ________________________________

EXHIBIT A

SEMI-ANNUAL REPORT

[MARCH 31, ____ / SEPTEMBER 30, _____]

$43,470,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS, SERIES 2021

This Semi-Annual Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (The Greenbriar Project Owner, LLC) (the "**Disclosure Certificate**") dated February 26, 2021, executed by the undersigned (the "**Property Owner**") in connection with the issuance by the City of Sacramento (the "**City**") of the bonds captioned above (the "**Bonds**") for Improvement Area No. 1 of its City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) (the "**District**").

Capitalized terms used in this Semi-Annual 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 Report Date of this Semi-Annual Report).

A. Description of the Property in Improvement Area No. 1 of the District (the "**Property**") in substance and form similar to such information in the Official Statement for the Bonds.

____

____

B. Updated information regarding land development activities with respect to the Property described in the Official Statement for the Bonds or the Semi-Annual Report last filed in accordance with the Disclosure Certificate.

____

____

C. Status of any material changes to the description of land use or development entitlements for the Property described in the Official Statement for the Bonds or the Semi-Annual Report last filed in accordance with the Disclosure Certificate.

____

____

D. Status of any land purchase contracts with regard to the Property, whether acquisition of land in Improvement Area No. 1 by the Property Owner or sales of land to other property owners (other than individual homeowners).

____

____

II. Legal and Financial Status of Property Owner

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any material change in the legal structure of the Property Owner or the financial condition and financing plan of the Property Owner that would materially and adversely interfere with its ability to complete its development plan described in the Official Statement. To the extent that the ownership of the Property Owner has changed, describe all material terms of the new ownership structure.

____
____

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Semi-Annual 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. Change in Relationship with Merchant Builders

To the extent a relationship exists between the Property Owner and a merchant builder, describe any material change in such relationship with respect to the construction, marketing and sale of homes within Improvement Area No. 1. To the extent that a new merchant builder has been engaged to carry out home construction, marketing and sales activity by the Property Owner in Improvement Area No. 1, fully describe all material terms of the relationship between the Property Owner and any such new merchant builder.

____
____

V. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any other significant changes in the information relating to the Property Owner or the Property contained in the Official Statement under the heading "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1" (other than under the caption "Home Construction"), including an update to the table, "Status of Improvements Within Improvement Area No. 1" thereunder, and under the heading PROPERTY OWNERSHIP — The Developer" that would materially and adversely interfere with the Property Owner's ability to develop and sell the Property as described in the Official Statement.

____
____

VI. Status of Tax Payments

Describe status of payment of taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property owned by the Property Owner and its Affiliates.

____
____

VII. 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

On behalf of the Property Owner, the undersigned officer or representative, based on actual knowledge after reasonable inquiry of employees of Property Owner and its Affiliates, hereby certifies that this Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by the Property Owner under the Disclosure Certificate.

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

THE PROPERTY OWNER HAS NO OBLIGATION TO UPDATE THIS SEMI-ANNUAL REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated:_______________________

THE GREENBRIAR PROJECT OWNER, LLC,
a Delaware limited liability company

By: __________________________________

Name: __________________________________

Title: __________________________________

CONTINUING DISCLOSURE CERTIFICATE
(Lennar Homes of California, Inc.)

This Continuing Disclosure Certificate (Lennar Homes of California, Inc.) (this "**Disclosure Certificate**") is executed and delivered by Lennar Homes of California, Inc., a California corporation (the "**Property Owner**"), in connection with the issuance by the City of Sacramento (the "**City**") of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 1 Special Tax Bonds, Series 2021 (the "**Bonds**"). The Bonds are being issued pursuant to Resolution No. 2021-0030 adopted by the Sacramento City Council on February 2, 2021, and a Master Indenture, dated as of February 1, 2021 as supplemented by a First Supplemental Indenture dated as of February 1, 2021, each by and between the City and U.S. Bank National Association, as trustee (the "**Trustee**") (collectively, the "**Indenture**"). The Property Owner covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Property Owner 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 Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"***Affiliate***" means any person presently directly (or indirectly through one or more intermediaries) under managerial control of the Property Owner, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to the proposed development of the Property or to the Property Owner's ability to pay the Special Taxes levied on the Property prior to delinquency).

*"**Assumption Agreement**"* means an undertaking of a Major Owner, 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 property in Improvement Area No. 1 acquired by the Major Owner), whereby such Major Owner agrees to provide semi-annual 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 Improvement Area No. 1 owned by such Major Owner and, at the option of the Property Owner or such Major Owner, agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 12 hereof.

"***Dissemination Agent***" means the Property Owner or an entity experienced in providing dissemination agent services such as those required under this Disclosure Certificate designated by the Property Owner to serve as the Dissemination Agent hereunder and who has accepted such obligation in writing, and for which the Property Owner has filed with the City and the Participating Underwriter notice of such designation and acceptance.

"***District***" means City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

*"**Improvement Area No. 1**"* means Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

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

"***Major Owner***" means, as of any date of calculation, an owner of land, and together with any Affiliates, who owns 225 or more residential lots (or property intended to be subdivided into 225 or more residential lots) in Improvement Area No. 1.

"***MSRB***" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"***Official Statement***" means the final Official Statement dated February 17, 2021, executed by the City in connection with the issuance of the Bonds.

"***Participating Underwriter***" means Piper Sandler & Co., the original underwriter of the Bonds.

"***Property***" means (i) the property owned by the Property Owner in Improvement Area No. 1 of the District, and (ii) the property in Improvement Area No. 1 of the District that the Property Owner sold to a Major Owner who has not assumed the undertakings of this Disclosure Certificate under Section 7(b) with respect to such property.

"***Report Date***" means (a) March 31 of each year, and (b) September 30 of each year.

"***Semi-Annual Report***" means any Semi-Annual Report provided by the Property Owner pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"***Special Taxes***" means the special taxes of the District levied by the City on the Property.

Section 3. <u>Provision of Semi-Annual Reports</u>.

(a) Until such obligations are terminated pursuant to Section 7 herein, the Property Owner shall, or upon written direction of the Property Owner the Dissemination Agent shall, not later than the Report Date, commencing September 30, 2021, provide to the MSRB, in an electronic format as prescribed by the MSRB, a Semi-Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Property Owner shall provide the Semi-Annual Report to the Dissemination Agent (if different from the Property Owner). The Property Owner shall provide a written certification with (or included as a part of) each Semi-Annual Report furnished to the Dissemination Agent (if different from the Property Owner), the Participating Underwriter and the City to the effect that such Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Participating Underwriter, and the City may conclusively rely upon such certification of the Property Owner and shall have no duty or obligation to review the Semi-Annual Report. The Semi-Annual 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 is not the Property Owner and it does not receive a Semi-Annual Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Property Owner that the Semi-Annual Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Property Owner to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 7 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 Property Owner does not provide, or cause the Dissemination Agent to provide, a Semi-Annual Report to the MSRB by the Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice to the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the City and the Participating Underwriter.

(c) The Dissemination Agent shall:

(i) determine prior to each Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of continuing disclosure reports; and

(ii) to the extent the Semi-Annual Report has been furnished to it, file a report with the Property Owner (if the Dissemination Agent is other than the Property Owner), the City, and the Participating Underwriter certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Semi-Annual Reports. Each Semi-Annual Report shall contain or incorporate by reference the information set forth in Exhibit A, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Property Owner 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 Property Owner 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 A, each Semi-Annual 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) Until such obligations are terminated pursuant to Section 7 herein, the Property Owner 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 Property Owner and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Property Owner;

(ii) failure to pay any Special Taxes due with respect to the Property prior to the delinquency date, to the extent such failure is not promptly cured by the Property Owner upon discovery thereof;

(iii) filing of a lawsuit against the Property Owner or, if known, an Affiliate of the Property Owner, seeking damages which, if successful, could have a material and adverse impact on the Property Owner's ability to pay Special Taxes prior to delinquency 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 Property Owner that continues to exist beyond any applicable notice and cure periods on any loan with respect to the construction of improvements on the Property.

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

(c) If the Property Owner determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Property Owner shall, or shall cause the Dissemination Agent to, within 10 business days file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the City and the Participating Underwriter.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Duration of Reporting Obligation.

(a) All of the Property Owner's obligations hereunder shall commence on the date hereof and shall terminate (except as provided in Section 12) 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 the Property in Improvement Area No. 1 of the District owned by the Property Owner or any Affiliate, or under contract to be acquired by the Property Owner as of the date of issuance of the Bonds, is fewer than 225 residential lots (or property intended to be subdivided into fewer than 225 residential lots) in Improvement Area No. 1, or

(iii) the date on which the Property Owner prepays in full all of the Special Taxes attributable to the Property.

The Property Owner 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 is conveyed to a person or entity that, upon such conveyance, will be a Major Owner, the obligations of the Property Owner hereunder with respect to the property conveyed to such Major Owner may be assumed by such Major Owner and the Property Owner's obligations hereunder with respect to the property conveyed will be terminated. In order to effect such assumption, such Major Owner shall enter into an Assumption Agreement in form and substance substantially similar to this Disclosure Certificate. As of the date hereof, the Property Owner has acquired property, and is under contract to acquire additional property, in Improvement Area No. 1 from The Greenbriar Project Owner, LLC, a Delaware limited liability company ("**Greenbriar**"). Greenbriar has entered into a continuing disclosure certificate wherein Greenbriar has agreed to provide information regarding the property Greenbriar owns in Improvement Area No. 1 (the "**Greenbriar CDC**'). The Greenbriar CDC specifically states that as additional property is acquired by Property Owner from Greenbriar, such property automatically (and without the necessity of an Assumption Agreement) becomes subject to this Disclosure Certificate. Accordingly, so long as this Disclosure Certificate has not been terminated, as Property Owner acquires additional property from Greenbriar, Greenbriar shall be released from providing information on the property conveyed without requiring the execution of an Assumption Agreement.

Section 8. Dissemination Agent. The Property Owner may, from time to time, with the written consent of the City, appoint or engage a Dissemination Agent to assist the Property Owner in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with the written consent of the City, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Property Owner. The Dissemination Agent may resign by providing 30 days' written notice to the District, the Property Owner, the City, and the Participating Underwriter.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Property Owner 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, or change in law;

(b) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture 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 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Property Owner 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 Semi-Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Property Owner chooses to include any information in any Semi-Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Property Owner shall have no obligation under this Disclosure Certificate to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Property Owner to comply with any provision of this Disclosure Certificate, the Participating Underwriter, the City, 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 Property Owner 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 Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Property Owner to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. 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 Property Owner agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, 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 any loss, expense and liabilities due to the Dissemination Agent's negligence or willful misconduct or failure to perform its duties hereunder. If the Dissemination Agent is not the Property Owner, the Dissemination Agent shall be paid compensation for its services provided hereunder from the Administrative Expense Fund established under the Indenture in accordance with the Dissemination Agent's 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 Property Owner, the Participating Underwriter, the Bond owners, or any other party. The obligations of the Property Owner under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. <u>Notices</u>. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given by regular, overnight, or electronic mail as follows:

To the issuer:	City of Sacramento Historic City Hall 915 I Street, 3rd Floor Sacramento, California 95814 Attn: City Treasurer Email: CTO_Debt@cityofsacramento.org Email: bwong@cityofsacramento.org
To the Participating Underwriter:	Piper Sandler & Co. 2626 Fair Oaks Boulevard, Suite 100 Sacramento, CA 95864 Attention: Dennis McGuire Email: dennis.j.mcguire@pjc.com
To the Property Owner:	Lennar Homes of California, Inc. 1025 Creekside Ridge Drive , Suite 240 Roseville, CA 95678 Attention: Jack Sevey Email: Jack.sevey@lennar.com

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 14. <u>Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the City, the Property Owner (its successors and assigns), 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 Property Owner hereunder shall be assumed by any legal successor to the obligations of the Property Owner as a result of a sale, merger, consolidation or other reorganization.

Date: February 26, 2021

LENNAR HOMES OF CALIFORNIA, INC.,
a California corporation

By: ____________________

Name: ____________________

Title: ____________________

EXHIBIT A

SEMI-ANNUAL REPORT

[MARCH 31, ____ / SEPTEMBER 30, _____]

$43,470,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS, SERIES 2021

This Semi-Annual Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Lennar Homes of California, Inc.) (the "**Disclosure Certificate**") dated February 26, 2021, executed by the undersigned (the "**Property Owner**") in connection with the issuance by the City of Sacramento (the "**City**") of the bonds captioned above (the "**Bonds**") for Improvement Area No. 1 of its City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) (the "**District**").

Capitalized terms used in this Semi-Annual 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 Report Date of this Semi-Annual Report).

A. Description of the Property currently owned by the Property Owner in Improvement Area No. 1 of the District (the "**Property**") in substance and form similar to such information in the Official Statement for the Bonds.

____

____

B. Updated information regarding land development and home construction activities with respect to the Property described in the Official Statement for the Bonds or the Semi-Annual Report last filed in accordance with the Disclosure Certificate. Such information shall include, for the period covered by this Semi-Annual Report and cumulatively, the number of lots acquired from Greenbriar, the number of building permits issued, the number of homes sold and the number of homes closed to individuals.

____

____

C. Status of any material changes to the description of land use or development entitlements for the Property described in the Official Statement for the Bonds or the Semi-Annual Report last filed in accordance with the Disclosure Certificate.

____

____

D. Other than as covered in Section B above, the status of any land purchase contracts with regard to the Property, whether acquisition of land in Improvement Area No. 1 by the Property Owner or sales of land to other property owners (other than individual homeowners).

____

____

II. Legal and Financial Status of Property Owner

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any material change in the legal structure of the Property Owner or the financial condition and financing plan of the Property Owner that would materially and adversely interfere with its ability to complete its development plan described in the Official Statement. To the extent that the ownership of the Property Owner has changed, describe all material terms of the new ownership structure.

____

____

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Semi-Annual 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 Semi-Annual Report, describe any other significant changes in the information relating to the Property Owner or the Property contained in the Official Statement under the heading "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 1—Home Construction" and under the heading PROPERTY OWNERSHIP — Lennar Homes of California, Inc." that would materially and adversely interfere with the Property Owner's ability to develop and sell the Property as described in the Official Statement.

____

____

V. **Status of Tax Payments**

Describe status of payment of taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property owned by the Property Owner and its Affiliates.

____
____

VI. **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

On behalf of the Property Owner, the undersigned officer or representative, based on actual knowledge after reasonable inquiry of employees of Property Owner and its Affiliates, hereby certifies that this Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by the Property Owner under the Disclosure Certificate.

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

THE PROPERTY OWNER HAS NO OBLIGATION TO UPDATE THIS SEMI-ANNUAL REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated:______________________

LENNAR HOMES OF CALIFORNIA, INC.,
a California corporation

By: ____________________

Name: ____________________

Title: ____________________

APPENDIX H

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the City which the City believes to be reliable, but the City and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect 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.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds 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 Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

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*.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 the City or the Trustee, 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, the Trustee, or the City, 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 the City or the Trustee, 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.

A Bond Holder shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

THE PAYING AGENT, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX I

MARKET ABSORPTION REPORT

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Northlake

Prepared for The City of Sacramento

Sacramento, California

THE Gregory Group

October 2020

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Objective

This analysis was prepared by The Gregory Group, a market research firm that specializes in providing information and consulting services to the building industry. The Gregory Group provides quarterly market analysis for the nation, the state of California and the MSAs of California; compiles a quarterly new-home database for MSA's within the State of California and performs consulting and feasibility analysis throughout the western United States.

The Gregory Group was commissioned by the City of Sacramento to perform this Market Absorption Study related to development of the Northlake master planned community located in the City of Sacramento (Community of Natomas). The primary objective of this analysis was to provide an overview of new and existing housing within the Sacramento Region, Sacramento County and the competitive market area in order to provide a Market Absorption Study for the Northlake master planned community.

Northlake is located north of Interstate 5, west of Highway 99 and south of Elkhorn Boulevard and is planned to offer a total of 2,753 units on 577-acres (4.77 units per acre). The project includes 2,175 single-family units and multi-family, for-rent housing (389 units), affordable for-rent senior housing (189 units), 37-acres of commercial uses and 140-acres of lakes, open space, and wildlife habitat. This absorption study is concerned with only Phase 1 of the project including 1,137 units with eight for-sale product types and lot sizes ranging from 2,788 to 6,600 square feet.

Contact Information

Greg Paquin, President, conducted the analysis and developed conclusions. Follow-up questions can be directed to:

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Executive Summary

COVID-19 (Coronavirus) and the Economy

COVID-19

On December 29th of 2019, Chinese authorities identified a small cluster of similar cases of pneumonia in the city of Wuhan, Hubei Province, China, a city with a population of 11 million residents. On December 31st, Chinese authorities alerted the World Health Organization (WHO) to the cluster of cases that have been associated with the local seafood and animal market. Recent research has speculated that the virus may have been active as early as late summer/early fall in China and even in Europe. The first case outside of China was officially reported in Thailand on January 13, 2020 and on January 30, 2020 the WHO declared a global health emergency associated with the virus. A month and a half later on March 11th, the WHO declared COVID-19 a pandemic.

By definition, a novel coronavirus is a disease caused by a new infectious virus (a coronavirus is a large family of zoonotic viruses which have the ability to transfer from animals to humans): the current coronavirus is called COVID-19. COVID-19 is highly infectious (from person to person) and is estimated to have a RO (replication number) of between 1.5 and 3.5 (the common flu has a RO of 1.3), meaning that every person that has the disease spreads it to between 1.5 and 3.5 other people. As a pathogen, it is highly effective because it is self-replicating (once the virus infects the host, the host becomes a cellular manufacture of the virus and a higher RO correlates with a higher spread of the disease). In addition, there may be new evidence that the virus is mutating and becoming less lethal (except perhaps, within specific age and preexisting disease segments). COVID-19 can cause illnesses that vary in severity, ranging from those that exhibit no symptoms (asymptomatic), to those that exhibit only mild flu like symptoms to those that become extremely ill, in need of hospitalization and a ventilator and even die.

There is a lot of discussion (often political and unscientifically based) about the severity of COVID-19 and whether it was worth shutting down the entire economy for deaths that appeared to be, at varying times, not much more significant than the common flu. While a discussion of how and when to open up the economy was warranted, the initial estimates were that COVID-19 was more contagious and lethal to the entire population and would result in the overwhelming of hospitals and a significantly greater death toll than the common flu if left unchecked. While it is still too early to know the exact numbers related to death rates, estimates of COVID-19 death rates, even conservative estimates, have resulted in greater deaths than with the common flu. Furthermore, a lower rate of death and a lowering RO value will result in fewer long-term deaths (and certainly less than if nothing was done at all). Therefore, it appears that the current course of action was warranted and effective, even if there has been a significant (hopefully short-term) disruption to the economy.

While it appeared that the rate of infection was declining (flattening the curve), as of late summer, infection rates are again increasing. In fact, after much of America had reopened and residents were returning to “normal”, many were engaging in activities that contributed to the spread of the virus (going to crowed bars, the beach and parties, not social distancing or wearing masks, etc.). The result has been an increase in positive cases (but not a corresponding spike in hospitalizations or even deaths). This has led to many states providing guidance on the wearing of masks while others are slower to reopen than originally hoped for.

As has been true throughout much of this crisis, the future is largely unknown. However, it does appear likely that reopening will continue to be piecemeal. In fact, short of new government mandated shelter-in-place orders, it is believed that many people will decide to self shelter-in-place. It is probable that the overall economy will feel the effects of less business activity; and this may not be alleviated until people feel safe and secure from further spread of the virus (the virus dies out or there is a vaccine--despite the fact that a recent poll suggests only 50% of people will get a vaccine when one becomes available--especially if a vaccine is rushed out).

Economy

To-date one thing is known: the current disruption brought about by COVID-19 has had a significant impact on the US and world economies. Almost ninety-percent of the US population had been living under a shelter-in-place order which required that all residents do not gather and congregate, work from home and do not leave the house except for essential needs. Restaurants, bars, movie theatres, work conferences and sporting events (to name just a few) had been delayed, reconfigured, cancelled or shutdown completely. While almost all states have loosened up shelter in place orders, the original order has resulted in a massive contraction of economic activity.

The overall economy had been performing well heading into 2020 with homebuilding leading the way. Initial sales activity early in the year projected 2020 to be the best sales year since the Great Recession a decade earlier. And while recent data points all confirmed this (everything from GDP growth, employment growth, unemployment, personal consumption, etc.), the data is backward looking; as newer data are released, it has become apparent that the winding down of the US economy has had significant repercussions. In fact, data from the government has stated that a recession actually began in February of this year.

The federal government has passed several aid packages (and is negotiating additional aid as the original extended unemployment benefits have expired) aimed at supporting the economy which includes everything from direct payments to citizens, extended unemployment insurance to relief for both large and small companies. But the damage has been devastating for many people and companies, especially smaller business that rely on current customers and do not have large cash reserves to see them through especially difficult times and people that make moderate wages and have little cash on hand for emergencies. It was hoped that many of these companies would be able to restart their business after a recovery began; but with multiple shutdowns, diminishing help from the government and a hesitant population, they may simply not have the money to do so. In fact, both large and small companies have either declared bankruptcy, are considering bankruptcy or have simply shut down. A second aid package appears to have stalled with passage unlikely until after the November election.

In addition, there is also the potential that cultural habits will shift: how will the increased emphasis of working from home affect future office leasing decisions? Will the flexibility that renting allows become even more popular? Will anyone go to the theatre again with streaming services that more people are using and enjoying? Will health clubs continue to flourish as streaming workouts are sprouting up by the hundreds? Will people decide that consuming less will lead to a better life? In fact, a recent survey by CBS News suggests that once shelter in place orders were lifted only 29% of people would visit a bar or restaurant, only 15% would get on an airplane and only 13% would attend a large event. History would tell us that some things may change, but major disruptions in consumer habits have historically been slow to materialize…the honest answer is that we just don't know yet.

As businesses have been slowly opening up, they are attracting customers, but most at a slower rate than what they may have expected as people slowly emerge from the shelter-in-place orders (recent polls have suggested that many people are being more cautious in reemerging and participating fully in the economy).

Current information is beginning to materialize:

- In the current crisis, jobless claims have reached a total of 62.763 million people as of the week of October 1, 2020; from a high of 6.867 million people for the week of April 14 to 849,000 people for the week of October 1.
- Job numbers: 1.373 million lost jobs in March, 20.787 million lost jobs in April, a surprising 2.725 million jobs gained in May, 4.781 million jobs gained in June, 1.763 million new jobs gained in July, 1.489 new jobs in August and 661,000 new jobs in September (steady progress but at a declining rate).
- On March 1, 2020 the number of people passing through airport security was 99.1% of a year earlier; given the current crisis, airport traffic reached a low of 3.6% compared to a year earlier on April 16 and is 35.0% of a year earlier as of October 1.
- Daily commercial flights decreased from a high of 109,732 on February 28, 2020 to a low of 23,926 on April 12 (a decline of 78.2%) but have been increasing during the past several months and as of October 1 there were 73,420 flights (an increase of 206.9%).
- Hotel occupancy rates have plunged, but are inching upward; for US markets, the average occupancy rate bottomed at 24.5% in April; while increasing, the occupancy rate is still low at 48.8% in August (average hotel occupancy in the US was 71.4% in August of 2019).

Recent reports by Wells Fargo Bank provide short-term projections that reveal the depth of the current crisis (all numbers are from Wells Fargo unless otherwise noted):

- GDP: Q1:-5.0% (actual); Q2: -31.7% (actual); Q3: 25.4% and Q4: 7.2% (a decline of 4.2% for the year and an increase of 4.6% in 2021).
- Employment (average monthly change): Q1: -303,000 jobs (actual); Q2: -4,427,000 jobs (actual); Q3: 1,268,000 new jobs and Q4: 617,000 new jobs.
- Unemployment Rate: Q1: 3.8% (actual); Q2: 13.0% (actual); Q3: 8.9% and Q4: 7.8%.
- Personal Consumption: Q1: -6.9% (actual); Q2: -34.1% (actual); Q3: 39.4% and Q4: 5.9%.
- US Housing Starts: Q1: 1.48 million (actual); Q2: 1.06 million (actual); Q3: 1.37 million and Q4: 1.28 million.
- 30-Year Mortgage Rates: Q1:3.45% (actual); Q2: 3.16% (actual); Q3: 2.85% and Q4: 2.80%.

The above estimates were published between the weeks of July 9 and September 10, and it is possible that job losses will be greater, GDP will be lower, and unemployment will be higher. Furthermore, despite some positive economic news, it is possible that the resurgence of the virus could cause even greater economic damage than first imagined.

While very few industries have prospered during the COVID-19 crisis (other than Amazon, Walmart and similar companies and streaming services for example); there is emerging evidence that the building industry fared better than other industries. However, there are also some risk factors including: the stability of smaller builders and their ability to manage through a crisis with very little cash on hand, supply chain disruptions (higher lumber prices) and changing buyer attitudes (moving to the suburbs or moving out-of-state).

Ultimately, and even as communities continue to relax shelter-in-place orders, businesses reopen and people re-emerge from their homes, the economic impact has been profound, but if the virus is not corralled (and allowances are not made to alleviate the current resurgence in COVID-19 cases, it could prove to be a longer lasting depression than a simple recession. In fact, many economists are now saying that economic activity will not reach some form of normality until at least 2022 (while some industries like business travel may take a decade to return to pre-COVID levels).

There are currently three working scenarios of how the economy will behave on its continued (and some say, long lasting) return to normalcy:

- **A "V" shaped recovery**: a sharp contraction is followed by just as sharp of a recovery. This is a scenario that some economists and hopeful business groups had been working with based on the sudden impact of COVID-19 and not a fundamental or structural issue with the economy. It makes sense that once the virus is extinguished, economic activity can return to normal; however, the longer the virus lingers and the longer that businesses cannot open, and people cannot get back to work, the less likely a true "V" shaped recovery will occur.

  While a "V" shaped recovery has largely been disproven, with each passing day the slope of the recovery becomes flatter (time away from work or from businesses opening as well as limited occupancy when businesses have opened, is not a friend to the recovery). While current "V" shaped recovery proponents, and there are still a few, believe that the first and second quarters will post negative GDP growth with the third and fourth quarters posting strong positive growth; a continuing struggle with the virus may push positive growth into late 2020 and 2021.

  The recession of 1982 – 1983 was a classic "V" shaped recession; the remainder of the decade resulted in strong economic growth with housing being one of the leading industries. A similar recovery is possible in 2020 as the economy, while slowing, was not exhibiting any major structural issues and when considering housing, there was a significant undersupply of available housing, strong financial markets, steady incomes in the home buying population and positive buyer demand that may not have abated.

  While many economists originally believed that a "V" shaped recovery was possible if not probable; most agree now that a "V" shaped recovery is very unlikely due primarily to the length and severity of the economic shut-down. It should be noted that several industries (like housing) are initially experiencing a "V" shaped recovery, while many others have not bounced back as readily.

- **A “U” shaped recovery**: a sharp contraction is followed by a period of time where not much economic activity is taking place (certainly no real positive economic growth) at which point some time in the future, growth resumes (and it can resume at a strong rate). If too much damage is done to the economy for too long a period of time, the potential for a quick recovery diminishes; in this scenario, it will take time to ramp up economic activity. Think of it as a lost demand scenario on a larger scale (if you usually eat out two-times a week you won’t necessarily eat out four-times a week once the recovery begins and that trip to Europe may be replaced by a trip to Carmel; still economic growth through consumer spending, but not as much as originally planned).

  The most recent example of a “U” shaped recovery is the Great Recession of 2008 when there was a sharp contraction and anemic (horizontal) growth for several years before the economy started to post true positive growth again. Under the “U” shaped recovery scenario, it is possible that growth may turn positive in late 2020 but that true economic growth would not occur until 2021 or beyond.

  Recently, another variation to the “U” shaped recovery is emerging (boosted by the recent positive employment numbers); the decrease in economic activity is followed by a sharp initial increase in growth (due to large sectors of pent up demand) and then the recovery splits and either continues in a growth path or declines on a recessionary path. At some point in the future, the recovery resumes strong growth (and both paths merge—usually at some distant point in the future). This is being called a “K” shaped recovery.
- **A “L” shaped recovery**: a sharp contraction is followed by a longer period of limited growth. This would be the worst-case scenario, may result in a depression and would most likely not result in economic growth until beyond 2022. The Great Depression was an “L” shaped recovery; while the brunt of the depression occurred in the early 1930’s, no real recovery occurred the entire decade.

The current working theory that makes the most sense related to this analysis, however, is that the recovery will be a “K” shaped recovery; with positive growth in sectors like on-line shopping, homebuilding and technology and declining growth in sectors like travel, education and hospitability. This would result in a mixed initial recovery (positive overall), but an economic engine that is not firing on all cylinders and has the potential of mis-firing.

Despite the current recession and economic shutdown of the economy, the housing market, after a brief but severe slowdown, has emerged to levels that are better than before the crisis began in mid-March. Pricing is beginning to increase significantly, and sales have resumed a pattern of robust activity. It is believed that this is attainable for the longer term as the economy rises out of a recession and interest rates remain low.

With COVID-19, The Future Will Look A Lot Different Than The Past…

COVID-19 is changing the economic landscape in fundamental and significant ways. But despite the dramatic measures that are taking place both socially and economically, the true effects are largely unknown and may not be fully understood for years in the future. The US economy has dipped into a recession (as of February) and given the complete shutdown of most industries and stay-at-home orders for more than ninety-percent of the US population, there has been soaring unemployment, falling economic growth, significant increases in national debt; really, a total restructuring of the US economy. COVID-19 may have far greater reach than just the health and economic impacts; the US may see a complete restructuring of work habits, social interaction and work-life integration. The pandemic is accelerating trends that were on pace to occur naturally in ten and even twenty years in the future. In this section we will highlight the positive economic news of the past and provide general guidance on the projected economic news of the future.

- During the past several years, GDP growth in the United States has kept chugging along; since 2012 GDP has been positive at 2.2% in 2012, 1.8% in 2013, 2.5% in 2014, 2.9% in 2015, 1.6% in 2016, 2.4% in 2017, 2.9% in 2018 and the recent 2.3% in 2019. The recession that many economists and other market watchers predicted several years ago has materialized, not due to traditional economic factors, but due to the shut down of the US and World economies related to COVID-19. Wells Fargo is projecting that GDP will decrease 4.2% in 2020 and increase 4.6% in 2021.
- The depths of the future recession are impossible to predict as the depth and width of the virus is unknown. The federal government has provided significant economic and financial help during the crisis (and considering more) taking many different and varied forms and this may ultimately provide a backstop to an otherwise lengthy and prolonged depression. There is a current recession, but it may not be as severe if the Fed had done nothing.
- In addition to the effects of COVID-19, the US is still weathering several other influences including a pending national election in November, a potential cold war with China (only intensified since the spread of the virus), unpredictability in other parts of the world (North Korea, the Middle East, etc.) and a shift in attitudes that may playout long after the current crisis: a greater reliance on working from home (and the resulting effect on commercial real estate), a potential leveling in education services (and a disconnect with the high prices being paid for college), the ability to learn and play via the internet (one of the most used portals during this crisis is physical activity instruction via the internet) and perhaps a restructuring in what is important resulting in an expansion of experiential retail and a reduction in traditional retail. All-in-all, economists are hopeful that the economic downturn associated with COVID-19 will be deep and short and that the recovery will be more of a “K” rather than a prolonged “U” (or “W”).

- Despite a First Quarter of 2020 that offered relatively robust employment growth through mid-March, the total job growth for the quarter was the loss of 908,000 jobs (or an average of -302,667 jobs per month). Things deteriorated significantly in the Second Quarter; a total job loss of 13,271,000 (or an average of -4,423,667 jobs per month). While April recorded a loss of 20,787,000 jobs, May and June posted positive job growth (2,725,000 and 4,791,000, respectively). With a moderate resurgence of the virus in July, job growth, while still positive, slowed to an increase of 1,763,000 new jobs.

  The unemployment rate for the First Quarter of 2020 stood at 3.8%; but due to the onset of COVID-19 in March, the Second Quarter unemployment rate increased sustainably to 13.0%. It is anticipated that the unemployment rate may end the year at 8.4% (Wells Fargo).

- The inflation rate was 1.5% in March of 2020 and the core inflation rate was 2.1% in March of 2020. More recently, inflation rates have decreased significantly: 0.6% in June of 2020 and the core inflation rate was 1.2% in June of 2020.

- Nominal wage growth posted an increase of 3.35% in March and an increase of 4.86% in June. With the strong stimulus provided by the government, wage growth rebounded strongly in April, increasing by 7.98%. Preliminary July 2020 numbers suggest a further lessening with 4.78% wage growth.

- The Consumer Confidence Index (CCI) posted a value of 99.24 in March of 2020 followed by a significant decrease to 98.20 in June of 2020 due to the COVID-19 crisis. Preliminary numbers for July suggest that a rebound is occurring with a slight increase to 98.41.

- A continuing and significant factor in the increase in home sales activity is the decrease of 30-year mortgage rates which receded to a March 2020 low of 3.45%. Mortgage rates receded further to 3.16% in June and even further in July (to 3.02%). Given the current economic climate and the lowering of the Federal Funds Rate, it is anticipated that 30-year mortgage rates may decline even further and potentially fall below 3.00%; as already is occurring, this will result in increasing home sales and providing the economy with a boost due to home construction during a very difficult economy.

- After raising the Federal Funds Rate four times in 2018 (March 22 to 1.75%, June 14 to 2.00%, September 27 to 2.25% and December 20 to 2.50%), the Federal Reserve has since reduced the Federal Funds Rate to 2.25% on August 1 of 2019, 2.00% on September 19, 2019 and 1.75% on October 31, 2019. However, after strong indications of economic growth powered by GDP growth, employment growth and decreasing unemployment, the FOMC did not reduce rates at its last scheduled meeting of 2019 (December 10 - 11) and furthermore, left rates unchanged in its first meeting of 2020 (January 28 – 29). However, due to the COVID-19 crisis and in an effort to provide economic and financial support, the FOMC has recently decreased the Federal Funds Rate to 0.00%. The Federal Reserve has recently stated a change in philosophy related to the target rate of inflation indicating that the new target will be an average of 2.00% (and not a target of 2.00%). This effectively signals that the Federal Funds Rate will remain at 0.00% indefinitely.

Sacramento Economy…a shadow of its former self?

- A total of 1,700 non-farm jobs were gained in the First Quarter of 2020 in the Sacramento Region; however, due to the COVID-19 crisis, a total of 124,600 jobs were lost during the Second Quarter. An analysis of year end employment (with input from the University of Pacific), considers that job growth for all of 2020 will total a job loss of approximately 195,000 people (a decline of 18.4%) and an unemployment rate of 9.0% for the year.
- While it appears that the initial layoffs were in the lower paying sectors of the economy (i.e. travel and leisure, hospitality, etc.), the final fallout is still unknown, and the ultimate result may be a long time to rebuild a damaged economy. However, it is generally accepted that higher income households are less affected by the recession and shelter-in-place orders, resulting in a greater ability to purchase a home and take advantage of lower interest rates; the result has been a stronger housing market recovery.
- Income growth has posted two strong years in the Sacramento Region, an 8.5% increase in 2018 and a 9.2% increase in 2019 (a median household income of $79,061). Household income is a lagging statistic, but it is believed that the Sacramento Region median household income growth, like the national statistics, may post decreases that are due to structural issues within the numbers and not specifically related to the decrease in incomes.

Sacramento Market Summary

The six-county Sacramento Region posted a total of 2,243 new-home sales in the Third Quarter of 2020, an increase of 57.1% from a year earlier (with 1,428 sales) and an increase of 68.3% from the prior quarter (with 1,333 sales). Due to the Covid-19 crisis, it was believed that the second and third quarters would not track with the first; however, after a slight dip in new-home sales in the Second Quarter due to the uncertainty surrounding COVID-19, there has been a resurgence of sales activity during the Third Quarter.

Several factors appear to be contributing to the surge in sales, including historically low interest rates (mortgage rates of approximately 3.00%), a limited supply of existing homes, stability of employment and incomes for sectors of the economy (primarily households with earnings of greater than $60,000 per year), a flight from the urban areas of the state (Sacramento is uniquely positioned as a target point for San Francisco Bay Area refugees with the ability to combine affordability with livability) and influences surrounding the “zoom-boom” or the “work-from-home” boom (people are looking for the appropriate housing in order to work-from-home and to potentially teach-from-home: both local buyers and Bay Area refuges often seek new housing to meet these needs). All-in-all, there is the potential for new-home sales to reach more than 7,200 sales for the year; that would be the highest level since 2007.

From a year earlier, unsold inventory has decreased from 1,523 units to 1,129 units (a decrease of 25.9%) and a decrease of 18.8% from the previous quarter (1,390 to 1,129). Likewise, sales rates have increased (an average of 0.76 sales per week overall and 0.86 sales per week in the Third Quarter); thus, an increase in sales and sales rates has resulted in decreasing inventory and a depletion of available new-home product on the market.

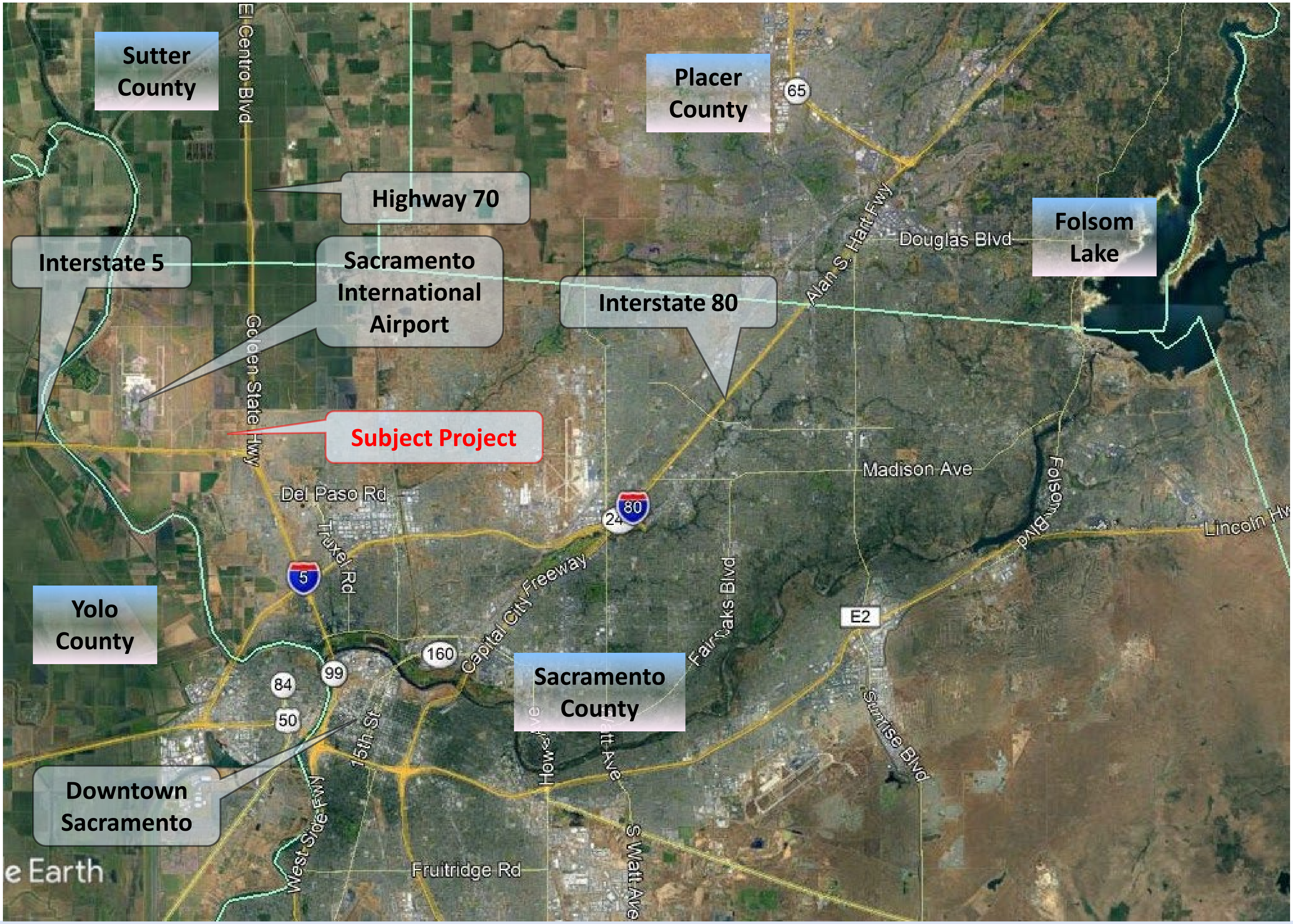
> Furthermore, the total number of projects has increased from 189 projects in the Third Quarter of 2019 to the current 201 projects in the Third Quarter of 2020 (a 6.4% increase) as well as an increase in total inventory (up 6.2% year-over-year).

Given the rapid pace of sales and the constraint on supply, new-home pricing has finally increased at a faster pace than previous years. On a year-over-year analysis, new-home pricing has increased 3.6% (from $522,595 in the Third Quarter of 2019 to the current $541,243) and values have increased 2.3% from the previous quarter ($529,263 in the Second Quarter versus the current $541,243).

> The mix of product offerings is continually changing in the region (the offering of smaller homes on smaller lots at a lower price and the introduction of more affordable housing in certain markets) and has contributed to the moderating price during the past several years. However, currently, all price levels appear to be increasing at the fastest pace in many years. In fact, phase price increases which have normally been in the $1,000 to $3,000 range, have begun increasing at up to $10,000 and greater.

Looking forward, it is anticipated that the demand for new housing in the Sacramento Region will continue despite the fact that California is still living with the COVID-19 crisis, high levels of unemployment and massive forest fires that don’t seem to ever go away. Undeniably, Sacramento remains a beneficiary of troubled times and is positioned to continue positive growth with increasing sales and pricing and accelerating demand.

Sacramento Region



General Conclusions—Natomas

Natomas is a very desirable community within the Sacramento Region; it offers more affordable housing options and is located a short distance to downtown Sacramento. Natomas offers a diversity of housing that includes attached housing, small-lot detached housing and traditional sized lots in a variety of locations including large master planned communities, lake-oriented projects, gated communities and senior, age-restricted housing. New housing in Natomas generally appeals to a wide range of buyers and price points; especially with the addition of new housing options, as the market area expands to the north, east and west (beyond the traditional boundaries of Natomas).

Natomas offers a living environment that attracts buyers with moderate incomes and a desire to own a home in an area that is close to commuting corridors, employment, recreation and conveniences; a location that is also close to the many opportunities within the downtown Sacramento core. Natomas attracts a great variety of buyers including entry-level buyers, move-up housing (for both first-time and second-time move-up buyers) that attracts young and growing families; but also mature buyers who may be moving down, recent empty-nesters or retirees.

Natomas provides a diversity of housing with existing, master planned communities, production housing and traditional suburban subdivision housing.

Natomas provides a culture that is family orientated, provides access to outdoor recreation throughout the community, region and all of California, employment centers, and a presence of local entertainment balanced with a proximity to larger entertainment hubs (including downtown Sacramento, Lake Tahoe to the east and San Francisco to the west).

Many buyers who choose to purchase in Natomas are from the Sacramento Region; but buyers are also coming from the San Francisco Bay Area (as some potential buyers flee the Bay Area to take advantage of greater affordability and suburban living).

People are pleased with the lifestyle that Natomas provides, and many have transitioned from starter home to move-up home and some may be now looking for retiree housing.

As the population continues to age, many local Natomas residents who have lived in their home for many years are looking for longer-term move-up or downsize housing and are looking to remain in the local community. This is especially true due to there not being a significant amount of new product having entered the market during the past 10-years (due to the 2008 recession and the lack of housing construction due to the levee repair). Much of the existing housing is ageing and may require functional, environmental and technological upgrades and renovations.

Natomas offers a standard of living that often makes it difficult for residents to move elsewhere; furthermore, increased housing costs in the Bay Area (and the recent COVID-19 crisis) are forcing potential buyers to look elsewhere for new housing—especially in affordable and suburban markets like Natomas. While there are many options for these buyers (including relocating out of state), some buyers are choosing the Sacramento Region and particularly, communities like Natomas.

Natomas Market Summary

Natomas Sales, Pricing and Market Capture

The Natomas market area posted an average price of $403,869 in the Third Quarter of 2020 compared to $413,775 in the Third Quarter 2019, a modest 2.4% decline that is a result of several higher priced projects recently selling out and several lower priced and attached projects entering the market. In fact, for projects that have been open during the Third Quarter of 2019 and the Third Quarter of 2020, the average price has increased 1.7%. In addition, new-home pricing in Natomas has decreased nominally between the Second Quarter of 2020 and the Third Quarter of 2020, a decrease of 0.2%.

In terms of sales, the Natomas market area totaled 226 sales in the Third Quarter of 2020 compared to 245 sales a year earlier; a decrease of 7.8%. The decrease in sales is due to fewer projects on the market (17 projects currently versus 21 projects a year earlier), a lack of inventory (currently there are only 55 units of unsold inventory versus 144 units a year earlier) and strong sales rates (currently 0.99 sales per week over the marketing life of the project and a Third Quarter of 2020 average weekly sales rate of 1.02 sales per week). Furthermore, there are six projects that have ten or less units of total inventory remaining and based on the current overall sales pace in Natomas and the 1,010 units of total inventory, there are only 60 weeks (1.15 years) of available homes remaining within the currently selling projects.

In terms of market capture, for year-to-date in 2020 Natomas has captured 24.8% of Sacramento County sales and 12.1% of Sacramento Region sales; this is a decrease in Sacramento County capture as compared to 2019 (a 28.4% capture of Sacramento County) and a decrease in the Sacramento Region capture (a 15.3% capture of the Sacramento Region). Likewise, the historical capture rate for Natomas of Sacramento County is 25.0% (from 2000 through 2019) and 13.3% for the Sacramento Region. However, there were several years where new-home sales in Natomas were prohibited based on the reconstructing of the levees; discounting these years (2010 through 2015), the capture rate for Natomas in Sacramento County is an average of 27.1% and in the Sacramento Region the average capture rate is 14.6%.

It should be noted that the Sacramento County capture has reached a high of 40.1% in 2017 and the Sacramento Region reached an 18.9% capture in 2003; this suggests that the Community of Natomas has the ability to absorb additional units that enter the market and that the additional sales may be significant based on an increase of capture rates within the market area.

Natomas Existing Home Sales and Pricing

For resales, the Community of Natomas has seen 178 total existing home sales during the previous 60-days and an existing home price of $457,081 (an average of $230 per square foot). These homes were built, on average, in 2007 and are situated on lots that are an average of 4,654 square feet. The average Days on Market is currently an astoundingly low 18 days.

When considering only homes that are situated on lots sized at less than 7,000 square feet, the average price is $426,007 (an average of $234 per square foot) and when considering only homes that were built from 2010 through 2020, the average price is $452,318 (an average price per square foot of $238).

Buyers Specific to Natomas

Northlake offers an excellent location at the northern end of the Community of Natomas, close to two major transportation corridors (Highway 99 and Interstate 5), the Sacramento International Airport, with close proximity to downtown Sacramento and with convenient access to the greater San Francisco Bay Area. The subject project has the potential to attract a greater number and diversity of buyers given its location and lot sizes and more affordable housing.

Many comparable new-home projects within the Primary Market Area have experienced increasing success with similar pricing and locations to the subject project and with the ability to attract and capture both the local buyer pool, as well as the larger and increasing number of buyers emigrating from the greater San Francisco Bay Area. The subject project can meet this increasing demand from several major buyer segments:

- **Local Sacramento County and Natomas buyers who are looking for a new-home to meet their shifting priorities and life transitions**; many people desire less maintenance in a lot and home size but wish to remain within the greater community where they currently reside; they often wish to remain in an area that they are familiar with and where friends and family are close by, plus a familiar interaction with medical services, grocery shopping, and entertainment options.
- However, from within the Sacramento Region, it is also believed that buyers will come from areas to the south in Sacramento County and also Yolo County to the west.
- Within the various buyer categories, first-time buyers, move-up buyers (including first-time move-up buyers as well as growing and mature families) and move-down, empty-nester and retiree buyers are coming from a variety of current living environments including more traditional subdivisions, apartment living and older, and often outdated, homes.
- **Out-of-area buyers who are priced out of homeownership in closer-in metropolitan areas;** buyers that are within commuting distance or are looking to relocate to an area that is considered truly suburban. Out-of-area buyers include not only the Bay Area buyers but also buyers from further north in California, southern California and out-of-state. The transition to working-from-home, a move out of urban areas to suburban areas and a desire for a more relaxed, less hectic and more affordable living environment, is pushing many buyers to consider areas such as the Sacramento Region and communities such as Natomas.
- **Both baby-boomer-buyers and buyers from other age-segmentations, relocating to the Sacramento Region to be closer to family**.

Given its location and overall desirability, the subject project is within a community that many people wish to live in:

It provides a more relaxed, community centric and agreeable lifestyle

Provides a variety of housing options including existing housing, master planned community living, larger production housing (often on much larger lots), and traditional subdivision housing

Very convenient with close proximity to both regional and local services, conveniences, employment and major transportation corridors (the City of Sacramento is a ten-minute commute to the south along Interstate 5).

Housing Conclusions

Northlake Conclusions

The pricing position of the subject project is at the top of the competitive projects and existing homes; moreover, the recommended absorption rates are comparable to the current market absorption rates within the marketplace. The positioning considers the subject project offering lot sizes that are generally larger than what is currently being offered in Natomas; this is the result of several factors including several currently selling projects are legacy projects (being built on land that was approved for smaller projects in the mid-2000's and remained dormant through the recession and lack of activity during the levee reconstruction) and the offering of new projects that are situated closer to the Sacramento downtown core and thus offer smaller lot sizes.

The subject project lot sizes are appropriate for the subject project location and the project warrants a competitive price and absorption to the currently selling, new-home developments in the Community of Natomas. However, the pricing position also considers that the project is currently located further away from local conveniences and services as compared to the competitive projects, that all the subject projects are estimated to enter the market at the same time (January 1, 2021 per the master developer), that 66% of the homes will be situated on lots sized from 4,000 to 5,500 square feet in traditional configurations and that 64% of the homes are sized from 2,000 to 3,000 square feet. Finally, it is largely unknown what the future economy and housing market holds; it is believed that positive economic and housing growth will continue, but it is still true that the virus has an outsized influence and may possibly alter the direction of the economy and the housing market.

While the primary competitive projects are all from the Community of Natomas, consideration was also given to projects currently selling in Plumas Lake and Woodland. Plumas Lake is further to the north, more affordably priced (on larger lots) and selling at an average of 0.79 units per week. Likewise, Woodland is located further to the west, is competitively priced (on standard sized lots) and selling at an average of 0.60 units per week (however, four of the eight projects in Woodland are currently selling at an average of 1.00 sales per week and greater--an indication that sales have increased during the current sales boom).

It is believed that Natomas is its own community and should be analyzed independently and based on current and projected market conditions within Natomas. And while Plumas Lake (offering affordable but standard sized housing) and Woodland (offering a lifestyle choice and standard sized housing) can be considered alternatives to Natomas, their pricing position and absorption are guidelines to the specific subject project recommendations. Finally, there is believed to be a strong demand for new housing within Natomas, and the subject project (with very little competitive supply) will help meet this demand regardless of market conditions in the secondary market areas of Plumas Lake and Woodland.

Based on a review of the greater Natomas competitive marketplace (and the Secondary Market Areas of Plumas Lake to the north and Woodland to the west) and considering the specific product type, lot sizes and location, the table on the following pages outlines the pricing and absorption for the subject project. The base pricing is net of any incentives (and premiums and options) and the absorption is based on sales per week. It is believed that the project will offer a product type that meets the needs of the most active buyer types and demographics: first-time buyers and move-up buyers as well as move-down, empty-nester and retiree buyers.

When considering the specifics below, a combination of resale data, a lack of current new-home inventory, a lack of immediate proposed future inventory and a recovering local, regional and national economy, these conclusions are viable and appropriate…

Resale Data: Existing homes in Natomas have an average days on market of a low 18 days for the last 60-days (and 15 days for homes built from 2010 through 2020); this translates to a solid demand and a lack of inventory in the Natomas market area.

A lack of current new-home inventory: There are 17 new-home projects currently selling, six of which are nearing build-out (with 10 units or less remaining to sell). These projects have a combined total inventory of 1,010 units and an unsold inventory of only 55 units (an average of only three units per project). The 17 projects are selling at an overall sales pace of 0.99 sales per week per project (and a current quarter sales pace of 1.02 sales per week) and an average price of $403,869.

Proposed future inventory: The sum of the proposed residential developments in the Primary Market Areas (Community of Natomas and beyond)—is a significant 31,993 units; however, only 2,509 units (8% of the total) are within projects that may deliver homes in the near future.

A Recovering Economy: Despite a severe economic shock related to COVID-19, the US economy is experiencing a recovery and the homebuilding sector is considered to already have recovered. While it is still too early to conclude that the economy and the housing market are back to normal, there is hope that with continued support by the government and the Federal Reserve, the worst of the economic slowdown has passed. But ultimately, the virus will dictate the level of recovery that we experience in both the short-term and the longer-term.

	COMMUNITY DETAILS								RECOMMENDATIONS										
	Community Location Product Summary		Builder Master Plan Sales Summary	Home Size (SF)	Bed	Bath	Levels	Gar	Base Price	Base Price/ Sq. Ft.	Current Add-Ons Options/ Upgrades	Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Obligation (Base) Monthly HOA	Base Tax	Add Tax	80% 3.00% Mo. Pmt	Req. Income
Subject Project	**Village 10A, 10B1, 10B2**		**Lennar Homes**	1,774	3	2.5	2	2	$458,000	$258	$0	$0	$458,000	$258	$98	1.06%	0.56%	$2,261	$87,525
	Natomas		**Northlake**	1,945	3/L	2.5	2	2	$472,000	$243	$0	$0	$472,000	$243	$98	1.06%	0.56%	$2,327	$90,084
	Product Type:	Single-Family	Total Units: 140	2,018	4/L	3	2	2	$478,000	$237	$0	$0	$478,000	$237	$98	1.06%	0.56%	$2,356	$91,181
	Configuration:	Small-Lot		2,190	4/L	3	2	2	$492,000	$225	$0	$0	$492,000	$225	$98	1.06%	0.56%	$2,422	$93,741
	Lot Dimensions:	41 x 68																	
	Lot Size/Density:	2,788																	
	Rec. Wkly Abs.:	1.25																	
			Totals/Averages:	**1,982**					**$475,000**	**$241**	**$0**	**$0**	**$475,000**	**$241**	**$98**	**1.06%**	**0.56%**	**$2,341**	**$90,633**
Subject Project	**Village 8, 9, VE**		**Lennar Homes**	2,114	3/O/L	2.5	2	2	$508,000	$240	$0	$0	$508,000	$240	$98	1.06%	0.56%	$2,497	$96,666
	Natomas		**Northlake**	2,223	4	3	2	2	$517,000	$233	$0	$0	$517,000	$233	$98	1.06%	0.56%	$2,540	$98,311
	Product Type:	Single-Family	Total Units: 134	2,362	4/L	3.5	2	2	$529,000	$224	$0	$0	$529,000	$224	$98	1.06%	0.56%	$2,596	$100,505
	Configuration:	Small-Lot																	
	Lot Dimensions:	41 x 90																	
	Lot Size/Density:	3,690																	
	Rec. Wkly Abs.:	1.25																	
			Totals/Averages:	**2,233**					**$518,000**	**$232**	**$0**	**$0**	**$518,000**	**$232**	**$98**	**1.06%**	**0.56%**	**$2,544**	**$98,494**
Subject Project	**Village 6, 11**		**Lennar Homes**	2,307	4	3	2	2	$532,000	$231	$0	$0	$532,000	$231	$98	1.06%	0.56%	$2,611	$101,053
	Natomas		**Northlake**	2,469	4/L	3	2	2	$551,000	$223	$0	$0	$551,000	$223	$98	1.06%	0.56%	$2,700	$104,527
	Product Type:	Single-Family	Total Units: 127	2,704	4/L	3.5	2	2	$565,000	$209	$0	$0	$565,000	$209	$98	1.06%	0.56%	$2,766	$107,086
	Configuration:	Traditional		2,804	5/L	4	2	2	$573,000	$204	$0	$0	$573,000	$204	$98	1.06%	0.56%	$2,804	$108,549
	Lot Dimensions:	50 x 80/50 x 85		2,968	4/L	2.5	2	3	$587,000	$198	$0	$0	$587,000	$198	$98	1.06%	0.56%	$2,870	$111,108
	Lot Size/Density:	4,000/4,250																	
	Rec. Wkly Abs.:	1.00		Note: the 2,469 sf plan is only available on 4,250 sf lots (50 x 80).															
			Totals/Averages:	**2,650**					**$561,600**	**$213**	**$0**	**$0**	**$561,600**	**$213**	**$98**	**1.06%**	**0.56%**	**$2,750**	**$106,465**
Subject Project	**Village 5A, 5B, 5C, VW**		**Lennar Homes**	2,134	3	2	1	2	$530,000	$248	$0	$0	$530,000	$248	$98	1.06%	0.56%	$2,601	$100,688
	Natomas		**Northlake**	2,394	4/L	3	2	2	$552,000	$231	$0	$0	$552,000	$231	$98	1.06%	0.56%	$2,705	$104,710
	Product Type:	Single-Family	Total Units: 153	2,620	5/L	3	2	2	$571,000	$218	$0	$0	$571,000	$218	$98	1.06%	0.56%	$2,795	$108,183
	Configuration:	Traditional		2,786	4/L	3.5	2	2	$585,000	$210	$0	$0	$585,000	$210	$98	1.06%	0.56%	$2,861	$110,743
	Lot Dimensions:	45 x 100																	
	Lot Size/Density:	4,500																	
	Rec. Wkly Abs.:	1.00																	
			Totals/Averages:	**2,484**					**$559,500**	**$227**	**$0**	**$0**	**$559,500**	**$227**	**$98**	**1.06%**	**0.56%**	**$2,740**	**$106,081**
Subject Project	**Village 7A, 7B**		**Lennar Homes**	1,797	3	2	1	2	$507,000	$282	$0	$0	$507,000	$282	$98	1.06%	0.56%	$2,492	$96,483
	Natomas		**Northlake**	2,268	4	3	2	3	$546,000	$241	$0	$0	$546,000	$241	$98	1.06%	0.56%	$2,677	$103,613
	Product Type:	Single-Family	Total Units: 97	2,679	4/L	3	2	3	$580,000	$216	$0	$0	$580,000	$216	$98	1.06%	0.56%	$2,837	$109,829
	Configuration:	Traditional		2,869	4/L	3	2	3	$596,000	$208	$0	$0	$596,000	$208	$98	1.06%	0.56%	$2,913	$112,754
	Lot Dimensions:	55 x 85		3,178	5	4.5	2	3	$622,000	$196	$0	$0	$622,000	$196	$98	1.06%	0.56%	$3,036	$117,507
	Lot Size/Density:	4,675																	
	Rec. Wkly Abs.:	1.00																	
			Totals/Averages:	**2,558**					**$570,200**	**$229**	**$0**	**$0**	**$570,200**	**$229**	**$98**	**1.06%**	**0.56%**	**$2,791**	**$108,037**

	COMMUNITY DETAILS							RECOMMENDATIONS										
	Community	**Builder**	Home						Base	Current Add-Ons			Total	Monthly Obligation (Base)			80%	
	Location	**Master Plan**	Size					Base	Price/	Options/		Total	Price/	Monthly	Base	Add	3.00%	Req.
	Product Summary	Sales Summary	(SF)	Bed	Bath	Levels	Gar	Price	Sq. Ft.	Upgrades	Premiums	Price	Sq. Ft.	HOA	Tax	Tax	Mo. Pmt	Income
Subject Project	**Village 4A, 4B, VW, 1, 12A, 12B, 11, 5C**	**Lennar Homes**	2,150	4	3	1	2	$544,000	$253	$0	$0	$544,000	$253	$98	1.06%	0.56%	$2,667	$103,247
	Natomas	**Northlake**	2,727	4/B	3	2	2	$592,000	$217	$0	$0	$592,000	$217	$98	1.06%	0.56%	$2,894	$112,023
	Product Type: Single-Family	Total Units: 235	3,046	5/L	3	2	3	$619,000	$203	$0	$0	$619,000	$203	$98	1.06%	0.56%	$3,021	$116,959
	Configuration: Traditional		3,180	4/L	2.5	2	3	$630,000	$198	$0	$0	$630,000	$198	$98	1.06%	0.56%	$3,073	$118,970
	Lot Dimensions: 50 x 100																	
	Lot Size/Density: 5,000																	
	Rec. Wkly Abs.: 1.00																	
		Totals/Averages:	**2,776**					**$596,250**	**$218**	**$0**	**$0**	**$596,250**	**$218**	**$98**	**1.06%**	**0.56%**	**$2,914**	**$112,800**
Subject Project	**Village 3A, 3B, VW**	**Lennar Homes**	2,282	4	2.5	1	2	$567,000	$248	$0	$0	$567,000	$248	$98	1.06%	0.56%	$2,776	$107,452
	Natomas	**Northlake**	3,104	5/L	3	2	3	$635,000	$205	$0	$0	$635,000	$205	$98	1.06%	0.56%	$3,097	$119,884
	Product Type: Single-Family	Total Units: 135	3,312	4/L	3.5	2	3	$652,000	$197	$0	$0	$652,000	$197	$98	1.06%	0.56%	$3,177	$122,992
	Configuration: Traditional		3,425	4/L	3.5	2	3	$661,000	$193	$0	$0	$661,000	$193	$98	1.06%	0.56%	$3,220	$124,637
	Lot Dimensions: 55 x 100																	
	Lot Size/Density: 5,500																	
	Rec. Wkly Abs.: 0.75																	
		Totals/Averages:	**3,031**					**$628,750**	**$211**	**$0**	**$0**	**$628,750**	**$211**	**$98**	**1.06%**	**0.56%**	**$3,067**	**$118,741**
Subject Project	**Village 2A, 2B**	**Lennar Homes**	2,632	4	3	1	3	$624,000	$237	$0	$0	$624,000	$237	$98	1.06%	0.56%	$3,045	$117,873
	Natomas	**Northlake**	3,391	5/B	4	2	3	$687,000	$203	$0	$0	$687,000	$203	$98	1.06%	0.56%	$3,343	$129,390
	Product Type: Single-Family	Total Units: 116	3,647	4	4	2	3	$708,000	$194	$0	$0	$708,000	$194	$98	1.06%	0.56%	$3,442	$133,230
	Configuration: Traditional		3,940	4/L	4	2	3	$732,000	$186	$0	$0	$732,000	$186	$98	1.06%	0.56%	$3,555	$137,617
	Lot Dimensions: 60 x 110																	
	Lot Size/Density: 6,600																	
	Rec. Wkly Abs.: 0.75																	
		Totals/Averages:	**3,403**					**$687,750**	**$205**	**$0**	**$0**	**$687,750**	**$205**	**$98**	**1.06%**	**0.56%**	**$3,346**	**$129,528**

Absorption Analysis

The absorption analysis is based on information provided by the master developer (as well as absorption rate estimates by the absorption analyst) which includes an estimate as to when villages will open for sales, infrastructure development, grading schedules, marketing considerations and anticipated market conditions. Furthermore, there are anticipated to be (and the market can sustain) several different projects selling simultaneously. Additional factors considered in predicting absorption rates are:

- the desirability of Natomas as a new-home destination;
- increasing new-home sales within the Community of Natomas and the Sacramento Region overall;
- Limited immediate future inventory in Natomas; within both communities that are currently selling and projects within the planning process;
- current absorption rates for similar product types within the Natomas market area;
- and improving economic conditions within the Sacramento Region and the US despite a severe lockdown of the US economy due to COVID-19;

In conclusion, it is believed that the subject project can absorb an average of 1.00 units per week per product offering for all of the product offerings over the marketing life of the development given the pricing (with home sizes ranging from 1,774 to 3,940 square feet and base prices ranging from $458,000 to $732,000). All of the projects are anticipated to open for sale (based on information provided by the master developer) in January of 2021.

It is projected that a total of 416 units will sell in 2021, 409 units in 2022, 215 units in 2023, 70 units in 2024 and 27 units in 2025. It should be noted that the schedule of product offerings (project entry dates) was provided by the developer and the project absorption rates were estimated by the absorption analyst; the decreases and increases in the number of units absorbed over time are a result of the sellout of projects and are not considered to be a result of changes in project absorption rates during the sales cycle of the projects.

All product offerings are anticipated to conclude sales by the Third Quarter of 2025; the years to absorb the production homes are estimated to be 4.52 years given the absorption schedule on page 24.

Absorption Table

Village	Homebuilder	Lot Size/ Density	Open Date	Total Number of Units	Est. Abs. Per Week	Units Sold Per Year 2021	2022	2023	2024	2025
10A, 10B1, 10B2	Lennar Homes	2,788	Jan-21	140	1.25	65	65	10	0	0
8, 9, VE	Lennar Homes	3,690	Jan-21	134	1.25	65	65	4	0	0
6, 11	Lennar Homes	4,000/4,250	Jan-21	127	1.00	52	52	23	0	0
5A, 5B, 5C, VW	Lennar Homes	4,500	Jan-21	153	1.00	52	52	49	0	0
7A, 7B	Lennar Homes	4,675	Jan-21	97	1.00	52	45	0	0	0
4A, 4B, VW, 1, 12A, 12B, 11, 5C	Lennar Homes	5,000	Jan-21	235	1.00	52	52	52	52	27
3A, 3B, VW	Lennar Homes	5,500	Jan-21	135	0.75	39	39	39	18	0
2A, 2B	Lennar Homes	6,600	Jan-21	116	0.75	39	39	38	0	0
				1,137	**1.00**	**416**	**409**	**215**	**70**	**27**

Years to Absorb: **4.52**

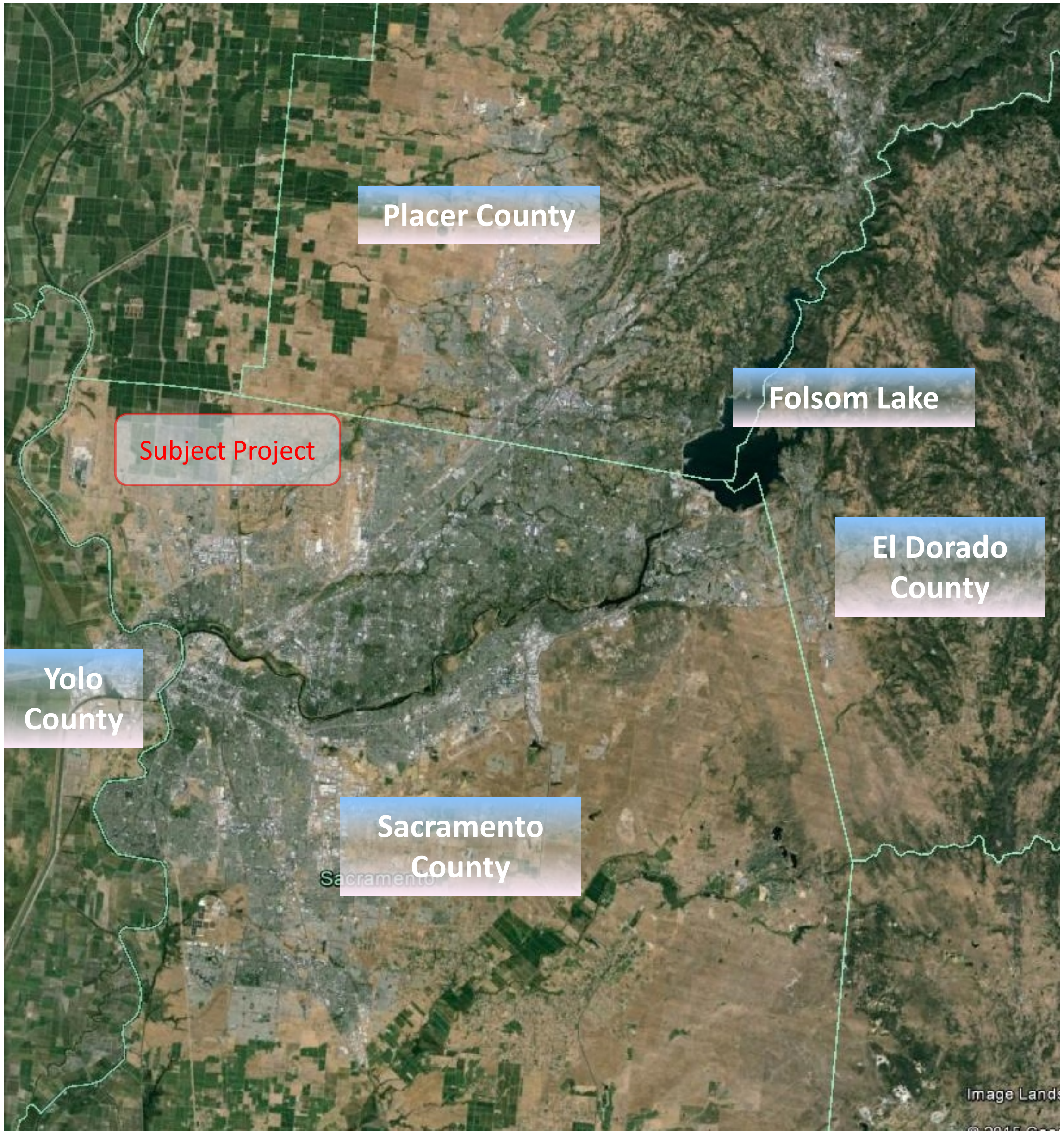
Subject Project Summary Table

	VILLAGE	BUILDER	CITY	PRODUCT TYPE	LOT SIZE (MIN)	INVENTORY SUMMARY UNITS PLANNED	UNITS OFFERED	UNITS SOLD	TOTAL RU	UNSOLD RU	RECOMMENDED SALES SUMMARY OVERALL	QTR	AVERAGE HOME SIZE	NET PRICE	NET $/SF	MONTHLY OBLIGATION MONTHLY HOA	BASE TAX	ADD TAX	MONTHLY PAYMENT
Subject Project	**10A, 10B1, 10B2**	**Lennar Homes**	**Natomas**	Detached/Small-Lot	**2,788**	**140**	0	0	140	0	**1.25**	--	**1,982**	**$475,000**	**$241**	**$98**	**1.06%**	**0.56%**	**$2,341**
	8, 9, VE	**Lennar Homes**	**Natomas**	Detached/Small-Lot	**3,690**	**134**	0	0	134	0	**1.25**	--	**2,233**	**$518,000**	**$232**	**$98**	**1.06%**	**0.56%**	**$2,544**
	6, 11	**Lennar Homes**	**Natomas**	Detached/Traditional	**4,000**	**127**	0	0	127	0	**1.00**	--	**2,650**	**$561,600**	**$213**	**$98**	**1.06%**	**0.56%**	**$2,750**
	5A, 5B, 5C, VW	**Lennar Homes**	**Natomas**	Detached/Traditional	**4,500**	**153**	0	0	153	0	**1.00**	--	**2,484**	**$559,500**	**$227**	**$98**	**1.06%**	**0.56%**	**$2,740**
	7A, 7B	**Lennar Homes**	**Natomas**	Detached/Traditional	**4,675**	**97**	0	0	97	0	**1.00**	--	**2,558**	**$570,200**	**$229**	**$98**	**1.06%**	**0.56%**	**$2,791**
	4A, 4B, VW, 1, 12A, 12B, 11, 5C	**Lennar Homes**	**Natomas**	Detached/Traditional	**5,000**	**235**	0	0	235	0	**1.00**	--	**2,776**	**$596,250**	**$218**	**$98**	**1.06%**	**0.56%**	**$2,914**
	3A, 3B, VW	**Lennar Homes**	**Natomas**	Detached/Traditional	**5,500**	**135**	0	0	135	0	**0.75**	--	**3,031**	**$628,750**	**$211**	**$98**	**1.06%**	**0.56%**	**$3,067**
	2A, 2B	**Lennar Homes**	**Natomas**	Detached/Traditional	**6,600**	**116**	0	0	116	0	**0.75**	--	**3,403**	**$687,750**	**$205**	**$98**	**1.06%**	**0.56%**	**$3,346**
				NEW-HOME TOTALS/AVERAGES:	**4,594**	**1,137**	**0**	**0**	**1,137**	**0**	**1.00**	--	**2,650**	**$575,818**	**$217**	**$98**	**1.06%**	**0.56%**	**$2,817**

	COMMUNITY	BUILDER	CITY	PRODUCT TYPE	LOT SIZE (MIN)	INVENTORY SUMMARY UNITS PLANNED	UNITS OFFERED	UNITS SOLD	TOTAL RU	UNSOLD RU	RECOMMENDED SALES SUMMARY OVERALL	QTR	AVERAGE HOME SIZE	NET PRICE	NET $/SF	MONTHLY OBLIGATION MONTHLY HOA	BASE TAX	ADD TAX	MONTHLY PAYMENT
Primary Market Area	Amberwood	Lennar Homes	Natomas	Deatched/Alley Loaded	3,000	75	75	71	4	4	0.91	0.38	2,087	$475,863	$230	$130	1.06%	0.47%	$2,342
	Artisan	Beazer Homes	Natomas	Detached/Small-Lot	3,600	145	35	26	119	9	0.40	1.15	2,731	$538,490	$198	$170	1.06%	0.64%	$2,749
	Bloom	D.R. Horton Homes	Natomas	Detached/Small-Lot	2,400	84	60	60	24	0	2.50	2.77	1,273	$326,218	$268	$118	1.06%	0.51%	$1,645
	Castile	D.R. Horton Homes	Natomas	Detached/Small-Lot	3,000	152	92	92	60	0	1.23	0.92	2,034	$377,657	$187	$96	1.06%	0.69%	$1,921
	Edgeview	Beazer Homes	Natomas	Attached/Townhome	20.0	189	18	8	181	10	0.29	0.46	1,799	$391,657	$218	$289	1.06%	0.14%	$2,002
	Mystique	Watt Communities	Natomas	Attached/Townhome	28.8	57	30	25	32	5	0.50	0.77	1,485	$323,990	$219	$100	1.06%	0.38%	$1,582
	Nuvo	The New Home Company	Natomas	Attached/Townhome	23.2	145	18	13	132	5	0.54	0.62	1,335	$333,885	$250	$298	1.06%	0.17%	$1,766
	Provence	Blue Mountain Homes	Natomas	Attached/Townhome	23.4	187	36	28	159	8	0.56	1.38	1,852	$389,990	$215	$231	1.06%	0.00%	$1,891
	Ravenna	D.R. Horton Homes	Natomas	Detached/Courtyard	3,200	108	64	56	52	8	1.47	1.77	1,617	$346,240	$215	$89	1.06%	0.76%	$1,782
	Terraza	D.R. Horton Homes	Natomas	Detached/Traditional	5,000	98	98	98	0	0	1.29	0.62	2,136	$389,990	$185	$110	1.06%	0.66%	$1,984
	Verano	D.R. Horton Homes	Natomas	Detached/Small-Lot	2,800	135	120	120	15	0	1.67	1.15	1,854	$357,992	$194	$82	1.06%	0.73%	$1,823
	Westward	Beazer Homes	Natomas	Detached/Alley-Loaded	3,500	140	30	24	116	6	0.89	1.46	2,478	$502,323	$204	$215	1.06%	0.58%	$2,596
	Windrow	Beazer Homes	Natomas	Detached/Alley-Loaded	2,800	167	51	48	119	3	0.92	1.54	1,773	$435,790	$247	$171	1.06%	0.62%	$2,251
				NEW-HOME TOTALS/AVERAGES:	**3,256/23.9**	**1,682**	**727**	**669**	**1,013**	**58**	**1.01**	**1.15**	**1,875**	**$397,351**	**$212**	**$161**	**1.06%**	**0.49%**	**$2,014**
SMA	Bradford	KB Home	Woodland	Detached/Traditional	5,500	112	84	64	48	20	0.86	1.92	2,384	$492,786	$207	$0	1.06%	0.56%	$2,327
	Ivy	Taylor Morrison Homes	Woodland	Detached/Traditional	6,825	44	36	26	18	10	0.22	0.00	2,789	$565,333	$203	$0	1.06%	0.53%	$2,656
	Laurel	Taylor Morrison Homes	Woodland	Detached/Traditional	5,775	100	60	45	55	15	0.38	-0.15	2,435	$501,100	$206	$0	1.06%	0.60%	$2,383
	Magnolia	Lennar Homes	Woodland	Detached/Traditional	6,600	78	40	34	44	6	0.58	0.46	2,822	$582,740	$206	$0	1.06%	0.64%	$2,791
	Olive	Taylor Morrison Homes	Woodland	Detached/Traditional	4,275	70	60	48	22	12	0.40	0.08	2,014	$454,667	$226	$0	1.06%	0.66%	$2,185
	Seummerstone	Lennar Homes	Woodland	Detached/Traditional	6,300	88	55	47	41	8	0.80	1.00	2,554	$555,390	$217	$0	1.06%	0.67%	$2,674
	Sunflower	Lennar Homes	Woodland	Detached/Traditional	7,700	87	63	57	30	6	0.97	1.38	3,258	$620,657	$191	$0	1.06%	0.60%	$2,952
	The Pines	Woodside Homes	Woodland	Detached/Traditional	4,275	83	33	30	53	3	0.56	1.38	2,274	$482,240	$212	$0	1.06%	0.64%	$2,310
				NEW-HOME TOTALS/AVERAGES (Woodland):	**5,906**	**662**	**431**	**351**	**311**	**80**	**0.60**	**0.76**	**2,567**	**$531,065**	**$207**	**$0**	**1.06%**	**0.61%**	**$2,531**
SMA	Bluffs	Cresleigh Homes	Plumas Lake	Detached/Traditional	6,050	28	19	14	14	5	0.50	0.46	1,740	$342,000	$197	$0	1.06%	0.75%	$1,669
	Dorado	D.R. Horton Homes	Plumas Lake	Detached/Traditional	10,125	63	59	59	4	0	1.59	1.92	1,645	$350,990	$213	$0	1.06%	0.49%	$1,637
	Meadows	Cresleigh Homes	Plumas Lake	Detached/Traditional	7,000	83	31	25	58	6	0.68	1.46	2,676	$409,250	$153	$0	1.06%	0.72%	$1,987
	Riverside	Cresleigh Homes	Plumas Lake	Detached/Traditional	7,700	52	56	18	34	38	0.35	0.92	2,798	$438,423	$157	$0	1.06%	0.72%	$2,129
	Sonoma Ranch	Lennar Homes	Plumas Lake	Detached/Traditional	10,000	208	145	143	65	2	1.12	1.00	2,496	$436,709	$175	$0	1.06%	0.63%	$2,088
	Waters Edge	Capital Valley Hoems	Plumas Lake	Detached/Traditional	10,125	66	45	45	21	0	0.47	0.92	2,666	$442,625	$166	$0	1.06%	0.50%	$2,068
				NEW-HOME TOTALS/AVERAGES (Plumas Lake):	**8,500**	**500**	**355**	**304**	**196**	**51**	**0.79**	**1.11**	**2,461**	**$415,150**	**$169**	**$0**	**1.06%**	**0.64%**	**$1,987**

Locational Assessment

Sacramento Region



Community of Natomas

The Primary Market Area (PMA) includes 17 projects from the Community of Natomas and all active projects currently selling in the community.

The majority of these competitive projects offer topography, community design and features and amenities that are similar to the subject project, as well as significant overlap in the housing types offered.

The Community of Natomas offers a vibrant community that is focused on family, community and recreation and is attractive to a wide range of potential buyers.

The subject site is located north of Interstate 5, west of Highway 99 and south of Elkhorn Boulevard in the Community of Natomas. Northlake provides excellent access to Highway 99 and Interstate 5—leading to the employment centers to the south in downtown Sacramento, and recreation to the east toward South Lake Tahoe and San Francisco to the west. Plus, the site provides excellent access to services and entertainment at the Del Paso Road corridor and further south at Truxel Road.

With appropriate product segmentation, pricing and proper builder execution, Northlake has the potential to be positioned comparable and above new-home communities in the subject market area based on lot size and product type considerations.

Given its location and the overall desirability of new housing in Natomas, Northlake has the ability to meet and exceed current and future demand.

Natomas:

- Provides desirable lifestyle for today's active buyers;
- Provides a variety of housing options including existing housing, master planned community living, larger production housing and traditional subdivision housing;
- A family focused and friendly community that includes access to recreation, extensive bike/walking paths throughout the community and access to major recreation and entertainment at the Sacramento River and downtown Sacramento;

Northlake:

- Will be an integral part of the greater community in offering housing in Natomas where there is a current lack of supply;
- Is located within close proximity to local services and conveniences within Natomas (and downtown Sacramento) as well as employment and the major transportation corridors throughout the region;
- Is anticipated to offer a strong land plan, community amenities (including a lake) and product design/execution.

The entire Northlake community is planned to offer 2,753 units with the first phase of development including 1,137 units and eight product types. The project also includes market rate and senior for-rent housing, 37-acres of commercial uses and 140-acres of lakes, open space and wildlife habitat. The focus of this effort is on the Phase 1 development of 1,137 units.

<u>Subject Project—Land Use</u>

2,788 square foot lots and 140 units; homes sized from 1,774 to 2,190 square feet

3,690 square foot lots and 134 units; homes sized from 2,114 to 2,362 square feet

4,000/4,250 square foot lots and 127 units; homes sized from 2,307 to 2,968 square feet

4,500 square foot lots and 153 units; homes sized from 2,134 to 2,786 square feet

4,675 square foot lots and 97 units; homes sized from 1,797 to 3,178 square feet

5,000 square foot lots and 235 units; homes sized from 2,150 to 3,180 square feet

5,500 square foot lots and 135 units; homes sized from 2,282 to 3,425 square feet

6,600 square foot lots and 116 units; homes sized from 2,632 to 3,940 square feet

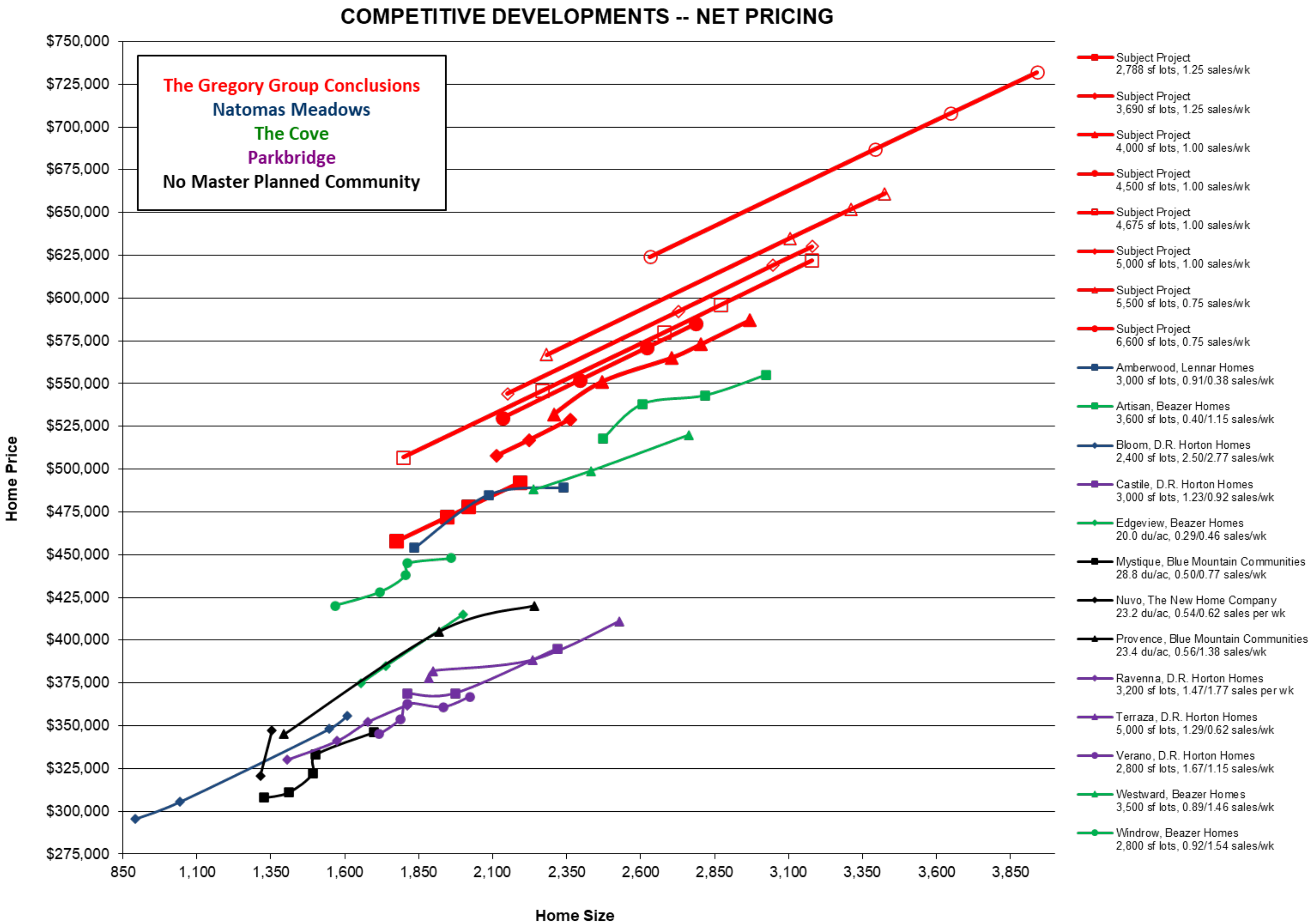
The land plan incorporates appropriate lot sizes, product types and connectivity to parks, open space, lakes, local trails/biking paths, recreation, surrounding places of business and entertainment.

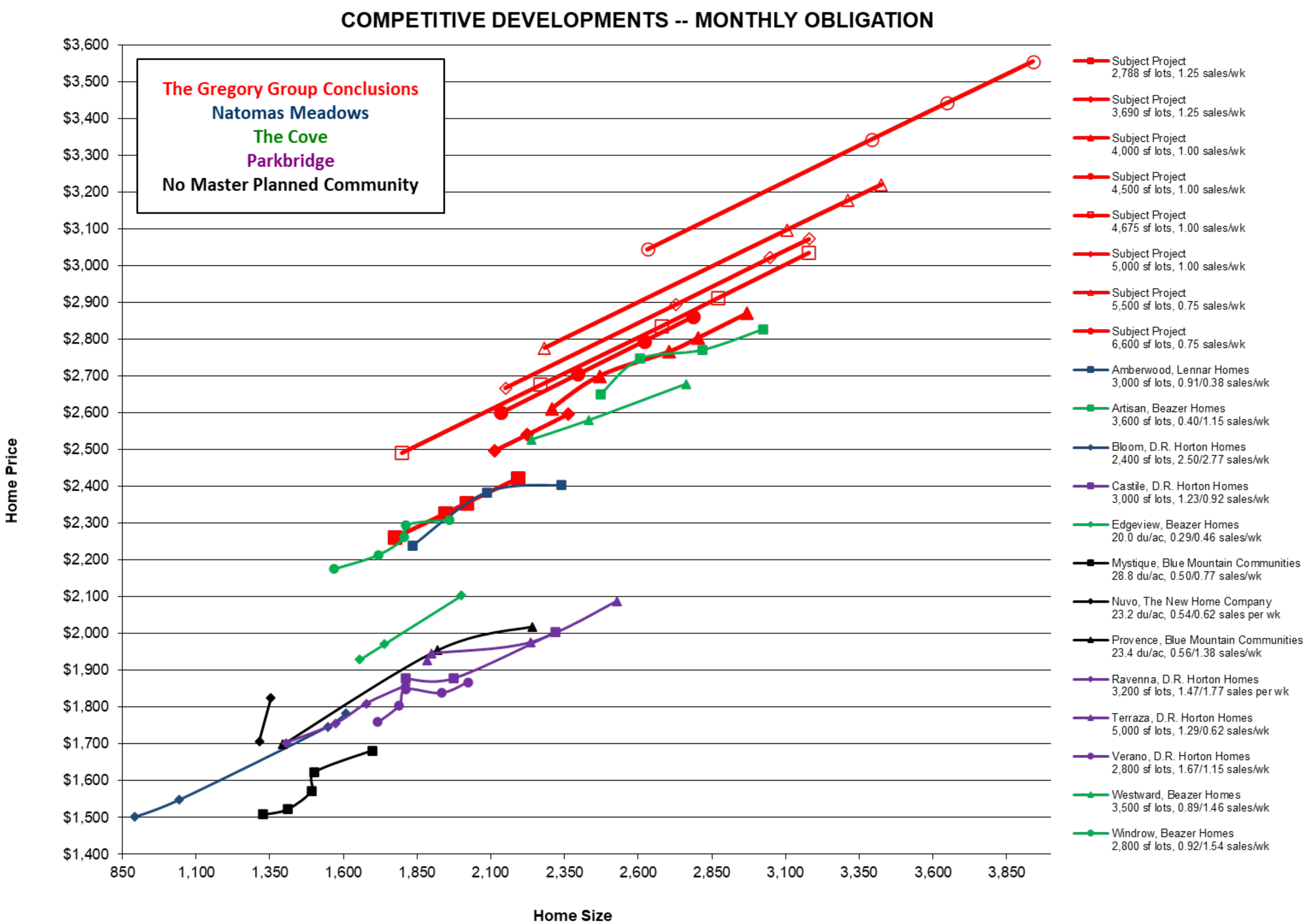
Northlake will offer a desirable location—especially within Natomas, a well-designed land plan that integrates product types and walkability.

Northlake


VILLAGE WEST
VILLAGE 3B
VILLAGE 4B
VILLAGE 4A
VILLAGE 5B
VILLAGE 5A
ELKHORN BOULEVARD
LOT D SHOPPING CENTER
LOT C SHOPPING CENTER
LOT F PARK
VILLAGE 3A
VILLAGE 7A
VILLAGE EAST
LOT B COMMUNITY PARK
VILLAGE 8
LOT K
LAKE
VILLAGE 5C
VILLAGE 2B
VILLAGE 2A
VILLAGE 10A
VILLAGE 10B2
VILLAGE 10B1
LOT A MULTI-FAMILY
MEISTER WAY
VILLAGE 1
VILLAGE 12B
VILLAGE 12A
VILLAGE 11
VILLAGE 6
VILLAGE 7B
VILLAGE 9
STATE HIGHWAY 99
NORTH N.T.S.

Competitive Housing Analysis


COMPETITIVE DEVELOPMENTS -- NET PRICING
The Gregory Group Conclusions
Natomas Meadows
The Cove
Parkbridge
No Master Planned Community
Home Price
Home Size
$750,000
$725,000
$700,000
$675,000
$650,000
$625,000
$600,000
$575,000
$550,000
$525,000
$500,000
$475,000
$450,000
$425,000
$400,000
$375,000
$350,000
$325,000
$300,000
$275,000
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
3,600
3,850
Subject Project 2,788 sf lots, 1.25 sales/wk
Subject Project 3,690 sf lots, 1.25 sales/wk
Subject Project 4,000 sf lots, 1.00 sales/wk
Subject Project 4,500 sf lots, 1.00 sales/wk
Subject Project 4,675 sf lots, 1.00 sales/wk
Subject Project 5,000 sf lots, 1.00 sales/wk
Subject Project 5,500 sf lots, 0.75 sales/wk
Subject Project 6,600 sf lots, 0.75 sales/wk
Amberwood, Lennar Homes 3,000 sf lots, 0.91/0.38 sales/wk
Artisan, Beazer Homes 3,600 sf lots, 0.40/1.15 sales/wk
Bloom, D.R. Horton Homes 2,400 sf lots, 2.50/2.77 sales/wk
Castile, D.R. Horton Homes 3,000 sf lots, 1.23/0.92 sales/wk
Edgeview, Beazer Homes 20.0 du/ac, 0.29/0.46 sales/wk
Mystique, Blue Mountain Communities 28.8 du/ac, 0.50/0.77 sales/wk
Nuvo, The New Home Company 23.2 du/ac, 0.54/0.62 sales per wk
Provence, Blue Mountain Communities 23.4 du/ac, 0.56/1.38 sales/wk
Ravenna, D.R. Horton Homes 3,200 sf lots, 1.47/1.77 sales per wk
Terraza, D.R. Horton Homes 5,000 sf lots, 1.29/0.62 sales/wk
Verano, D.R. Horton Homes 2,800 sf lots, 1.67/1.15 sales/wk
Westward, Beazer Homes 3,500 sf lots, 0.89/1.46 sales/wk
Windrow, Beazer Homes 2,800 sf lots, 0.92/1.54 sales/wk


COMPETITIVE DEVELOPMENTS -- MONTHLY OBLIGATION
The Gregory Group Conclusions
Natomas Meadows
The Cove
Parkbridge
No Master Planned Community
Home Price
Home Size
$3,600
$3,500
$3,400
$3,300
$3,200
$3,100
$3,000
$2,900
$2,800
$2,700
$2,600
$2,500
$2,400
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$1,800
$1,700
$1,600
$1,500
$1,400
850
1,100
1,350
1,600
1,850
2,100
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3,600
3,850
Subject Project 2,788 sf lots, 1.25 sales/wk
Subject Project 3,690 sf lots, 1.25 sales/wk
Subject Project 4,000 sf lots, 1.00 sales/wk
Subject Project 4,500 sf lots, 1.00 sales/wk
Subject Project 4,675 sf lots, 1.00 sales/wk
Subject Project 5,000 sf lots, 1.00 sales/wk
Subject Project 5,500 sf lots, 0.75 sales/wk
Subject Project 6,600 sf lots, 0.75 sales/wk
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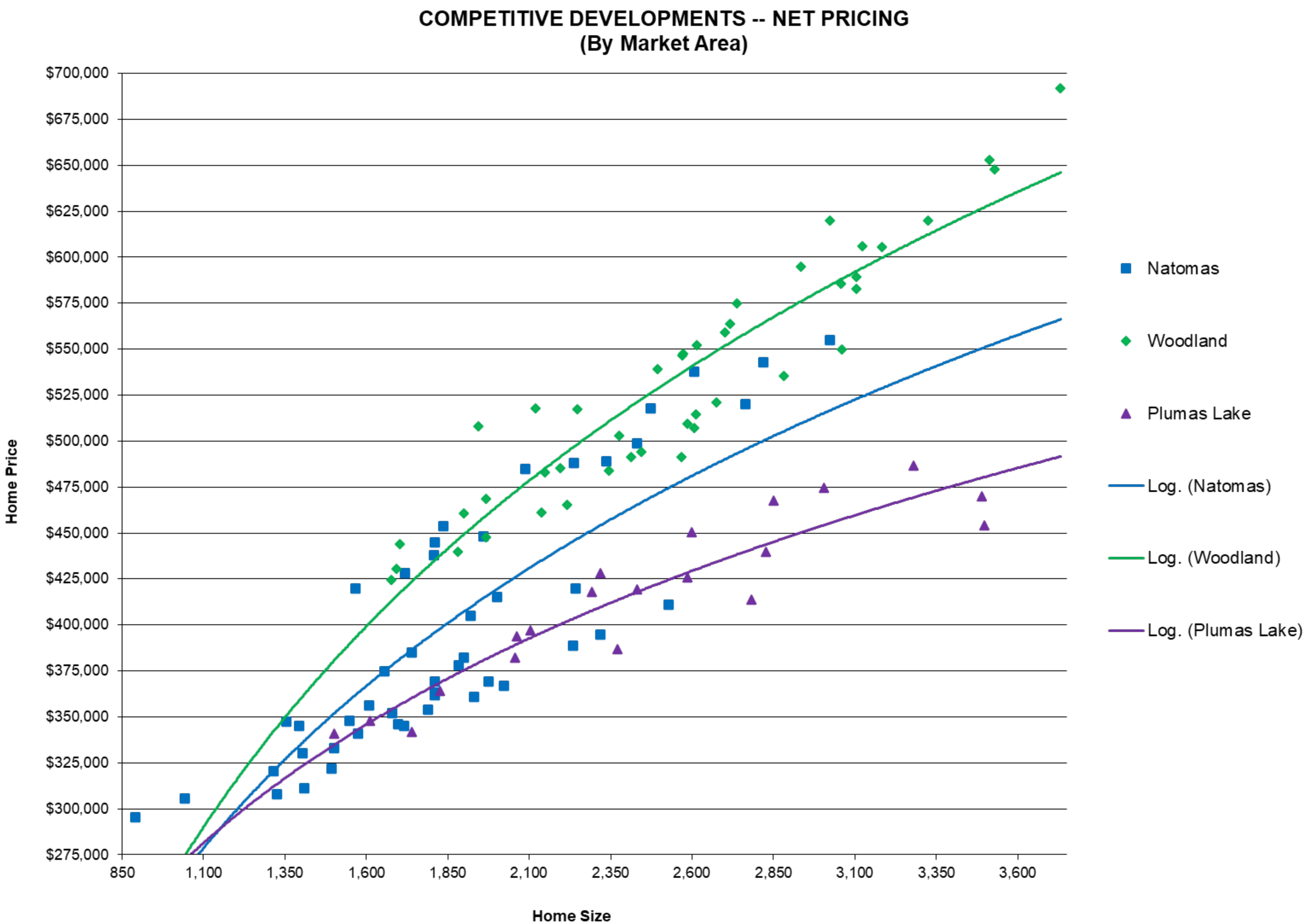

COMPETITIVE DEVELOPMENTS -- NET PRICING
(By Market Area)
$700,000
$675,000
$650,000
$625,000
$600,000
$575,000
$550,000
$525,000
$500,000
$475,000
$450,000
$425,000
$400,000
$375,000
$350,000
$325,000
$300,000
$275,000
Home Price
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
3,600
Home Size
Natomas
Woodland
Plumas Lake
Log. (Natomas)
Log. (Woodland)
Log. (Plumas Lake)

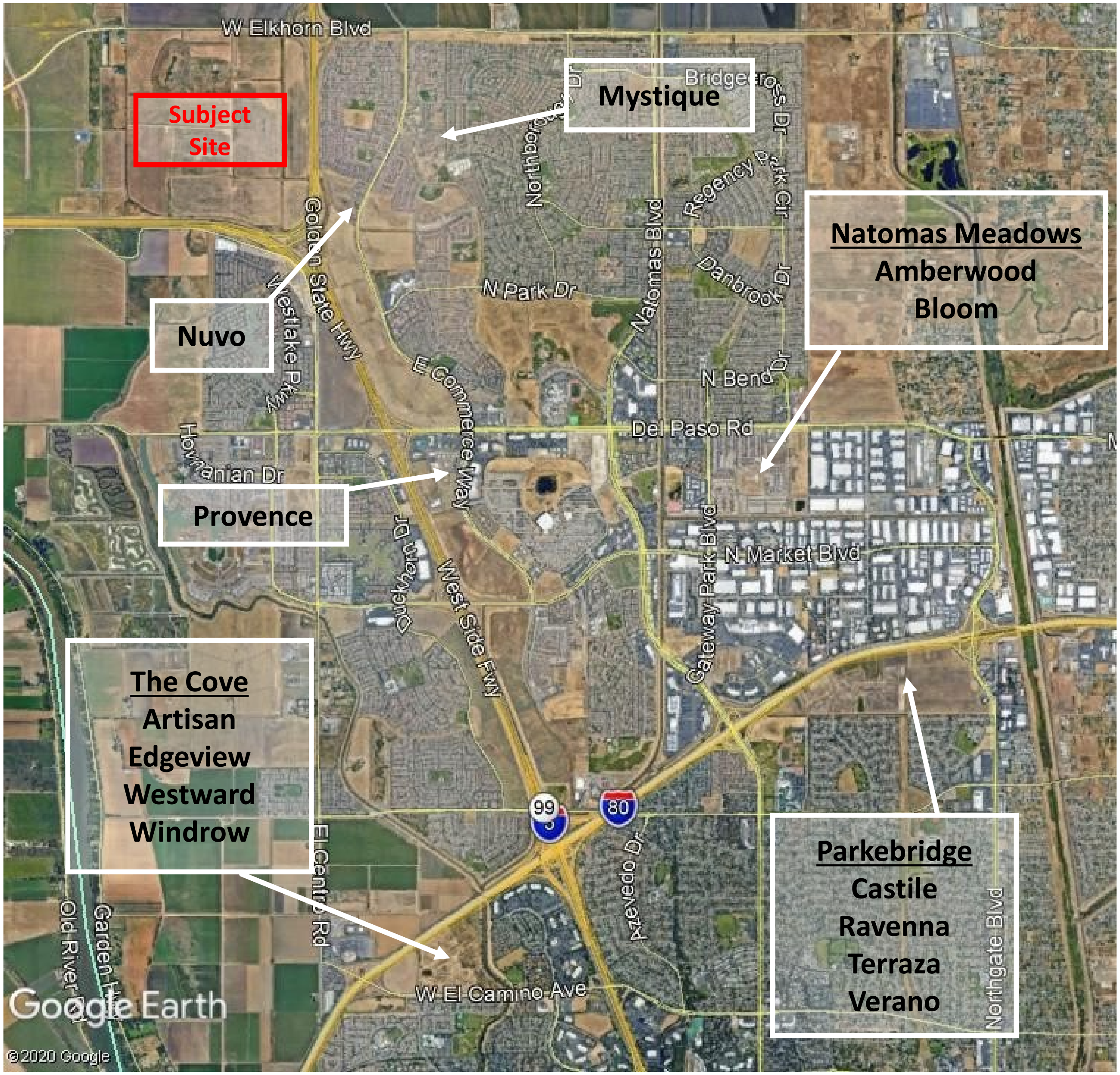
Competitive Projects (Community of Natomas)

	COMMUNITY DETAILS				PRODUCT SUMMARY					MARKET PRICING SUMMARY															
	Community Location Product Summary			Builder Master Plan Sales Summary	Home Size (SF)	Bed	Bath	Levels	Gar	Base Price	Base Price/ Sq. Ft.	Current Incentives Price Reduction	Current Incentives Options/ Upgrades	Current Incentives Closing $/ Other	Net Base Price	Net Base Price/ Sq. Ft.	Current Add-Ons Options/ Upgrades	Current Add-Ons Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Payment Monthly HOA	Monthly Payment Base Tax	Monthly Payment Add Tax	80% 3.00% Mo. Pmt	Req. Income
Primary Market Area	**Amberwood**			**Lennar Homes**	1,836	3	2.5	2	2	$456,950	$249	$0	$0	$3,000	$453,950	$247	$0	$0	$453,950	$247	$130	1.06%	0.47%	$2,240	$86,705
	Natomas			**Natomas Meadows**	2,087	4/L	3	2	2	$487,950	$234	$0	$0	$3,000	$484,950	$232	$0	$0	$484,950	$232	$130	1.06%	0.47%	$2,384	$92,283
	Product Type:	Detached	Total Units:	75	2,338	4/L	3	2	2	$491,990	$210	$0	$0	$3,000	$488,990	$209	$0	$0	$488,990	$209	$130	1.06%	0.47%	$2,403	$93,009
	Configuration:	Alley-Loaded	Units Offered:	75																					
	Lot Dimensions:	40 x 75	Units Sold:	74																					
	Lot Size/Density:	3,000	Current Sales:	5																					
	Open Date:	Mar-19	Total RU:	1																					
	Overall Sales Rate:	0.91	Total % R:	1%																					
	Current Sales Rate:	0.38	Unsold RU:	1																					
				Averages:	**2,087**					**$478,963**	**$231**	**$0**	**$0**	**$3,000**	**$475,963**	**$230**	**$0**	**$0**	**$475,963**	**$230**	**$130**	**1.06%**	**0.47%**	**$2,342**	**$90,666**
Primary Market Area	**Artisan**			**Beazer Homes**	2,474	3/L	3	2	2	$522,990	$211	$0	$0	$5,000	$517,990	$209	$0	$0	$517,990	$209	$170	1.06%	0.64%	$2,651	$102,616
	Natomas			**The Cove**	2,606	4/L/S	3	2	2	$542,990	$208	$0	$0	$5,000	$537,990	$206	$0	$0	$537,990	$206	$170	1.06%	0.64%	$2,747	$106,324
	Product Type:	Detached	Total Units:	145	2,818	4/D/L	3	2	2	$547,990	$194	$0	$0	$5,000	$542,990	$193	$0	$0	$542,990	$193	$170	1.06%	0.64%	$2,771	$107,251
	Configuration:	Small-Lot	Units Offered:	35	3,024	4/L/S	3	2	2	$559,990	$185	$0	$0	$5,000	$554,990	$184	$0	$0	$554,990	$184	$170	1.06%	0.64%	$2,828	$109,476
	Lot Dimensions:	40 x 90	Units Sold:	26																					
	Lot Size/Density:	3,600	Current Sales:	15																					
	Open Date:	Jul-19	Total RU:	119																					
	Overall Sales Rate:	0.40	Total % R:	82%																					
	Current Sales Rate:	1.15	Unsold RU:	9																					
				Averages:	**2,731**					**$543,490**	**$200**	**$0**	**$0**	**$5,000**	**$538,490**	**$198**	**$0**	**$0**	**$538,490**	**$198**	**$170**	**1.06%**	**0.64%**	**$2,749**	**$106,417**
Primary Market Area	**Bloom**			**D.R. Horton Homes**	891	2	1	1	1	$295,400	$332	$0	$0	$0	$295,400	$332	$0	$0	$295,400	$332	$118	1.06%	0.51%	$1,501	$58,096
	Natomas			**Natomas Meadows**	1,043	3	1	1	1	$305,490	$293	$0	$0	$0	$305,490	$293	$0	$0	$305,490	$293	$118	1.06%	0.51%	$1,548	$59,924
	Product Type:	Detached	Total Units:	84	1,547	3	2.5	2	2	$347,990	$225	$0	$0	$0	$347,990	$225	$0	$0	$347,990	$225	$118	1.06%	0.51%	$1,747	$67,626
	Configuration:	Small-Lot	Units Offered:	60	1,609	4	2.5	2	2	$355,990	$221	$0	$0	$0	$355,990	$221	$0	$0	$355,990	$221	$118	1.06%	0.51%	$1,784	$69,075
	Lot Dimensions:	40 x 60	Units Sold:	60																					
	Lot Size/Density:	2,400	Current Sales:	36																					
	Open Date:	Apr-20	Total RU:	24																					
	Overall Sales Rate:	2.50	Total % R:	29%																					
	Current Sales Rate:	2.77	Unsold RU:	0																					
				Averages:	**1,273**					**$326,218**	**$268**	**$0**	**$0**	**$0**	**$326,218**	**$268**	**$0**	**$0**	**$326,218**	**$268**	**$118**	**1.06%**	**0.51%**	**$1,645**	**$63,680**
Primary Market Area	**Castile**			**D.R. Horton Homes**	1,811	4	2.5	2	2	$373,990	$207	$0	$0	$5,000	$368,990	$204	$0	$0	$368,990	$204	$96	1.06%	0.69%	$1,879	$72,722
	Natomas			**Parkebridge**	1,974	3/B	2.5	2	2	$373,990	$189	$0	$0	$5,000	$368,990	$187	$0	$0	$368,990	$187	$96	1.06%	0.69%	$1,879	$72,722
	Product Type:	Detached	Total Units:	152	2,318	4/D	3	2	2	$399,990	$173	$0	$0	$5,000	$394,990	$170	$0	$0	$394,990	$170	$96	1.06%	0.69%	$2,004	$77,584
	Configuration:	Small-Lot	Units Offered:	92																					
	Lot Dimensions:	40 x 75	Units Sold:	92																					
	Lot Size/Density:	3,000	Current Sales:	12																					
	Open Date:	Apr-19	Total RU:	60																					
	Overall Sales Rate:	1.23	Total % R:	39%																					
	Current Sales Rate:	0.92	Unsold RU:	0																					
				Averages:	**2,034**					**$382,657**	**$190**	**$0**	**$0**	**$5,000**	**$377,657**	**$187**	**$0**	**$0**	**$377,657**	**$187**	**$96**	**1.06%**	**0.69%**	**$1,921**	**$74,343**
Primary Market Area	**Edgeview**			**Beazer Homes**	1,656	3	2.5	2	2	$379,990	$229	$0	$0	$5,000	$374,990	$226	$0	$0	$374,990	$226	$289	1.06%	0.14%	$1,929	$74,662
	Natomas			**The Cove**	1,740	3	2.5	2	2	$389,990	$224	$0	$0	$5,000	$384,990	$221	$0	$0	$384,990	$221	$289	1.06%	0.14%	$1,972	$76,355
	Product Type:	Attached	Total Units:	189	2,001	3	3.5	3	2	$419,990	$210	$0	$0	$5,000	$414,990	$207	$0	$0	$414,990	$207	$289	1.06%	0.14%	$2,104	$81,433
	Configuration:	Townhome	Units Offered:	18																					
	Lot Dimensions:	--	Units Sold:	8																					
	Lot Size/Density:	20.0	Current Sales:	6																					
	Open Date:	Mar-20	Total RU:	181																					
	Overall Sales Rate:	0.29	Total % R:	96%																					
	Current Sales Rate:	0.46	Unsold RU:	10																					
				Averages:	**1,799**					**$396,657**	**$221**	**$0**	**$0**	**$5,000**	**$391,657**	**$218**	**$0**	**$0**	**$391,657**	**$218**	**$289**	**1.06%**	**0.14%**	**$2,002**	**$77,483**

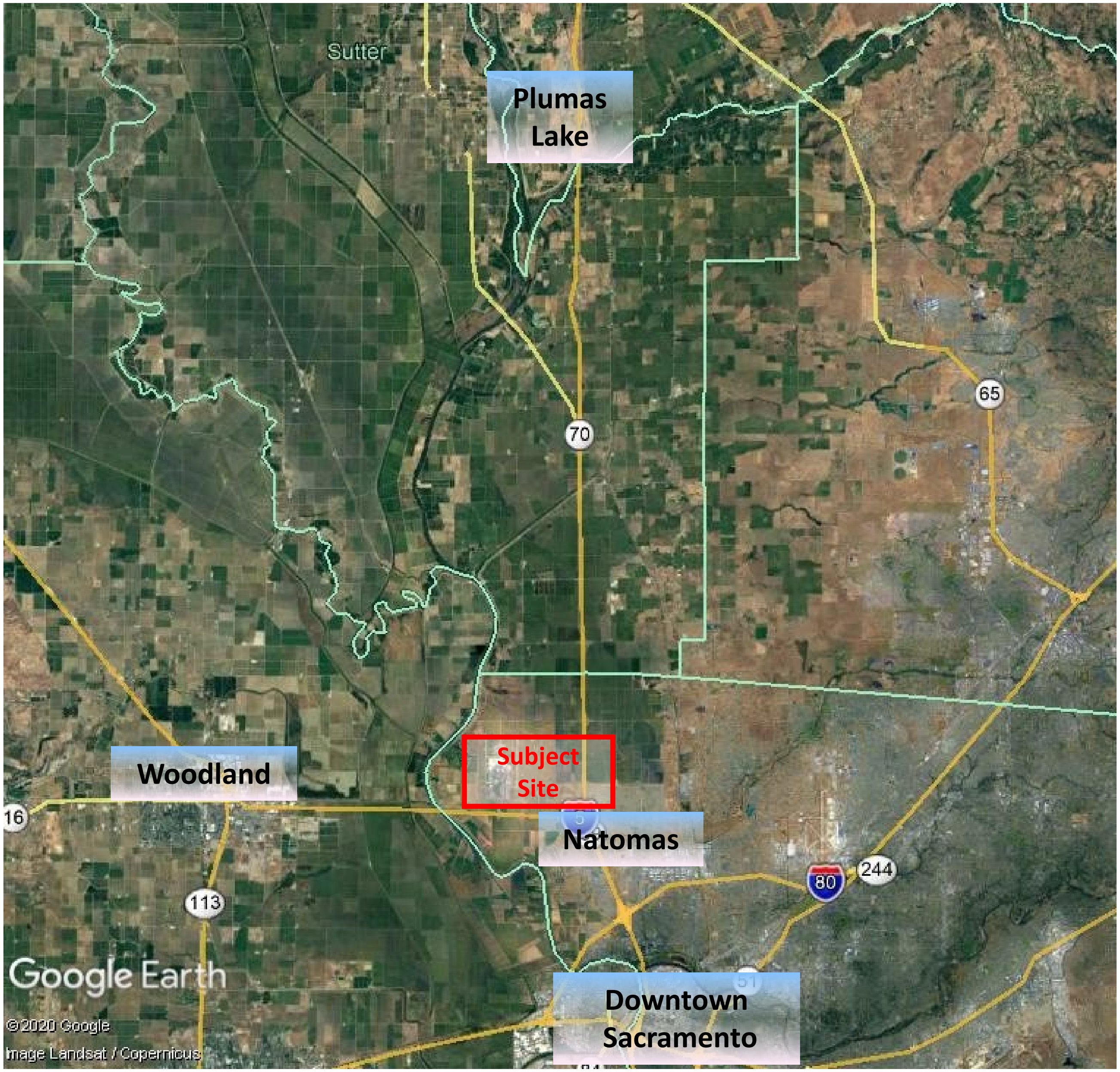
	COMMUNITY DETAILS				PRODUCT SUMMARY					MARKET PRICING SUMMARY															
	Community / Location / Product Summary			Builder / Master Plan / Sales Summary	Home Size (SF)	Bed	Bath	Levels	Gar	Base Price	Base Price/ Sq. Ft.	Current Incentives: Price Reduction	Current Incentives: Options/ Upgrades	Current Incentives: Closing $/ Other	Net Base Price	Net Base Price/ Sq. Ft.	Current Add-Ons: Options/ Upgrades	Current Add-Ons: Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Payment: Monthly HOA	Monthly Payment: Base Tax	Monthly Payment: Add Tax	80% 3.00% Mo. Pmt	Req. Income
Primary Market Area	**Mystique**			**Watt Communities**	1,326	2	2.5	3	1	$310,990	$235	$0	$0	$3,000	$307,990	$232	$0	$0	$307,990	$232	$100	1.06%	0.38%	$1,508	$58,389
	Natomas			**None**	1,410	2	2.5	3	2	$313,990	$223	$0	$0	$3,000	$310,990	$221	$0	$0	$310,990	$221	$100	1.06%	0.38%	$1,522	$58,920
	Product Type:	Attached	Total Units:	57	1,492	3	2.5	2	2	$324,990	$218	$0	$0	$3,000	$321,990	$216	$0	$0	$321,990	$216	$100	1.06%	0.38%	$1,572	$60,867
	Configuration:	Townhome	Units Offered:	30	1,502	3/L	2.5	2	2	$335,990	$224	$0	$0	$3,000	$332,990	$222	$0	$0	$332,990	$222	$100	1.06%	0.38%	$1,623	$62,814
	Lot Dimensions:	--	Units Sold:	25	1,697	3/L	2.5	2	2	$348,990	$206	$0	$0	$3,000	$345,990	$204	$0	$0	$345,990	$204	$100	1.06%	0.38%	$1,682	$65,116
	Lot Size/Density:	28.8	Current Sales:	10																					
	Open Date:	Oct-19	Total RU:	32																					
	Overall Sales Rate:	0.50	Total % R:	56%																					
	Current Sales Rate:	0.77	Unsold RU:	5																					
				Averages:	**1,485**					**$326,990**	**$221**	**$0**	**$0**	**$3,000**	**$323,990**	**$219**	**$0**	**$0**	**$323,990**	**$219**	**$100**	**1.06%**	**0.38%**	**$1,582**	**$61,221**
Primary Market Area	**Nuvo**			**The New Home Company**	1,315	3	2.5	2	2	$325,405	$247	$0	$0	$5,000	$320,405	$244	$0	$0	$320,405	$244	$298	1.06%	0.17%	$1,707	$66,081
	Natomas			**None**	1,354	3	2.5	2	2	$352,365	$260	$0	$0	$5,000	$347,365	$257	$0	$0	$347,365	$257	$298	1.06%	0.17%	$1,826	$70,670
	Product Type:	Attached	Total Units:	145																					
	Configuration:	Townhome	Units Offered:	18																					
	Lot Dimensions:	--	Units Sold:	13																					
	Lot Size/Density:	23.2	Current Sales:	8																					
	Open Date:	Apr-20	Total RU:	132																					
	Overall Sales Rate:	0.54	Total % R:	91%																					
	Current Sales Rate:	0.62	Unsold RU:	5																					
				Averages:	**1,335**					**$338,885**	**$254**	**$0**	**$0**	**$5,000**	**$333,885**	**$250**	**$0**	**$0**	**$333,885**	**$250**	**$298**	**1.06%**	**0.17%**	**$1,766**	**$68,376**
Primary Market Area	**Provence**			**Blue Mountain Communities**	1,394	3	2.5	2	2	$349,990	$251	$0	$0	$5,000	$344,990	$247	$0	$0	$344,990	$247	$231	1.06%	0.00%	$1,699	$65,781
	Natomas			**None**	1,920	4/L	3.5	3	2	$409,990	$214	$0	$0	$5,000	$404,990	$211	$0	$0	$404,990	$211	$231	1.06%	0.00%	$1,955	$75,666
	Product Type:	Attached	Total Units:	187	2,242	4	3.5	2	2	$424,990	$190	$0	$0	$5,000	$419,990	$187	$0	$0	$419,990	$187	$231	1.06%	0.00%	$2,019	$78,137
	Configuration:	Townhome	Units Offered:	36																					
	Lot Dimensions:	--	Units Sold:	28																					
	Lot Size/Density:	23.4	Current Sales:	18																					
	Open Date:	Oct-19	Total RU:	159																					
	Overall Sales Rate:	0.56	Total % R:	85%																					
	Current Sales Rate:	1.38	Unsold RU:	8																					
				Averages:	**1,852**					**$394,990**	**$218**	**$0**	**$0**	**$5,000**	**$389,990**	**$215**	**$0**	**$0**	**$389,990**	**$215**	**$231**	**1.06%**	**0.00%**	**$1,891**	**$73,195**
Primary Market Area	**Ravenna**			**D.R. Horton Homes**	1,404	3	2	2	2	$334,990	$239	$0	$0	$5,000	$329,990	$235	$0	$0	$329,990	$235	$89	1.06%	0.76%	$1,702	$65,903
	Natomas			**Parkebridge**	1,574	3	2.5	2	2	$345,990	$220	$0	$0	$5,000	$340,990	$217	$0	$0	$340,990	$217	$89	1.06%	0.76%	$1,756	$67,985
	Product Type:	Detached	Total Units:	108	1,678	4	2.5	2	2	$356,990	$213	$0	$0	$5,000	$351,990	$210	$0	$0	$351,990	$210	$89	1.06%	0.76%	$1,810	$70,067
	Configuration:	Courtyard	Units Offered:	64	1,811	4	3.5	2	2	$366,990	$203	$0	$0	$5,000	$361,990	$200	$0	$0	$361,990	$200	$89	1.06%	0.76%	$1,859	$71,959
	Lot Dimensions:	40 x 80	Units Sold:	56																					
	Lot Size/Density:	3,200	Current Sales:	23																					
	Open Date:	Jan-20	Total RU:	52																					
	Overall Sales Rate:	1.47	Total % R:	48%																					
	Current Sales Rate:	1.77	Unsold RU:	8																					
				Averages:	**1,617**					**$351,240**	**$218**	**$0**	**$0**	**$5,000**	**$346,240**	**$215**	**$0**	**$0**	**$346,240**	**$215**	**$89**	**1.06%**	**0.76%**	**$1,782**	**$68,978**
Primary Market Area	**Terraza**			**D.R. Horton Homes**	1,883	3	2	1	2	$382,990	$203	$0	$0	$5,000	$377,990	$201	$0	$0	$377,990	$201	$110	1.06%	0.66%	$1,927	$74,581
	Natomas			**Parkebridge**	1,898	3/D	2	1	2	$386,990	$204	$0	$0	$5,000	$381,990	$201	$0	$0	$381,990	$201	$110	1.06%	0.66%	$1,946	$75,325
	Product Type:	Detached	Total Units:	98	2,235	4	3	2	2	$393,490	$176	$0	$0	$5,000	$388,490	$174	$0	$0	$388,490	$174	$110	1.06%	0.66%	$1,977	$76,535
	Configuration:	Traditional	Units Offered:	98	2,529	4	3	2	2	$416,490	$165	$0	$0	$5,000	$411,490	$163	$0	$0	$411,490	$163	$110	1.06%	0.66%	$2,088	$80,814
	Lot Dimensions:	50 x 100	Units Sold:	98																					
	Lot Size/Density:	5,000	Current Sales:	8																					
	Open Date:	Apr-19	Total RU:	0																					
	Overall Sales Rate:	1.29	Total % R:	0%																					
	Current Sales Rate:	0.62	Unsold RU:	0																					
				Averages:	**2,136**					**$394,990**	**$187**	**$0**	**$0**	**$5,000**	**$389,990**	**$185**	**$0**	**$0**	**$389,990**	**$185**	**$110**	**1.06%**	**0.66%**	**$1,984**	**$76,814**

	COMMUNITY DETAILS				PRODUCT SUMMARY					MARKET PRICING SUMMARY															
	Community			**Builder**	Home						Base	Current Incentives			Net	Net Base	Current Add-Ons			Total	Monthly Payment			80%	
	Location			**Master Plan**	Size					Base	Price/	Price	Options/	Closing $/	Base	Price/	Options/		Total	Price/	Monthly	Base	Add	3.00%	Req.
	Product Summary			Sales Summary	(SF)	Bed	Bath	Levels	Gar	Price	Sq. Ft.	Reduction	Upgrades	Other	Price	Sq. Ft.	Upgrades	Premiums	Price	Sq. Ft.	HOA	Tax	Tax	Mo. Pmt	Income
Primary Market Area	**Verano**			**D.R. Horton Homes**	1,717	3	2.5	2	2	$350,000	$204	$0	$0	$5,000	$345,000	$201	$0	$0	$345,000	$201	$82	1.06%	0.73%	$1,760	$68,139
	Natomas			**Parkebridge**	1,788	3	2.5	2	2	$358,990	$201	$0	$0	$5,000	$353,990	$198	$0	$0	$353,990	$198	$82	1.06%	0.73%	$1,804	$69,832
	Product Type:	Detached	Total Units:	135	1,811	4	2.5	2	2	$367,990	$203	$0	$0	$5,000	$362,990	$200	$0	$0	$362,990	$200	$82	1.06%	0.73%	$1,848	$71,526
	Configuration:	Small-Lot	Units Offered:	120	1,932	4/L	3	2	2	$365,990	$189	$0	$0	$5,000	$360,990	$187	$0	$0	$360,990	$187	$82	1.06%	0.73%	$1,838	$71,150
	Lot Dimensions:	40 x 70	Units Sold:	120	2,022	4/L	2.5	2	2	$371,990	$184	$0	$0	$5,000	$366,990	$181	$0	$0	$366,990	$181	$82	1.06%	0.73%	$1,867	$72,280
	Lot Size/Density:	2,800	Current Sales:	15																					
	Open Date:	May-19	Total RU:	15																					
	Overall Sales Rate:	1.67	Total % R:	11%																					
	Current Sales Rate:	1.15	Unsold RU:	0																					
				Averages:	**1,854**					**$362,992**	**$196**	**$0**	**$0**	**$5,000**	**$357,992**	**$194**	**$0**	**$0**	**$357,992**	**$194**	**$82**	**1.06%**	**0.73%**	**$1,823**	**$70,585**
Primary Market Area	**Westward**			**Beazer Homes**	2,238	3/L	3	2	2	$492,990	$220	$0	$0	$5,000	$487,990	$218	$0	$0	$487,990	$218	$215	1.06%	0.58%	$2,528	$97,851
	Natomas			**The Cove**	2,431	4/L	3.5	2	2	$503,990	$207	$0	$0	$5,000	$498,990	$205	$0	$0	$498,990	$205	$215	1.06%	0.58%	$2,580	$99,870
	Product Type:	Detached	Total Units:	140	2,764	4/L	2.5	2	2	$524,990	$190	$0	$0	$5,000	$519,990	$188	$0	$0	$519,990	$188	$215	1.06%	0.58%	$2,679	$103,722
	Configuration:	Alley-Loaded	Units Offered:	30																					
	Lot Dimensions:	50 x 70	Units Sold:	24																					
	Lot Size/Density:	3,500	Current Sales:	19																					
	Open Date:	Mar-20	Total RU:	116																					
	Overall Sales Rate:	0.89	Total % R:	83%																					
	Current Sales Rate:	1.46	Unsold RU:	6																					
				Averages:	**2,478**					**$507,323**	**$206**	**$0**	**$0**	**$5,000**	**$502,323**	**$204**	**$0**	**$0**	**$502,323**	**$204**	**$215**	**1.06%**	**0.58%**	**$2,596**	**$100,481**
Primary Market Area	**Windrow**			**Beazer Homes**	1,567	3	2.5	2	2	$424,990	$271	$0	$0	$5,000	$419,990	$268	$0	$0	$419,990	$268	$171	1.06%	0.62%	$2,176	$84,215
	Natomas			**The Cove**	1,718	3	2.5	2	2	$432,990	$252	$0	$0	$5,000	$427,990	$249	$0	$0	$427,990	$249	$171	1.06%	0.62%	$2,214	$85,693
	Product Type:	Detached	Total Units:	167	1,807	3	2.5	2	2	$442,990	$245	$0	$0	$5,000	$437,990	$242	$0	$0	$437,990	$242	$171	1.06%	0.62%	$2,261	$87,540
	Configuration:	Alley-Loaded	Units Offered:	51	1,811	3/L	2.5	2	2	$449,990	$248	$0	$0	$5,000	$444,990	$246	$0	$0	$444,990	$246	$171	1.06%	0.62%	$2,295	$88,833
	Lot Dimensions:	40 x 70	Units Sold:	48	1,960	3	2.5	2	2	$452,990	$231	$0	$0	$5,000	$447,990	$229	$0	$0	$447,990	$229	$171	1.06%	0.62%	$2,309	$89,388
	Lot Size/Density:	2,800	Current Sales:	20																					
	Open Date:	Oct-19	Total RU:	119																					
	Overall Sales Rate:	0.92	Total % R:	71%																					
	Current Sales Rate:	1.54	Unsold RU:	3																					
				Averages:	**1,773**					**$440,790**	**$250**	**$0**	**$0**	**$5,000**	**$435,790**	**$247**	**$0**	**$0**	**$435,790**	**$247**	**$171**	**1.06%**	**0.62%**	**$2,251**	**$87,134**

Competitive Projects

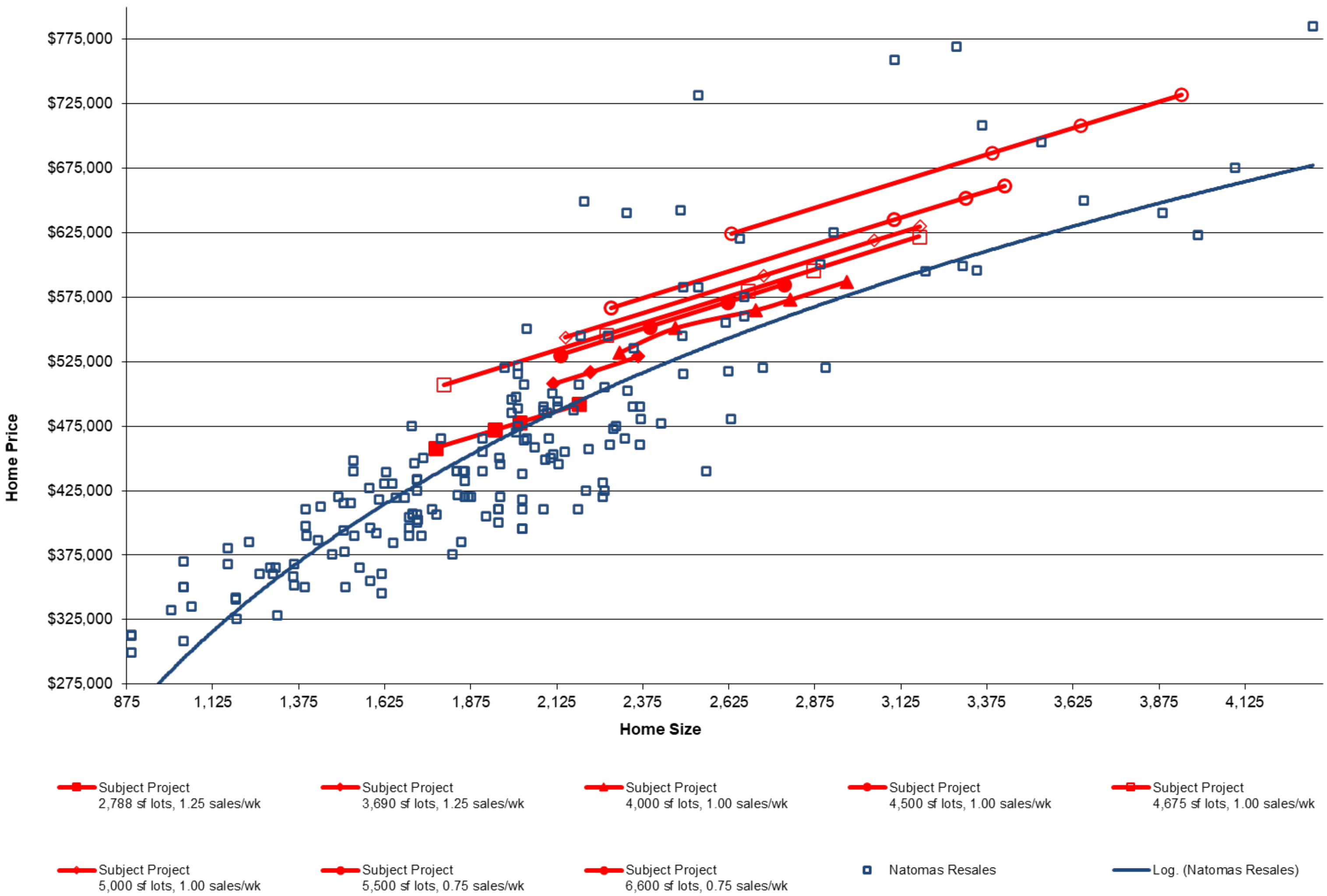


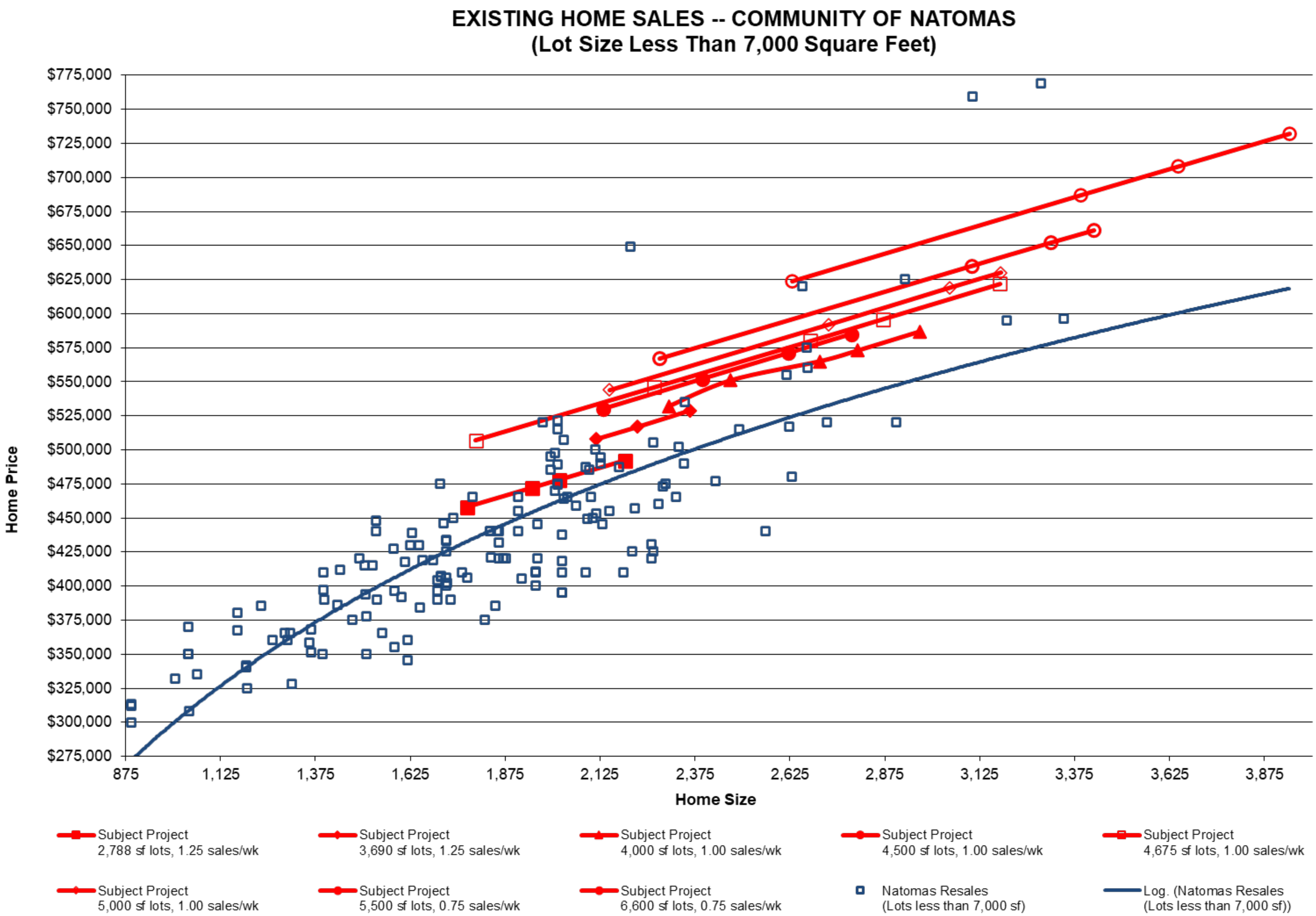
Competitive Market Areas (Primary Market Area and Secondary Market Area)



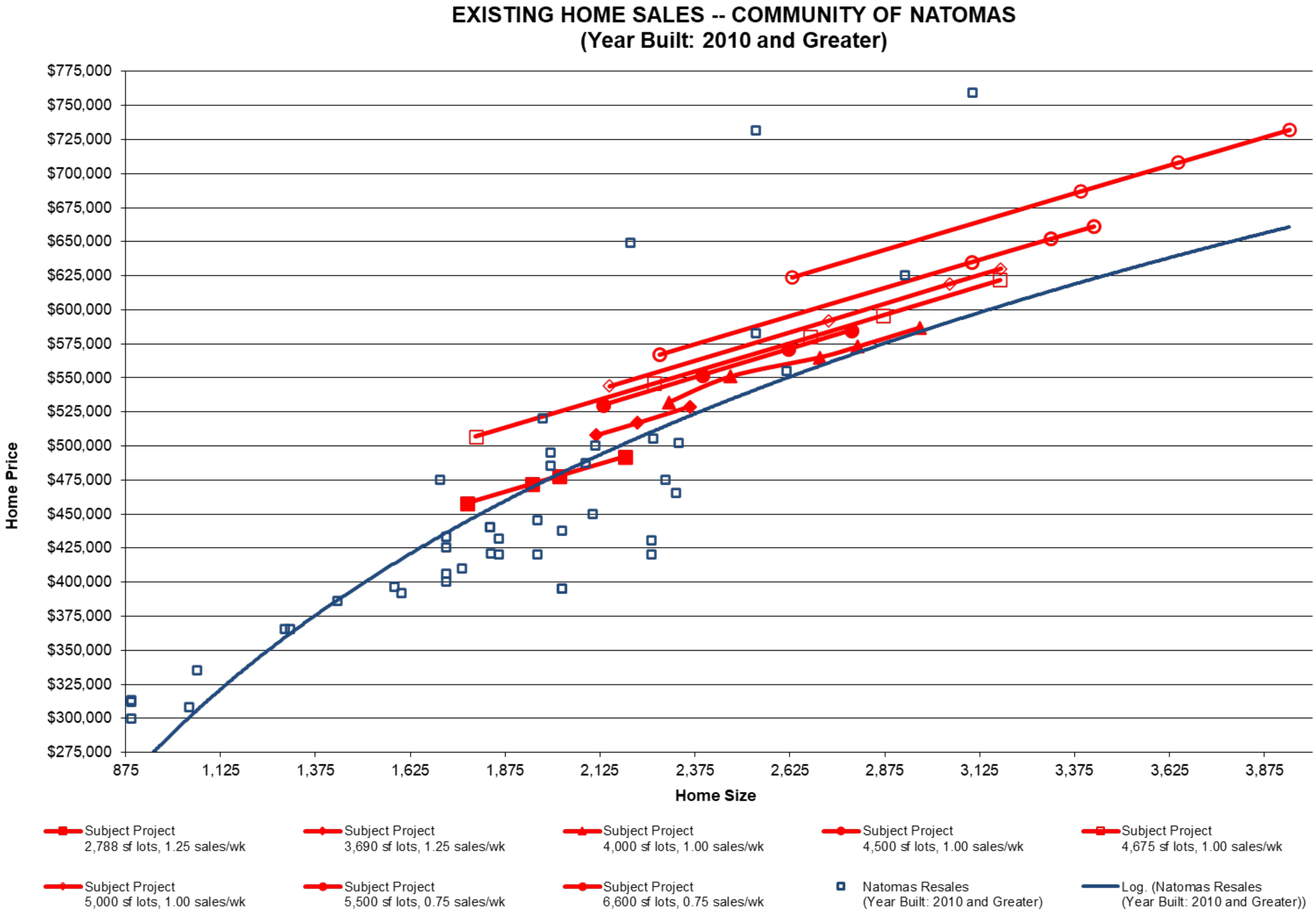
						INVENTORY SUMMARY					SALES SUMMARY		AVERAGE			MONTHLY OBLIGATION			
	PARAMETERS	DATE RANGE	DOM	YEAR BUILT	LOT SIZE	UNITS PLANNED	UNITS OFFERED	UNITS SOLD	TOTAL RU	UNSOLD RU	OVERALL	--	HOME SIZE	NET PRICE	NET $/SF	MONTHLY HOA	BASE TAX	ADD TAX	MONTHLY PAYMENT
RLS	PMA (Natomas)	08/06/2020 - 10/06/2020	18	2007	4,654	--	--	178	--	--	20.43	--	1,990	$457,081	$230	$0	1.06%	0.00%	$1,945
RLS	PMA (Natomas: < 7,000 sf lots)	08/07/2020 - 10/06/2020	19	2007	4,058	--	--	154	--	--	17.97	--	1,860	$436,007	$234	$0	1.06%	0.00%	$1,856
RLS	PMA (Natomas YB 2010+)	08/10/2020 - 10/05/2020	15	2017	3,664	--	--	44	--	--	5.50	--	1,898	$452,318	$238	$0	1.06%	0.00%	$1,925

EXISTING HOME SALES -- COMMUNITY OF NATOMAS





EXISTING HOME SALES -- COMMUNITY OF NATOMAS
(Lot Size Less Than 7,000 Square Feet)
Home Price
$775,000
$750,000
$725,000
$700,000
$675,000
$650,000
$625,000
$600,000
$575,000
$550,000
$525,000
$500,000
$475,000
$450,000
$425,000
$400,000
$375,000
$350,000
$325,000
$300,000
$275,000
875
1,125
1,375
1,625
1,875
2,125
2,375
2,625
2,875
3,125
3,375
3,625
3,875
Home Size
Subject Project 2,788 sf lots, 1.25 sales/wk
Subject Project 3,690 sf lots, 1.25 sales/wk
Subject Project 4,000 sf lots, 1.00 sales/wk
Subject Project 4,500 sf lots, 1.00 sales/wk
Subject Project 4,675 sf lots, 1.00 sales/wk
Subject Project 5,000 sf lots, 1.00 sales/wk
Subject Project 5,500 sf lots, 0.75 sales/wk
Subject Project 6,600 sf lots, 0.75 sales/wk
Natomas Resales (Lots less than 7,000 sf)
Log. (Natomas Resales (Lots less than 7,000 sf))


EXISTING HOME SALES -- COMMUNITY OF NATOMAS
(Year Built: 2010 and Greater)
Home Price
$775,000
$750,000
$725,000
$700,000
$675,000
$650,000
$625,000
$600,000
$575,000
$550,000
$525,000
$500,000
$475,000
$450,000
$425,000
$400,000
$375,000
$350,000
$325,000
$300,000
$275,000
875
1,125
1,375
1,625
1,875
2,125
2,375
2,625
2,875
3,125
3,375
3,625
3,875
Home Size
Subject Project 2,788 sf lots, 1.25 sales/wk
Subject Project 3,690 sf lots, 1.25 sales/wk
Subject Project 4,000 sf lots, 1.00 sales/wk
Subject Project 4,500 sf lots, 1.00 sales/wk
Subject Project 4,675 sf lots, 1.00 sales/wk
Subject Project 5,000 sf lots, 1.00 sales/wk
Subject Project 5,500 sf lots, 0.75 sales/wk
Subject Project 6,600 sf lots, 0.75 sales/wk
Natomas Resales (Year Built: 2010 and Greater)
Log. (Natomas Resales (Year Built: 2010 and Greater))

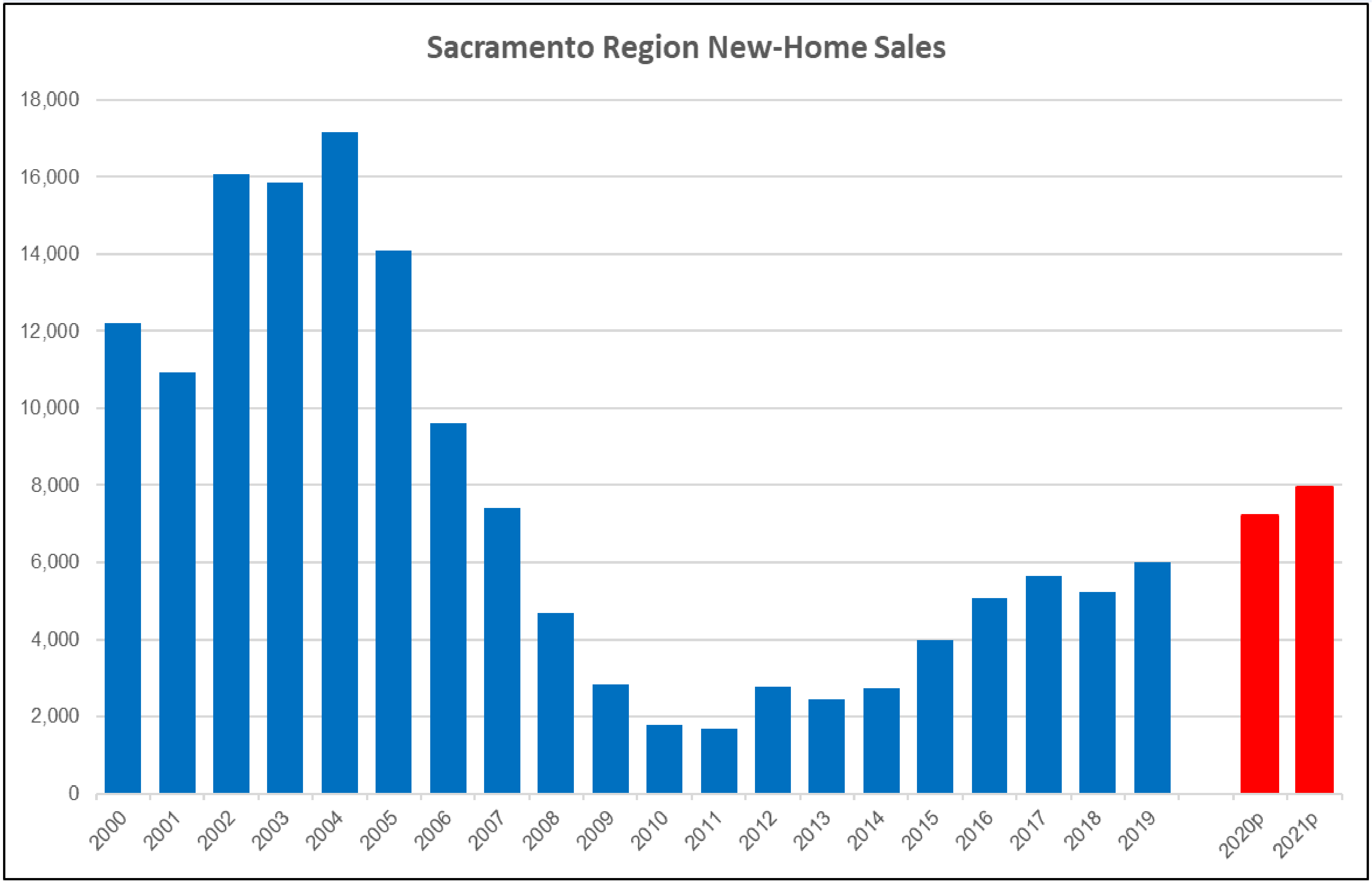
Sacramento New-Housing Analysis

Sacramento Region	4th Qtr	1st Qtr 2018	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr 2019	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr 2020	2nd Qtr	3rd Qtr	Quarter % Change	Year Ago % Change
Average Price	$515,562	$518,834	$528,450	$530,625	$526,456	$522,878	$520,910	$522,595	$532,718	$531,307	$529,263	$541,243	**2.3%**	**3.6%**
Median Price	$490,450	$494,990	$505,565	$505,990	$504,970	$499,990	$499,978	$501,990	$504,990	$503,420	$503,950	$516,342	**2.5%**	**2.9%**
Average Home Size	2,480	2,456	2,463	2,432	2,394	2,361	2,350	2,349	2,370	2,334	2,307	2,298	**-0.4%**	**-2.2%**
Average Pr/Sq Ft	$214.72	$218.63	$222.01	$225.12	$226.80	$229.45	$229.11	$229.34	$231.89	$234.65	$236.14	$242.22	**2.6%**	**5.6%**
Total Weekly Sales Rate	0.72	0.74	0.81	0.78	0.73	0.73	0.76	0.71	0.69	0.71	0.37	0.76	**105.4%**	**7.0%**
Quarter Sold	1,103	1,448	1,514	1,290	982	1,457	1,698	1,428	1,413	1,846	1,333	2,243	**68.3%**	**57.1%**
Quarter Weekly Sales Rate	0.53	0.68	0.69	0.57	0.43	0.63	0.67	0.54	0.53	0.71	0.54	0.86	**59.3%**	**59.3%**
Unsold Inventory	915	832	964	1,084	1,119	1,253	1,347	1,523	1,422	1,166	1,390	1,129	**-18.8%**	**-25.9%**
Weeks of Inventory	8	7	7	8	9	10	9	11	10	8	10	7	**-30.0%**	**-36.4%**

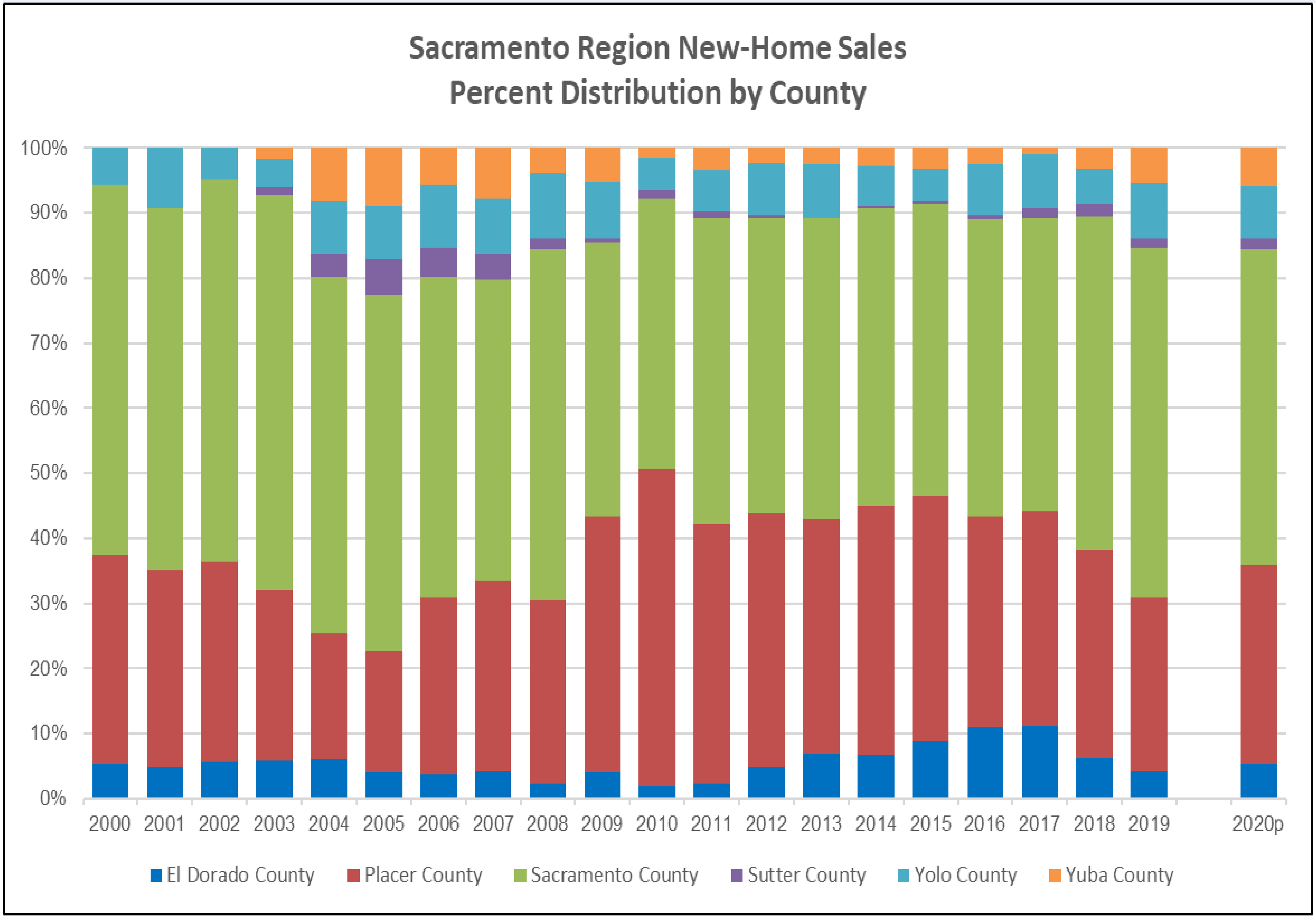
Year	Community of Natomas Sales	Sacramento County Sales	Community of Natomas % of Sales	Sacramento County Sales	Sacramento Region Sales	Sacramento County % of Region Sales	Community of Natomas % of Region Sales
2000	1,942	6,938	28.0%	6,938	12,216	56.8%	15.9%
2001	1,862	6,121	30.4%	6,121	10,936	56.0%	17.0%
2002	2,151	9,444	22.8%	9,444	16,062	58.8%	13.4%
2003	2,995	9,632	31.1%	9,632	15,858	60.7%	18.9%
2004	2,538	9,385	27.0%	9,385	17,155	54.7%	14.8%
2005	1,839	7,718	23.8%	7,718	14,094	54.8%	13.0%
2006	1,065	4,731	22.5%	4,731	9,607	49.2%	11.1%
2007	978	3,433	28.5%	3,433	7,416	46.3%	13.2%
2008	676	2,538	26.6%	2,538	4,695	54.1%	14.4%
2009	230	1,196	19.2%	1,196	2,841	42.1%	8.1%
2010	37	739	5.0%	739	1,776	41.6%	2.1%
2011	1	786	0.1%	786	1,668	47.1%	0.1%
2012	0	1,259	0.0%	1,259	2,782	45.3%	0.0%
2013	0	1,138	0.0%	1,138	2,458	46.3%	0.0%
2014	0	1,258	0.0%	1,258	2,739	45.9%	0.0%
2015	121	1,793	6.7%	1,793	3,986	45.0%	3.0%
2016	509	2,327	21.9%	2,327	5,087	45.7%	10.0%
2017	1,018	2,540	40.1%	2,540	5,663	44.9%	18.0%
2018	844	2,674	31.6%	2,674	5,234	51.1%	16.1%
2019	916	3,221	28.4%	3,221	5,995	53.7%	15.3%
2020 YTD	656	2,646	24.8%	2,646	5,422	48.8%	12.1%
Average (2000 - 2019):	**986**	**3,944**	**25.0%**	**3,944**	**7,413**	**53.2%**	**13.3%**

Year	El Dorado County Sales	Placer County Sales	Sacramento County Sales	Sutter County Sales	Yolo County Sales	Yuba County Sales	Sacramento Region Sales
2004	1,055	3,309	9,385	624	1,391	1,391	17,155
2005	580	2,609	7,718	802	1,136	1,249	14,094
2006	366	2,600	4,731	445	915	550	9,607
2007	329	2,147	3,433	299	633	575	7,416
2008	114	1,317	2,538	68	480	178	4,695
2009	118	1,112	1,196	20	244	151	2,841
2010	35	863	739	24	88	27	1,776
2011	40	663	786	16	105	58	1,668
2012	136	1,087	1,259	10	226	64	2,782
2013	166	889	1,138	0	204	61	2,458
2014	183	1,048	1,258	8	169	73	2,739
2015	351	1,503	1,793	13	199	127	3,986
2016	559	1,643	2,327	27	409	122	5,087
2017	637	1,866	2,540	92	464	54	5,653
2018	328	1,676	2,674	109	278	169	5,234
2019	259	1,592	3,221	92	503	328	5,995
2020 YTD	293	1,647	2,646	79	437	320	5,422
Averages (2004 - 2019):	**329**	**1,620**	**2,921**	**166**	**465**	**324**	**5,824**

Sacramento Region Top Ten Sales By Community										
Community	2020 YTD Sales	% Share Capture	2019 Sales	% Share Capture	2018 Sales	% Share Capture	2017 Sales	% Share Capture	2016 Sales	% Share Capture
Roseville ($530,956)	948	17.5%	960	16.0%	908	17.3%	1,059	18.7%	902	17.7%
Natomas ($403,869)	656	12.1%	916	15.3%	844	16.1%	1018	18.0%	509	10.0%
Rancho Cordova ($471,383)	489	9.0%	360	6.0%	260	5.0%	213	3.8%	403	7.9%
Elk Grove ($490,866)	425	7.8%	418	7.0%	470	9.0%	352	6.2%	265	5.2%
Laguna ($522,277)	380	7.0%	616	10.3%	311	5.9%	225	4.0%	580	11.4%
Folsom ($627,272)	374	6.9%	339	5.7%	299	5.7%	136	2.4%	143	2.8%
Rocklin ($616,307)	347	6.4%	469	7.8%	652	12.5%	559	9.9%	541	10.6%
Lincoln ($560,793)	346	6.4%	163	2.7%	116	2.2%	235	4.1%	182	3.6%
El Dorado Hills ($696,713)	293	5.4%	259	4.3%	328	6.3%	623	11.0%	515	10.1%
Woodland ($540,755)	215	4.0%	295	4.9%	117	2.2%	154	2.7%	226	4.4%

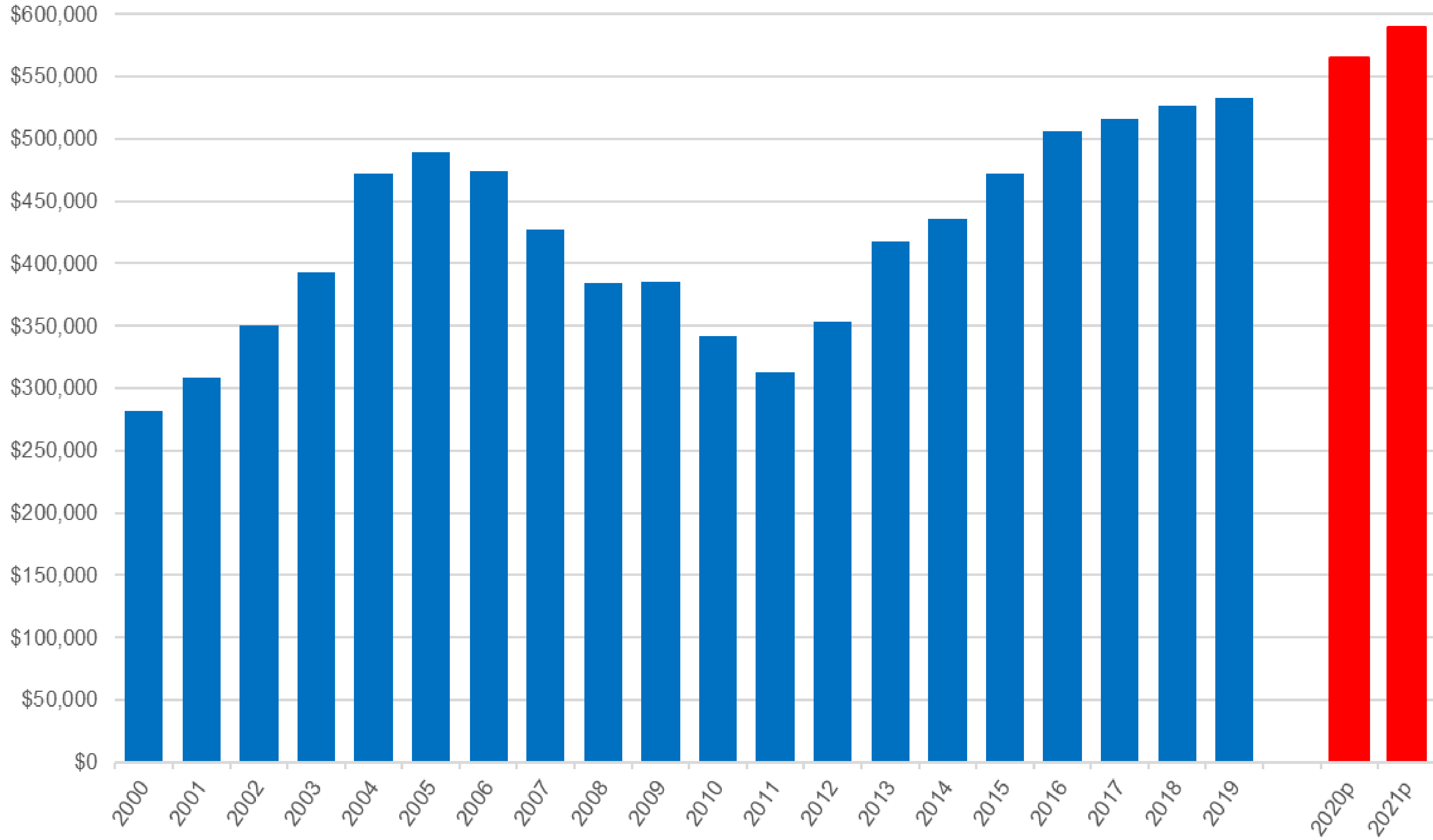


Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
New-Home Sales:	1,776	1,668	2,782	2,458	2,739	3,986	5,087	5,663	5,234	5,995	7,229	7,951
Percent Change:	-37.5%	-6.1%	66.8%	-11.6%	11.4%	45.5%	27.6%	11.3%	-7.6%	14.5%	20.6%	10.0%

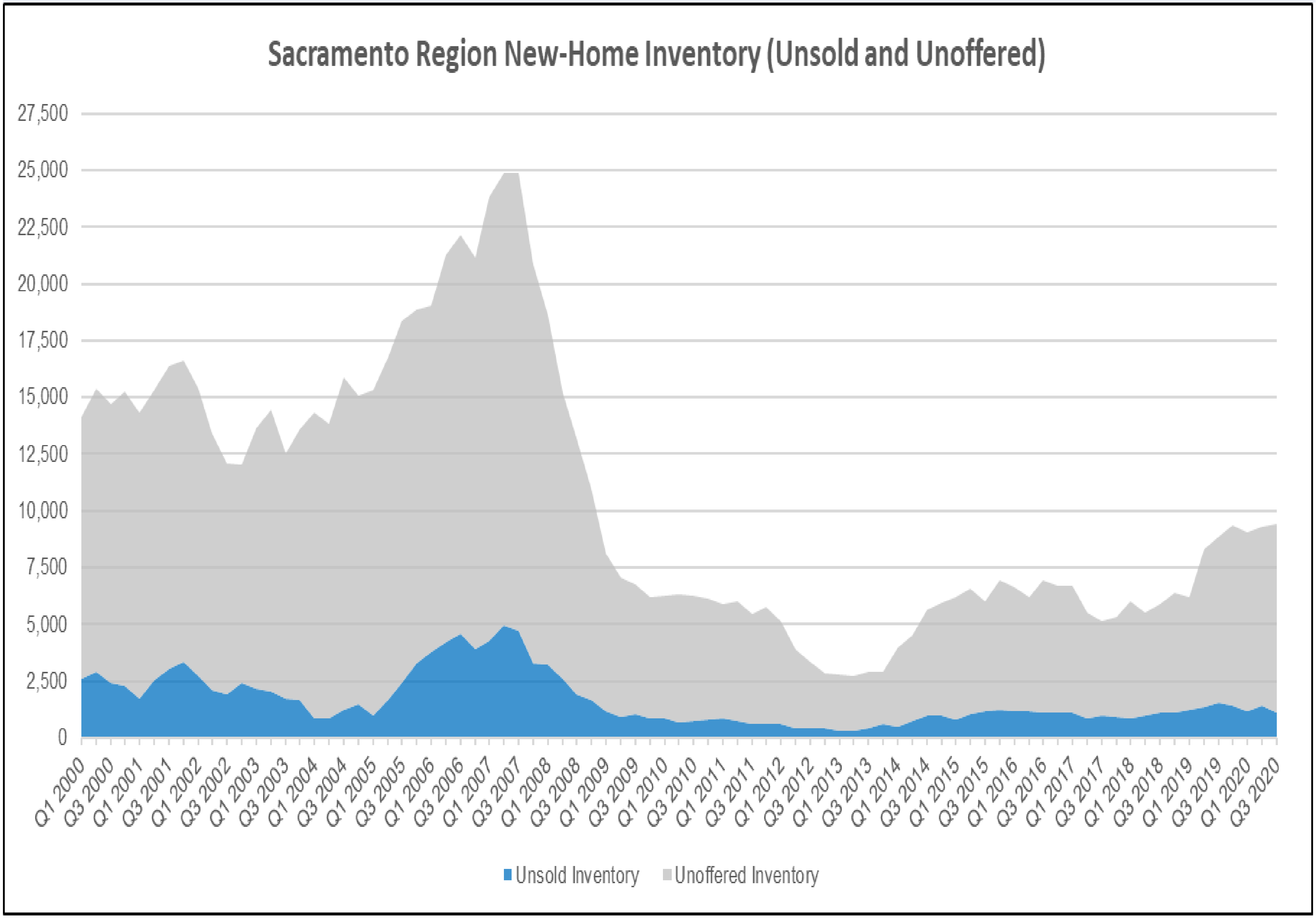


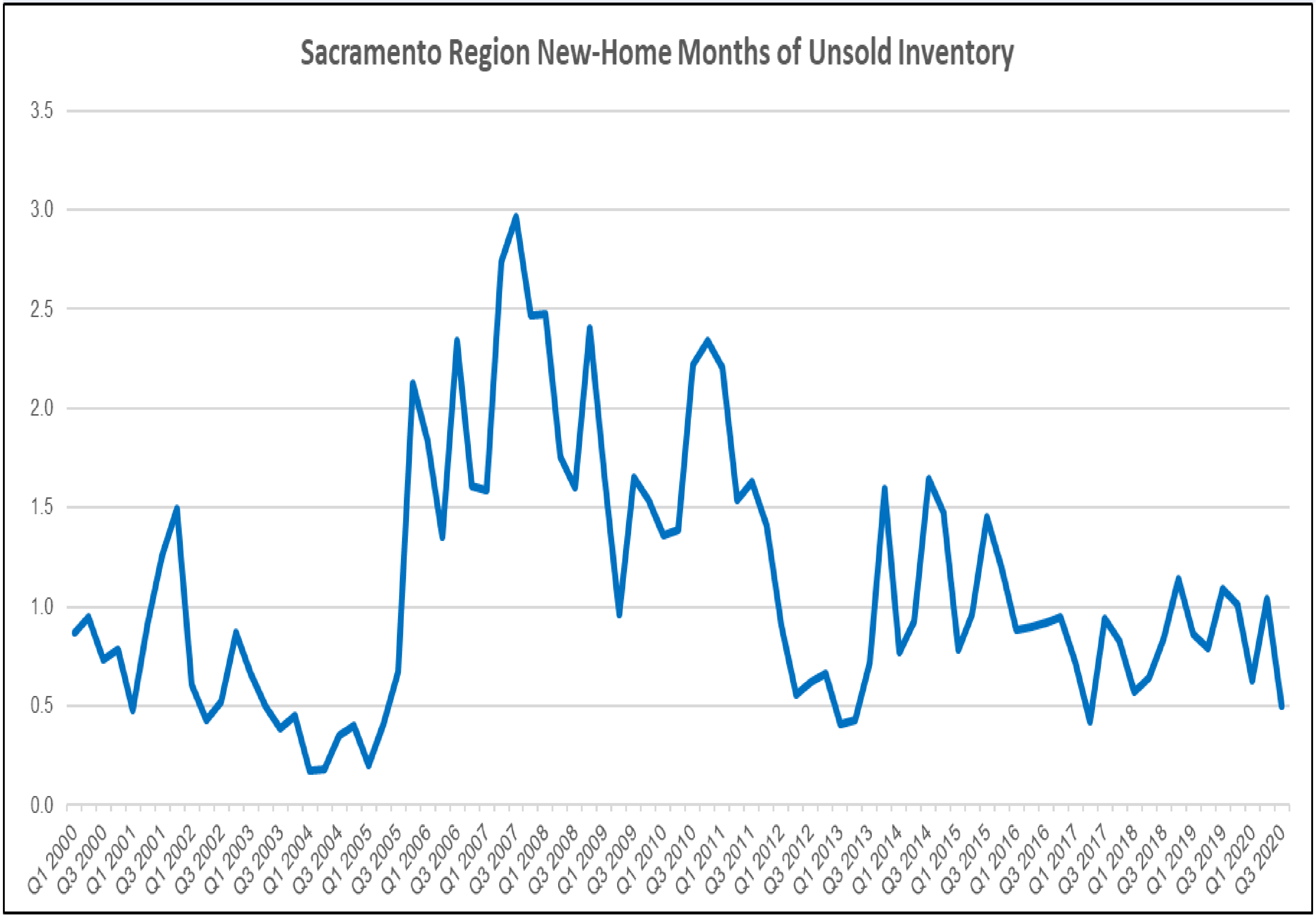
Sacramento Region New-Home Sales
Percent Distribution by County
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020p
El Dorado County
Placer County
Sacramento County
Sutter County
Yolo County
Yuba County

Sacramento Region New-Home Pricing

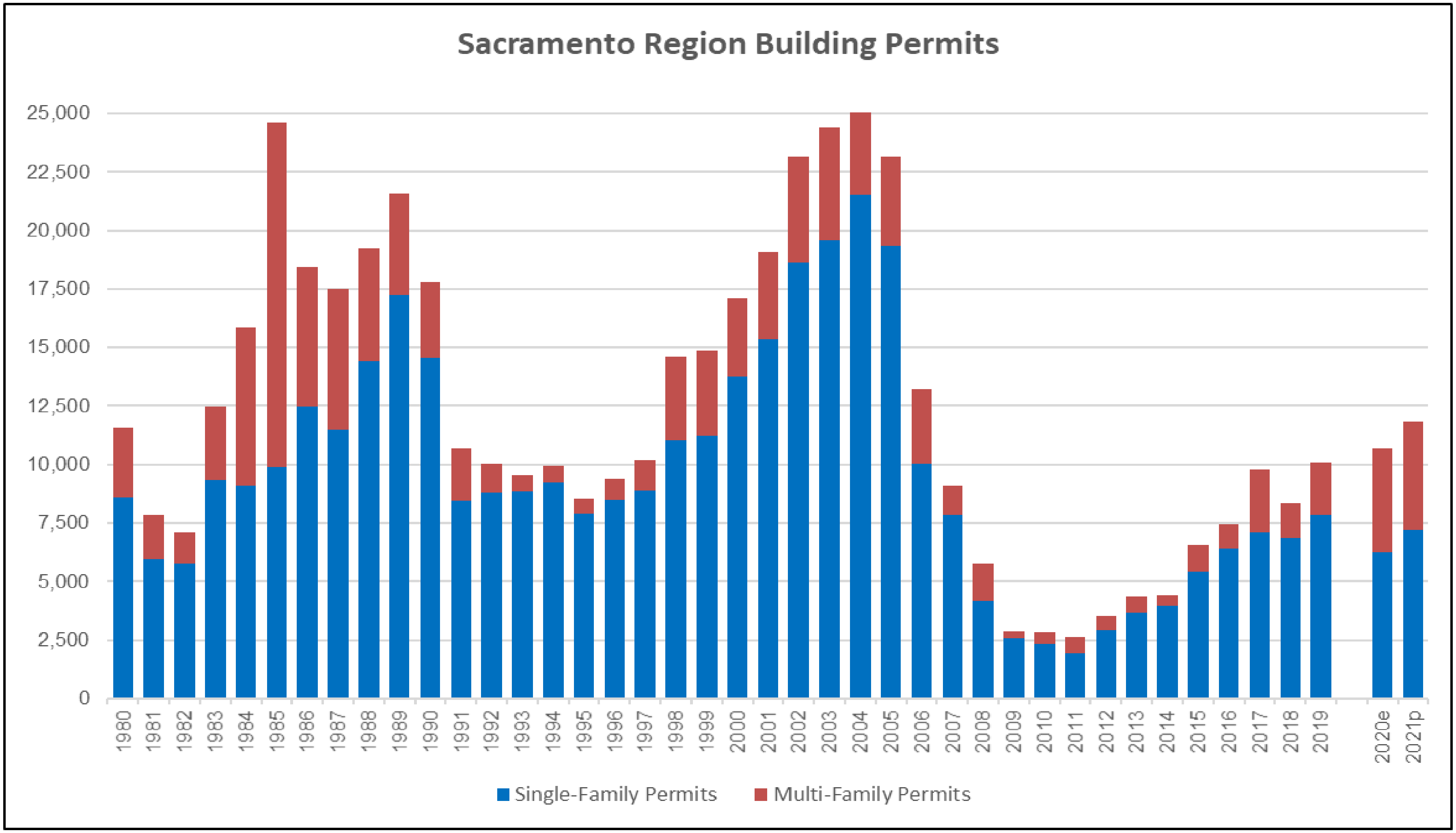


Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
New-Home Pricing:	$342,112	$313,056	$353,391	$417,651	$436,058	$472,397	$505,792	$515,562	$526,456	$532,718	$564,681	$590,091
Percent Change:	-11.2%	-8.5%	12.9%	18.2%	4.4%	8.3%	7.1%	1.9%	2.1%	1.2%	6.0%	4.5%

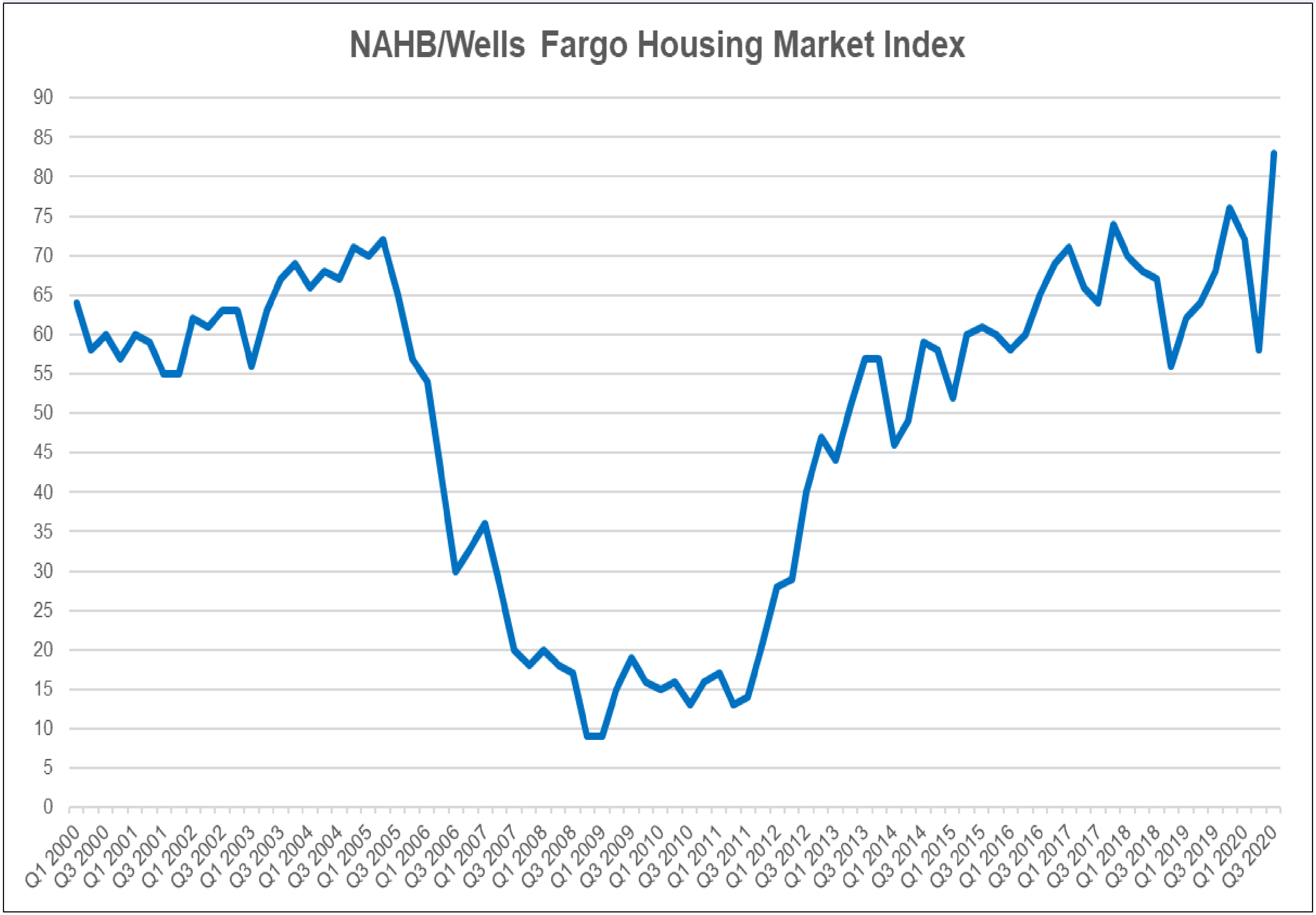

Sacramento Region New-Home Inventory (Unsold and Unoffered)
27,500
25,000
22,500
20,000
17,500
15,000
12,500
10,000
7,500
5,000
2,500
0
Q1 2000
Q3 2000
Q1 2001
Q3 2001
Q1 2002
Q3 2002
Q1 2003
Q3 2003
Q1 2004
Q3 2004
Q1 2005
Q3 2005
Q1 2006
Q3 2006
Q1 2007
Q3 2007
Q1 2008
Q3 2008
Q1 2009
Q3 2009
Q1 2010
Q3 2010
Q1 2011
Q3 2011
Q1 2012
Q3 2012
Q1 2013
Q3 2013
Q1 2014
Q3 2014
Q1 2015
Q3 2015
Q1 2016
Q3 2016
Q1 2017
Q3 2017
Q1 2018
Q3 2018
Q1 2019
Q3 2019
Q1 2020
Q3 2020
Unsold Inventory
Unoffered Inventory



Sacramento Region New-Home Months of Unsold Inventory
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Q1 2000
Q3 2000
Q1 2001
Q3 2001
Q1 2002
Q3 2002
Q1 2003
Q3 2003
Q1 2004
Q3 2004
Q1 2005
Q3 2005
Q1 2006
Q3 2006
Q1 2007
Q3 2007
Q1 2008
Q3 2008
Q1 2009
Q3 2009
Q1 2010
Q3 2010
Q1 2011
Q3 2011
Q1 2012
Q3 2012
Q1 2013
Q3 2013
Q1 2014
Q3 2014
Q1 2015
Q3 2015
Q1 2016
Q3 2016
Q1 2017
Q3 2017
Q1 2018
Q3 2018
Q1 2019
Q3 2019
Q1 2020
Q3 2020



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
Single-Family Permits:	2,316	1,951	2,949	3,693	3,964	5,417	6,392	7,114	6,863	7,838	6,284	7,226
Multi-Family Permits:	536	686	575	698	475	1,138	1,073	2,692	1,486	2,271	4,405	4,625
Total Permits:	2,852	2,637	3,524	4,391	4,439	6,555	7,465	9,806	8,349	10,109	10,689	11,851
Percent Change:	-1.0%	-7.5%	33.6%	24.6%	1.1%	47.7%	13.9%	31.4%	-14.9%	21.1%	5.7%	10.9%
Percent Single Family Permits:	81.2%	74.0%	83.7%	84.1%	89.3%	82.6%	85.6%	72.5%	82.2%	77.5%	58.8%	61.0%
Percent Multi Family Permits:	18.8%	26.0%	16.3%	15.9%	10.7%	17.4%	14.4%	27.5%	17.8%	22.5%	41.2%	39.0%


NAHB/Wells Fargo Housing Market Index
90
85
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
Q1 2000
Q3 2000
Q1 2001
Q3 2001
Q1 2002
Q3 2002
Q1 2003
Q3 2003
Q1 2004
Q3 2004
Q1 2005
Q3 2005
Q1 2006
Q3 2006
Q1 2007
Q3 2007
Q1 2008
Q3 2008
Q1 2009
Q3 2009
Q1 2010
Q3 2010
Q1 2011
Q3 2011
Q1 2012
Q3 2012
Q1 2013
Q3 2013
Q1 2014
Q3 2014
Q1 2015
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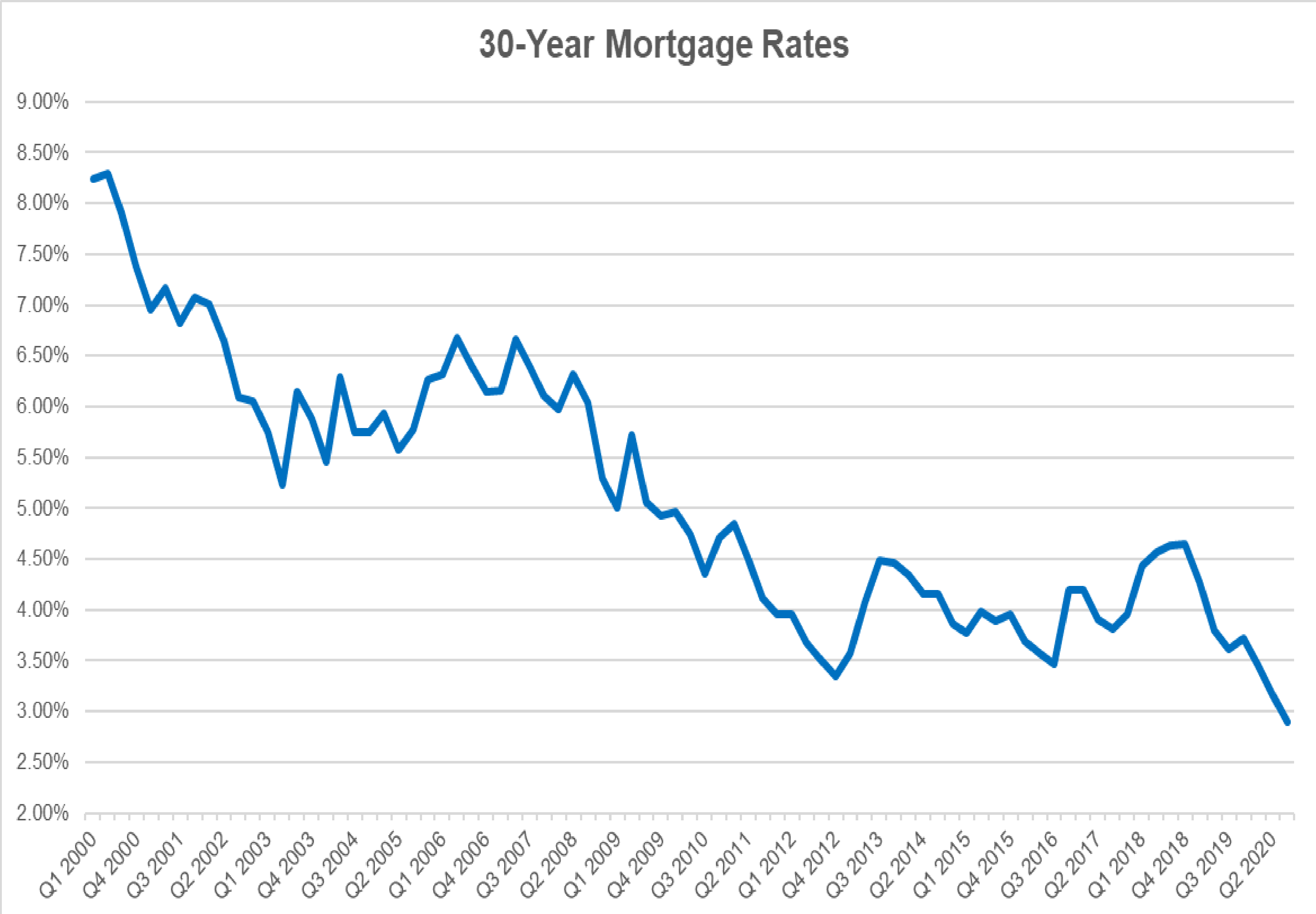
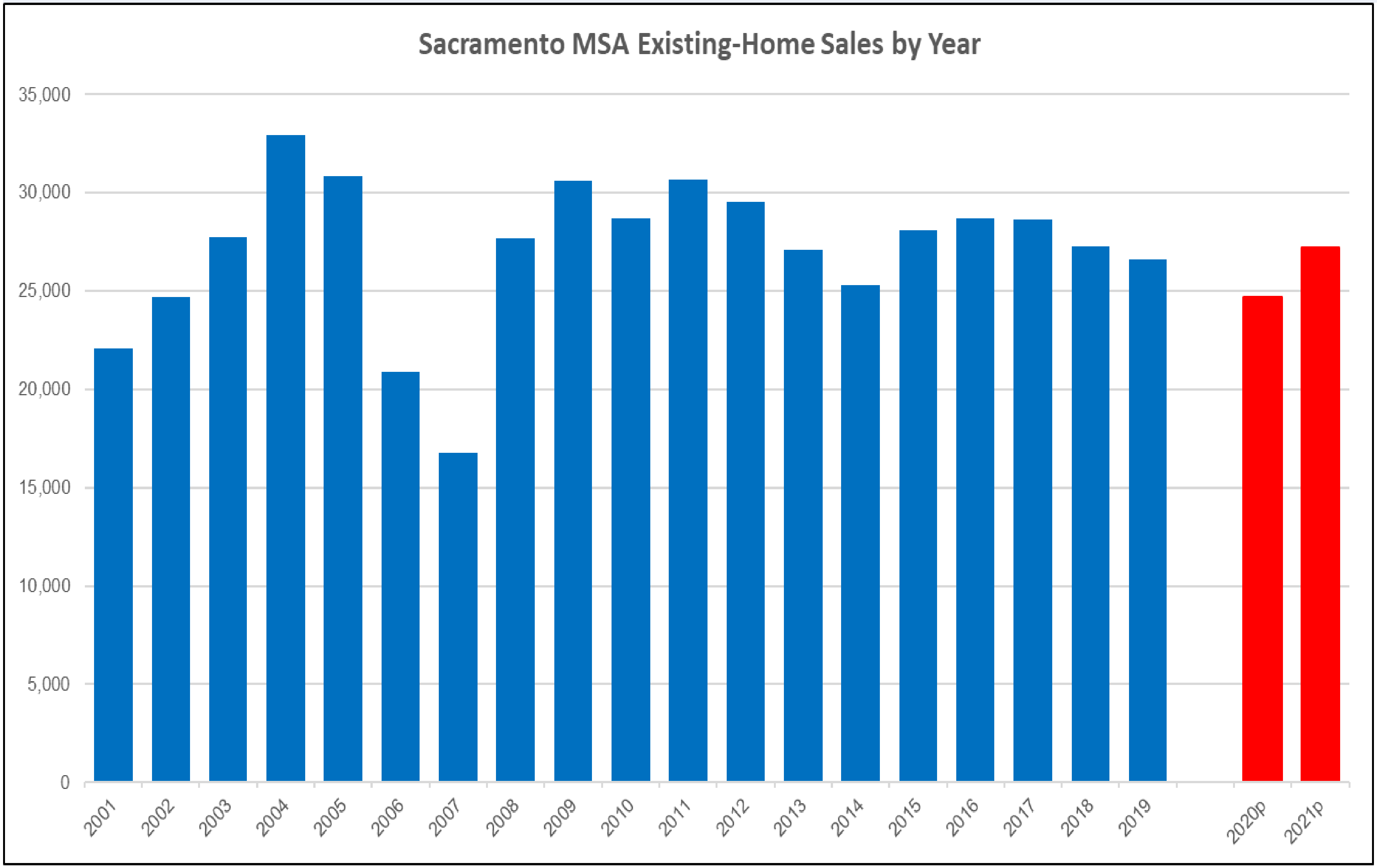
Q1 2016
Q3 2016
Q1 2017
Q3 2017
Q1 2018
Q3 2018
Q1 2019
Q3 2019
Q1 2020
Q3 2020

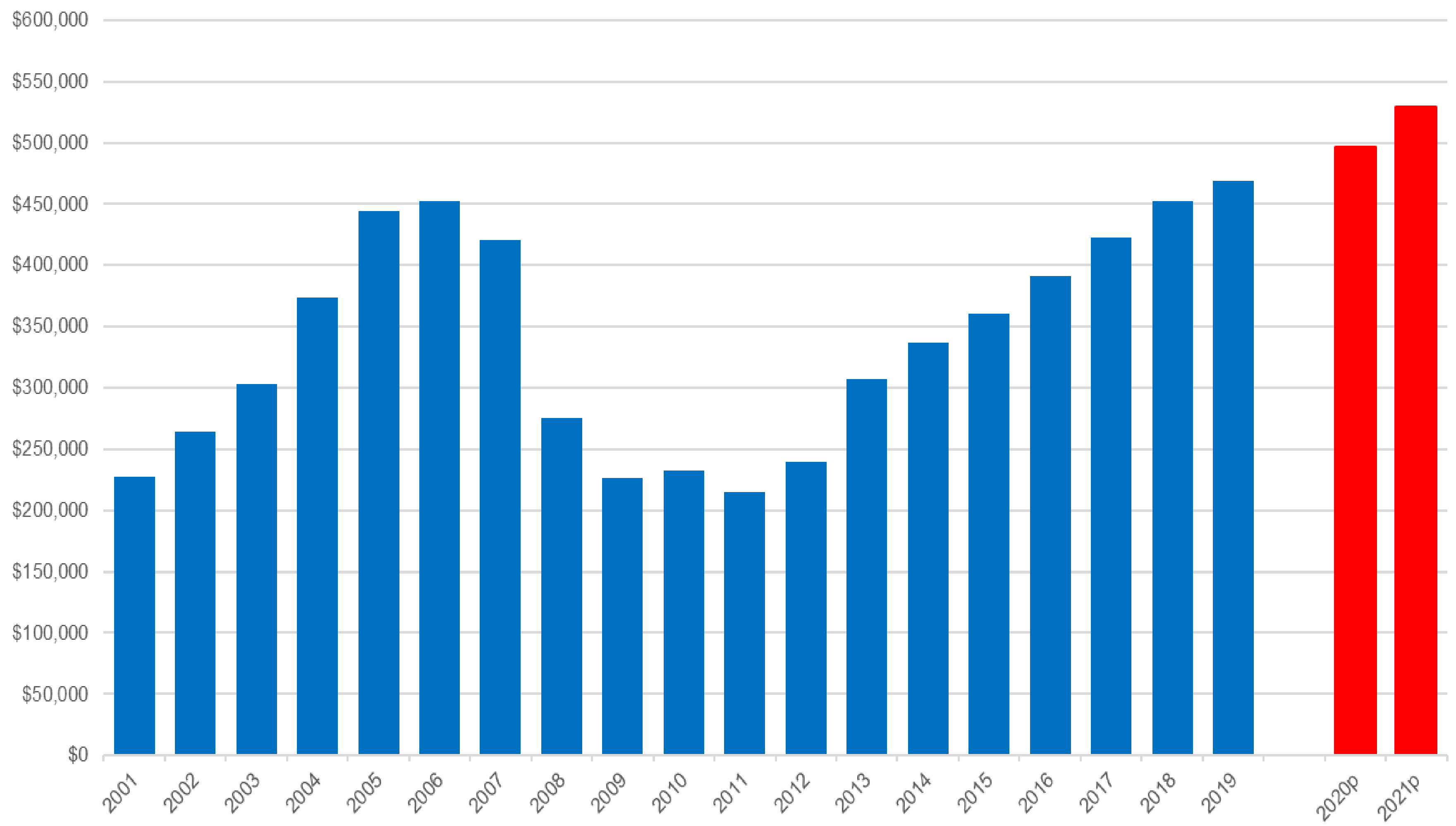

30-Year Mortgage Rates
9.00%
8.50%
8.00%
7.50%
7.00%
6.50%
6.00%
5.50%
5.00%
4.50%
4.00%
3.50%
3.00%
2.50%
2.00%
Q1 2000
Q4 2000
Q3 2001
Q2 2002
Q1 2003
Q4 2003
Q3 2004
Q2 2005
Q1 2006
Q4 2006
Q3 2007
Q2 2008
Q1 2009
Q4 2009
Q3 2010
Q2 2011
Q1 2012
Q4 2012
Q3 2013
Q2 2014
Q1 2015
Q4 2015
Q3 2016
Q2 2017
Q1 2018
Q4 2018
Q3 2019
Q2 2020

Sacramento Existing-Housing Analysis

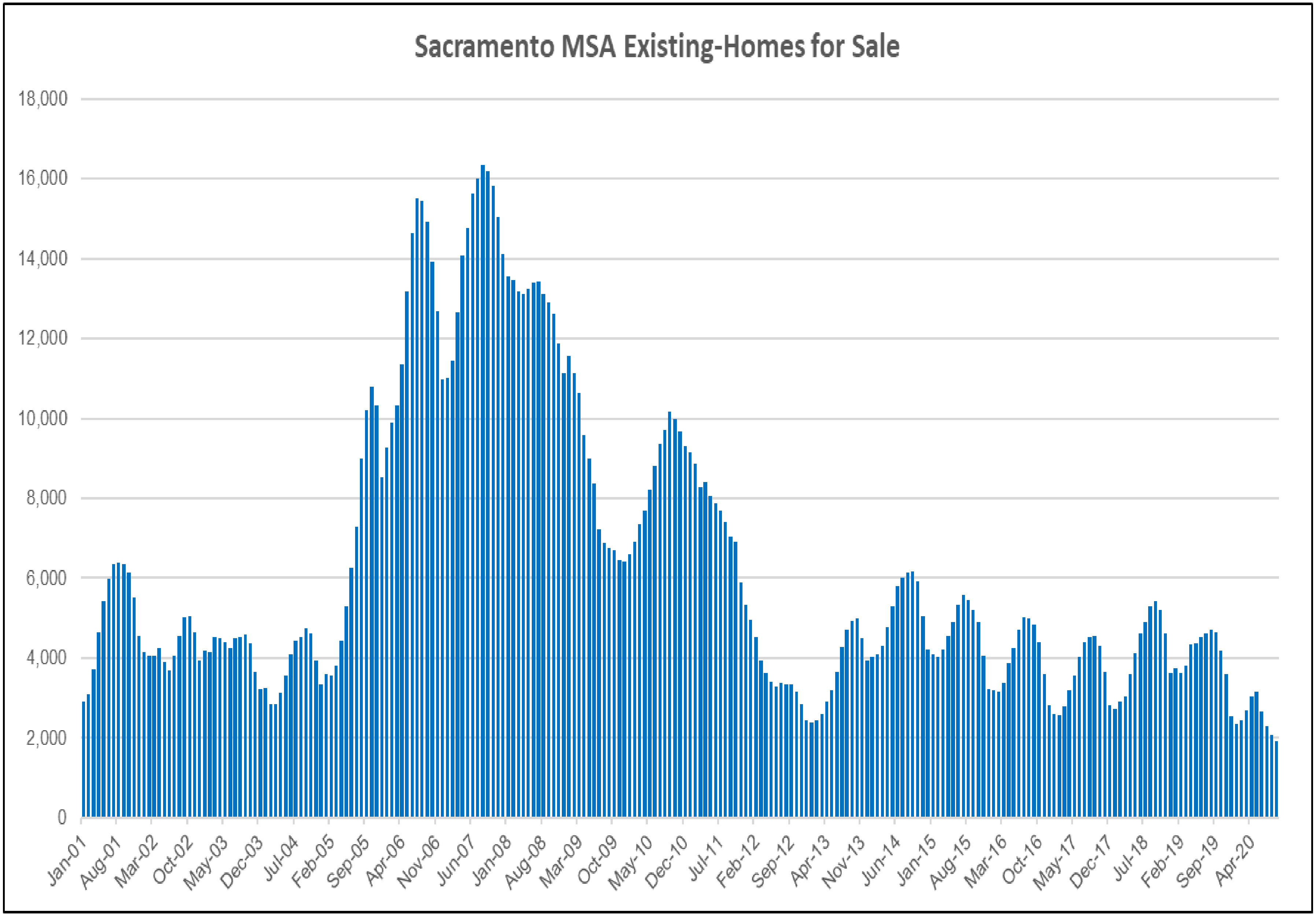


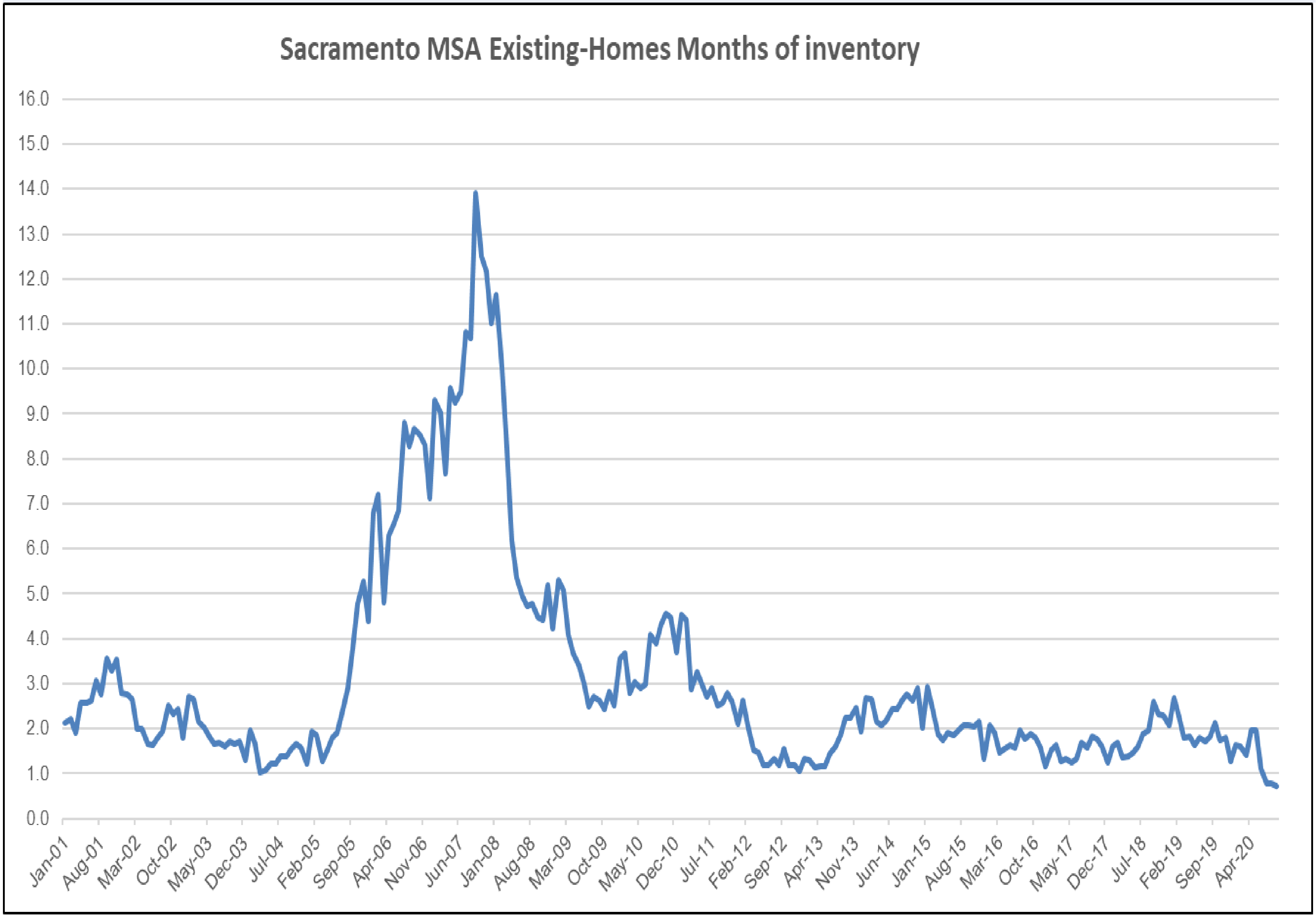
Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
Existing Homes Sales:	28,691	30,637	29,511	27,072	25,284	28,093	28,699	28,616	27,269	26,591	24,718	27,190
Number Change:	-1,885	1,946	-1,126	-2,439	-1,788	2,809	606	-83	-1,347	-678	-1,873	2,472
Percent Change:	-6.2%	6.8%	-3.7%	-8.3%	-6.6%	11.1%	2.2%	-0.3%	-4.7%	-2.5%	-7.0%	10.0%

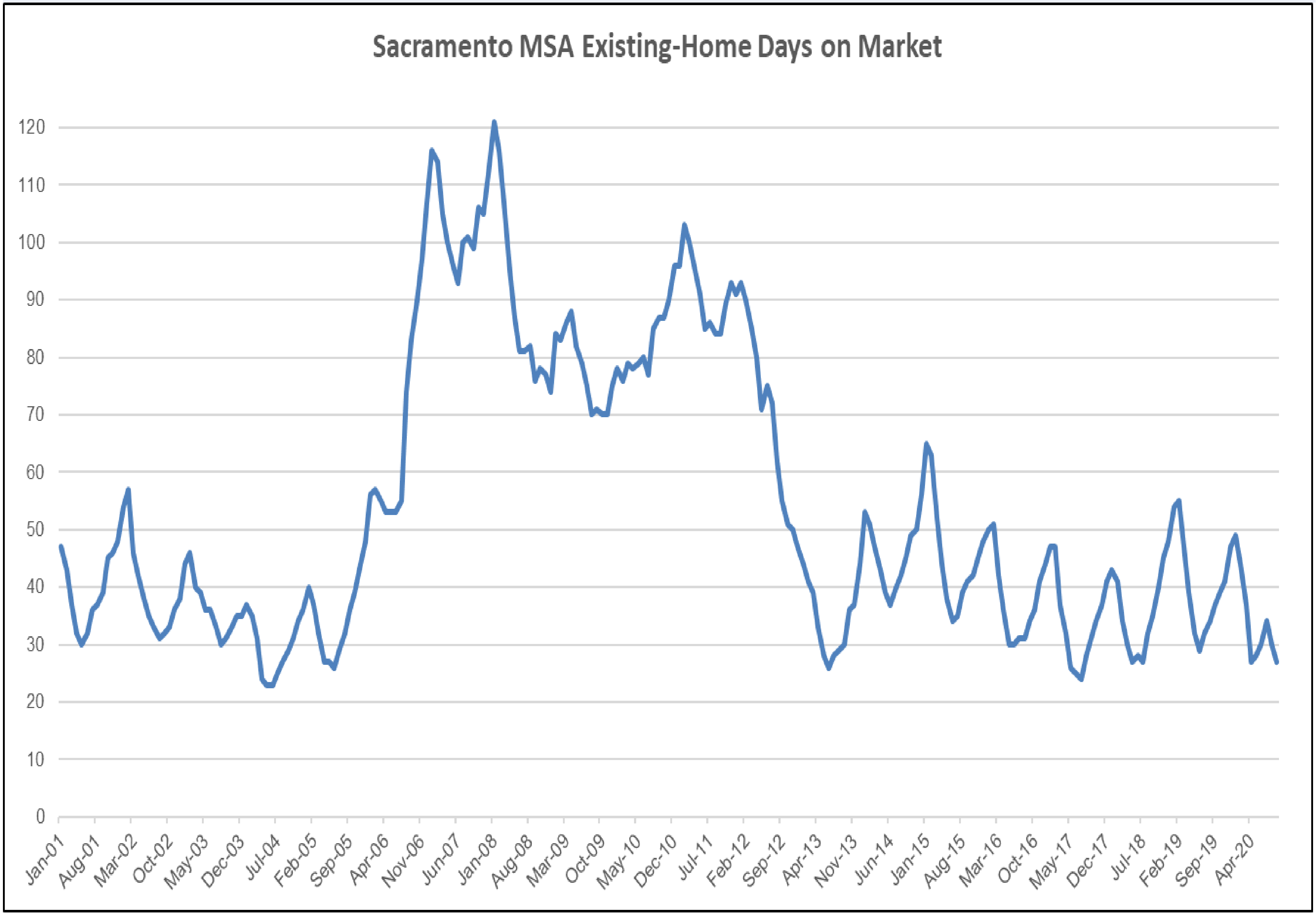
Sacramento MSA Existing-Home Price by Year



Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021p
Existing Homes Pricing:	$232,050	$215,308	$239,813	$306,921	$337,340	$360,408	$390,925	$422,321	$452,779	$469,195	$496,777	$529,067
Number Change:	$6,202	-$16,742	$24,505	$67,108	$30,419	$23,068	$30,517	$31,396	$30,458	$16,416	$27,582	$32,290
Percent Change:	2.7%	-7.2%	11.4%	28.0%	9.9%	6.8%	8.5%	8.0%	7.2%	3.6%	5.9%	6.5%


Sacramento MSA Existing-Homes for Sale
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Jan-01
Aug-01
Mar-02
Oct-02
May-03
Dec-03
Jul-04
Feb-05
Sep-05
Apr-06
Nov-06
Jun-07
Jan-08
Aug-08
Mar-09
Oct-09
May-10
Dec-10
Jul-11
Feb-12
Sep-12
Apr-13
Nov-13
Jun-14
Jan-15
Aug-15
Mar-16
Oct-16
May-17
Dec-17
Jul-18
Feb-19
Sep-19
Apr-20


Sacramento MSA Existing-Homes Months of inventory
16.0
15.0
14.0
13.0
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Jan-01
Aug-01
Mar-02
Oct-02
May-03
Dec-03
Jul-04
Feb-05
Sep-05
Apr-06
Nov-06
Jun-07
Jan-08
Aug-08
Mar-09
Oct-09
May-10
Dec-10
Jul-11
Feb-12
Sep-12
Apr-13
Nov-13
Jun-14
Jan-15
Aug-15
Mar-16
Oct-16
May-17
Dec-17
Jul-18
Feb-19
Sep-19
Apr-20



Sacramento MSA Existing-Home Days on Market
120
110
100
90
80
70
60
50
40
30
20
10
0
Jan-01
Aug-01
Mar-02
Oct-02
May-03
Dec-03
Jul-04
Feb-05
Sep-05
Apr-06
Nov-06
Jun-07
Jan-08
Aug-08
Mar-09
Oct-09
May-10
Dec-10
Jul-11
Feb-12
Sep-12
Apr-13
Nov-13
Jun-14
Jan-15
Aug-15
Mar-16
Oct-16
May-17
Dec-17
Jul-18
Feb-19
Sep-19
Apr-20

Potential Future Supply

Within the greater subject market area, there are a total of 31,993 planned units on 10,940.9 acres (a density of 2.9 units per acre). 26,731 of these units (84% of the total) are in two major master planned communities; Upper Westside and Sutter Pointe. Neither of these communities will offer homes in the immediate future, and it could be many years before a first phase of development occurs.

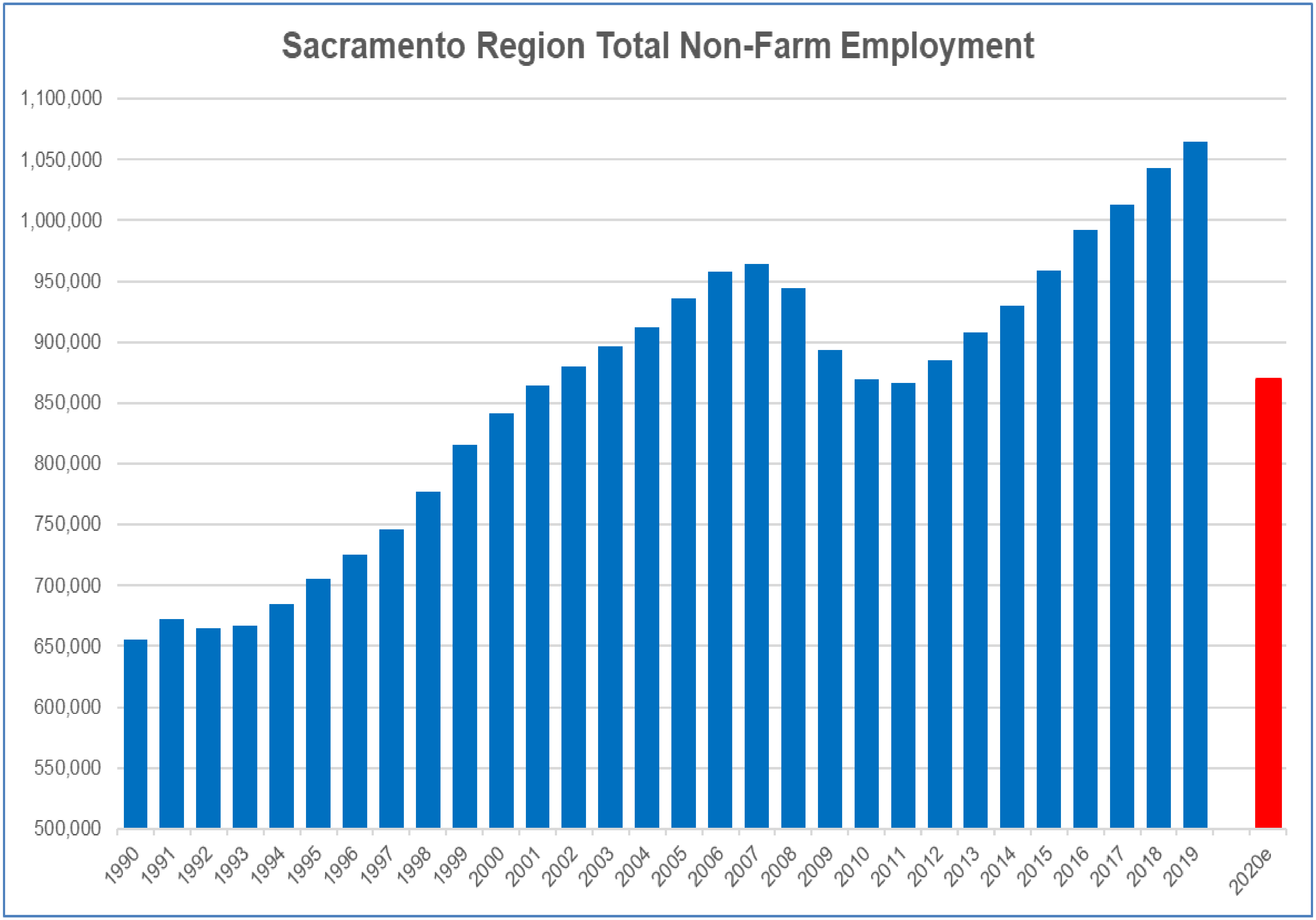
Therefore, there are only 2,509 units (not including the subject project) that could potentially offer future competition to the subject project. While it is understood that a portion of these units may open for sale within the development time-frame of the subject project, it is not believed that they will provide any significant competition to the subject project. As current projects sell out (estimated to be within the next five quarters), newer projects will enter the marketplace, but at substantially lower rates than previous years.

As the recession and levee reconstruction slowed the pace of development, leftover existing home sites (finished lots that were unbuilt on as a result of the 2008 housing depression) were gradually reintroduced to the market and absorbed by homebuilders; the majority of these projects have sold out. Therefore, while there are several projects that will be selling concurrently with the subject project, it is believed that the Natomas new-home market can absorb much greater sales than what is projected based on this analysis.

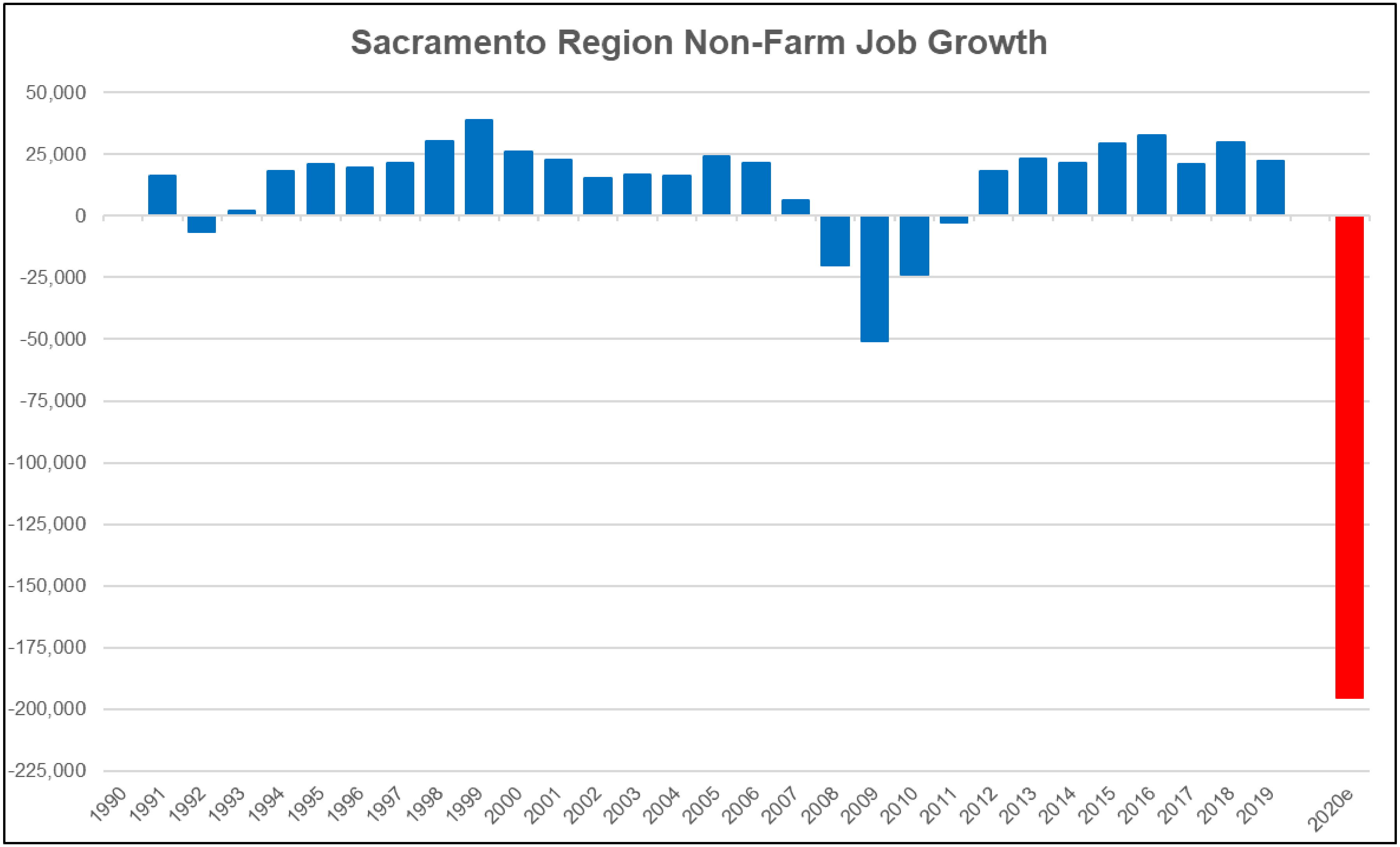
It is always difficult to determine when these proposed projects will be delivering homes, it is known from experience that delays in approvals, permits, plan and infrastructure financing make predicting a start date impractical.

Project Name	Developer/Owner	Location	Number Of Units	Acres	Density	Comments
Upper Westside	Upper Westside LLC	Natomas	9,231	2,066.0	4.5	Project is in planning and undergoing a EIR; waiting Specific Plan Approval. Development is many years in the future. Project is located west of Interstate 80 at West El Camino Avenue.
Sutter Pointe	Various	Sutter County	17,500	7,528.2	2.3	Project has Specific Plan Approval. Development is several years in the future and will be over a 20 - 30 year build out. Project is located in southern Sutter County west of Placer County.
Panhandle	Various	Natomas	1,662	589.4	2.8	Project has master Tentative Map Approval and could begin construction in the next several years. Project is located north of Del Paso Road and west of Sorento Road.
Natomas Vision Plan Area	Various	Natomas	--	--	--	Project is in review for potential future development with residential and commercial uses. There are three project areas that are in Sacramento County but are adjacent to the City of Sacramento and Natomas. Development is many years in the future and the three sites include 15,421.6 acres.
West Lakeside	Various	Natomas	464	129.6	3.6	Project is PUD and individual parcels are in the Tentative Map planning stages. The project is located north of Del Paso Road and west of the Westlake MPC.
Valley View	Avdis Property	Natomas	248	41.4	6.0	Project is in the planning stages and is located east of the Panhandle project.
Natomas Crossings	--	Natomas	135	9.3	14.5	Project is in the planning stages and includes 128 duplex units and seven single-family units. Project is located south of Arena Boulevard and east of East Commerce Way.
Northlake	Integral Partners	Natomas	2,753	577.0	4.8	First phase of the project is under development with 1,137 units and eight product types. Project is located north of Interstate 5 and west of Highway 99.
		Averages/Totals:	**31,993**	**10,940.9**	**2.9**	

Sacramento Economics and Demographics

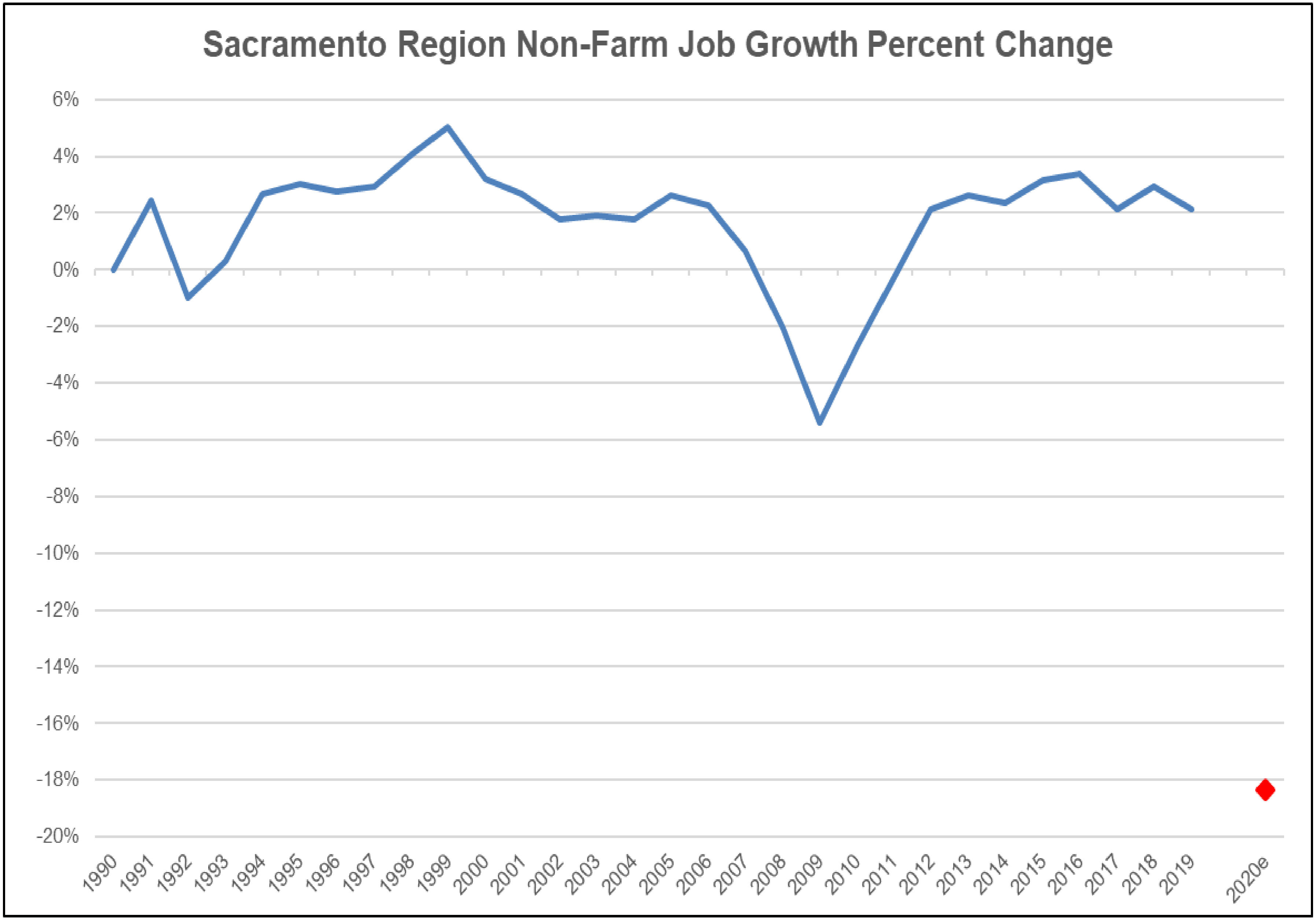


Source: California Employment Development Department, The Gregory Group

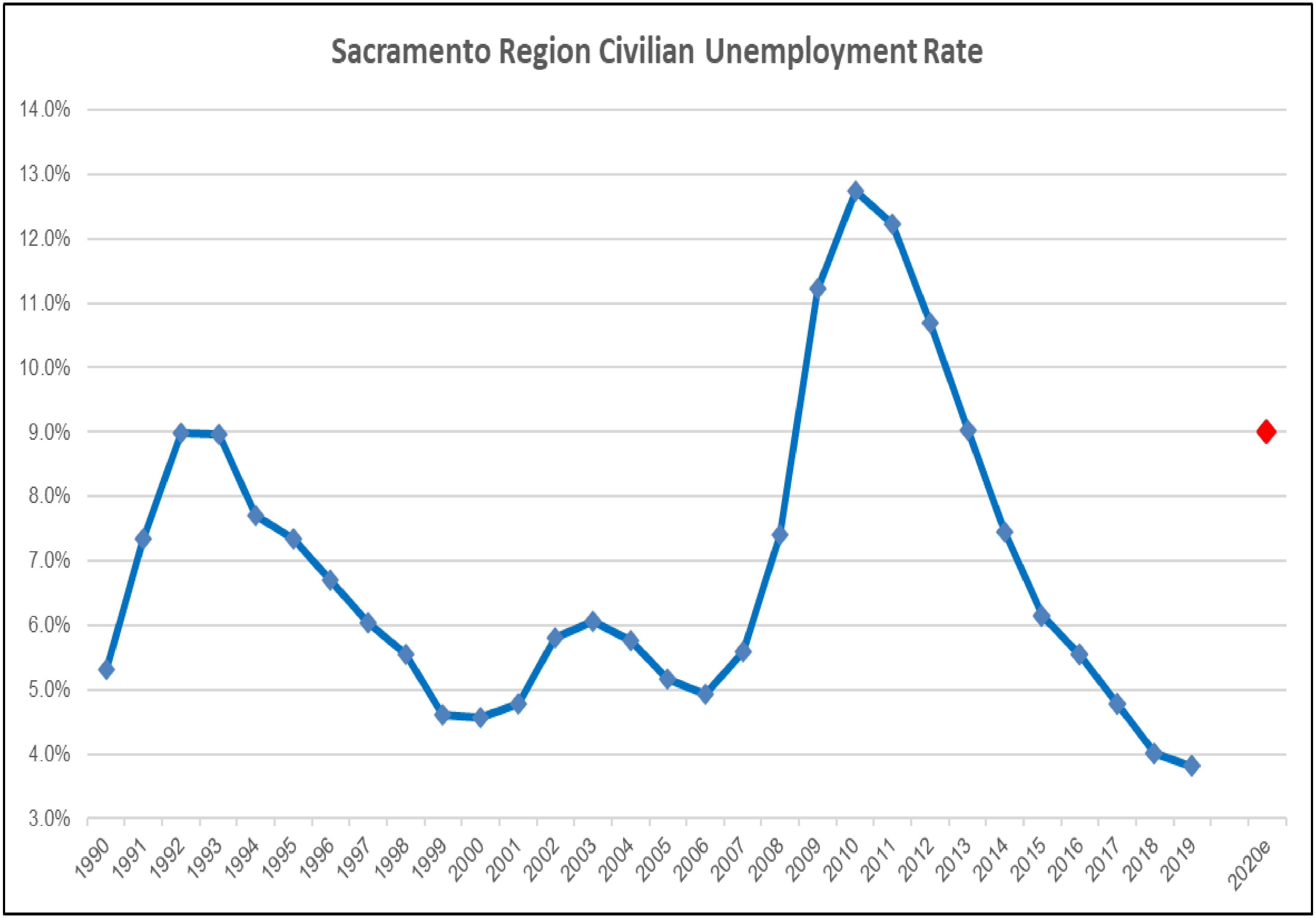


Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e
Total Nonfarm Employment:	869,500	867,000	885,300	908,500	930,000	959,400	991,900	1,013,000	1,042,700	1,065,100	869,500
Number Change:	-23,800	-2,500	18,300	23,200	21,500	29,400	32,500	21,100	29,700	22,400	-195,600
Percent Change:	-2.7%	-0.3%	2.1%	2.6%	2.4%	3.2%	3.4%	2.1%	2.9%	2.1%	-18.4%
Civilian Unemployment Rate:	12.7%	12.2%	10.7%	9.0%	7.4%	6.1%	5.5%	4.8%	4.0%	3.8%	9.0%

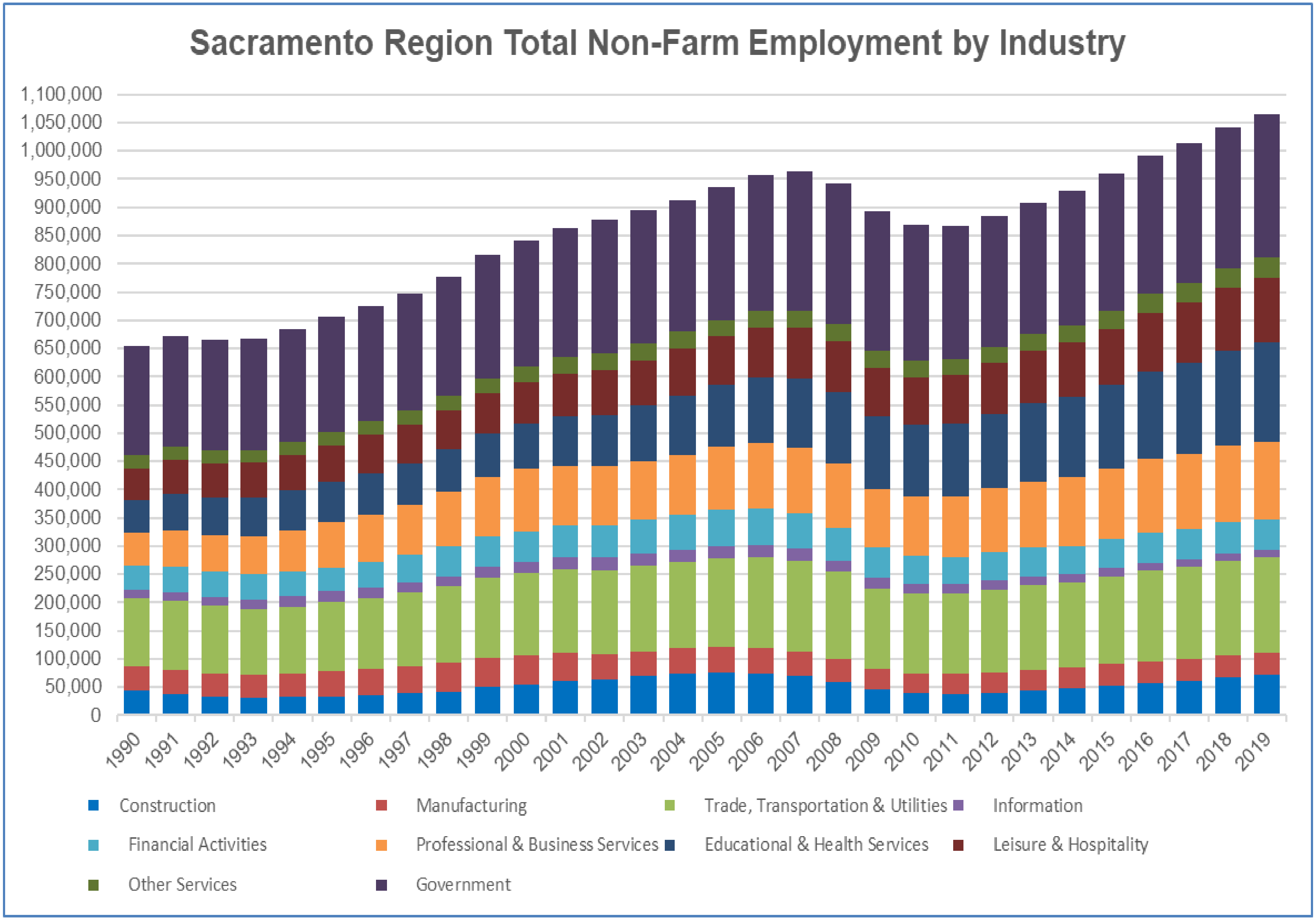
Source: California Employment Development Department, The Gregory Group



Source: California Employment Development Department, The Gregory Group



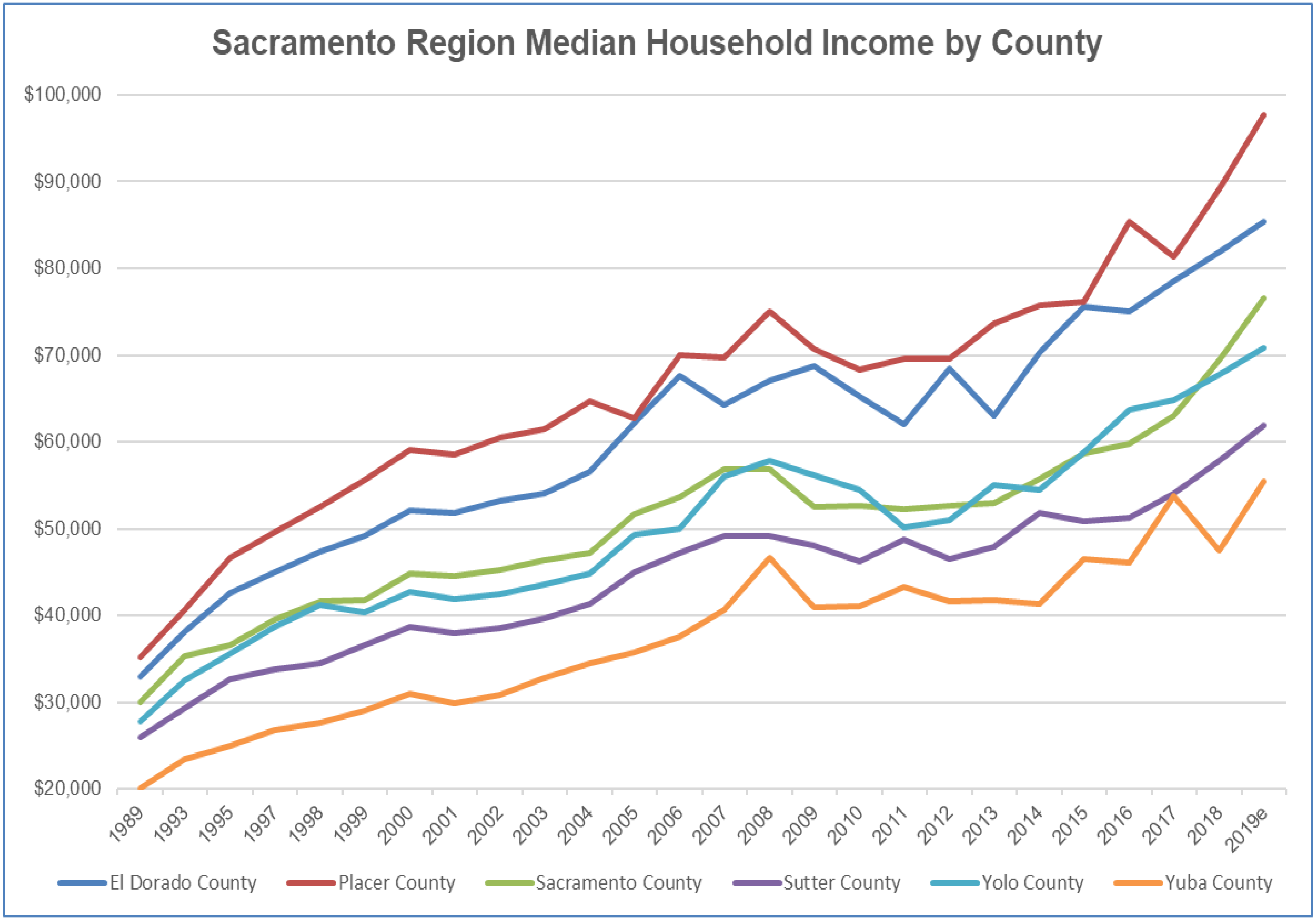
Source: California Employment Development Department, The Gregory Group



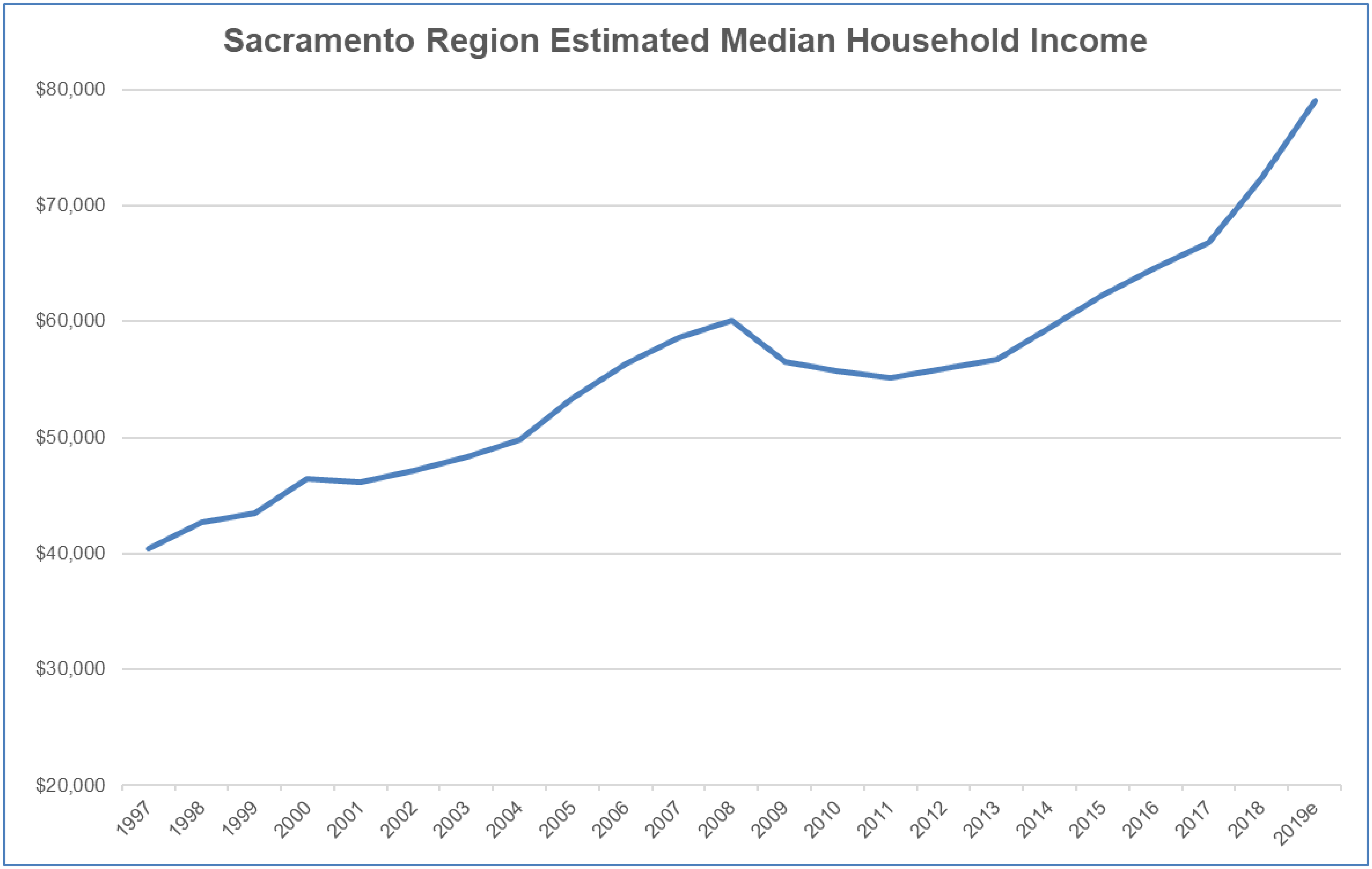
Source: California Employment Development Department, The Gregory Group

Category		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Construction		40,100	38,600	40,000	45,000	47,300	52,300	57,300	61,100	67,100	71,400
	Number Change:	-5,300	-1,500	1,400	5,000	2,300	5,000	5,000	3,800	6,000	4,300
	Percent Change:	-11.7%	-3.7%	3.6%	12.5%	5.1%	10.6%	9.6%	6.6%	9.8%	6.4%
Manufacturing		34,800	35,300	36,000	36,300	37,500	38,600	38,400	37,900	38,200	38,800
	Number Change:	-1,600	500	700	300	1,200	1,100	-200	-500	300	600
	Percent Change:	-4.4%	1.4%	2.0%	0.8%	3.3%	2.9%	-0.5%	-1.3%	0.8%	1.6%
Trade, Transportation & Utilities		140,100	141,800	146,700	149,300	151,300	155,600	160,800	163,700	169,100	171,200
	Number Change:	-2,300	1,700	4,900	2,600	2,000	4,300	5,200	2,900	5,400	2,100
	Percent Change:	-1.6%	1.2%	3.5%	1.8%	1.3%	2.8%	3.3%	1.8%	3.3%	1.2%
Information		17,600	16,700	16,000	15,200	14,300	14,500	14,100	12,900	12,700	12,200
	Number Change:	-1,200	-900	-700	-800	-900	200	-400	-1,200	-200	-500
	Percent Change:	-6.4%	-5.1%	-4.2%	-5.0%	-5.9%	1.4%	-2.8%	-8.5%	-1.6%	-3.9%
Financial Activities		49,900	48,100	49,700	50,900	50,400	52,300	53,200	53,800	54,800	53,900
	Number Change:	-4,600	-1,800	1,600	1,200	-500	1,900	900	600	1,000	-900
	Percent Change:	-8.4%	-3.6%	3.3%	2.4%	-1.0%	3.8%	1.7%	1.1%	1.9%	-1.6%
Professional & Business Services		104,600	106,600	133,500	117,300	121,100	123,200	130,900	133,100	136,700	138,000
	Number Change:	700	2,000	26,900	-16,200	3,800	2,100	7,700	2,200	3,600	1,300
	Percent Change:	0.7%	1.9%	25.2%	-12.1%	3.2%	1.7%	6.3%	1.7%	2.7%	1.0%
Educational & Health Services		128,100	129,800	133,100	138,500	142,100	148,400	154,300	161,800	168,200	175,200
	Number Change:	-800	1,700	3,300	5,400	3,600	6,300	5,900	7,500	6,400	7,000
	Percent Change:	-0.6%	1.3%	2.5%	4.1%	2.6%	4.4%	4.0%	4.9%	4.0%	4.2%
Leisure & Hospitality		83,900	85,600	88,500	93,000	96,100	99,700	104,100	107,700	110,800	113,900
	Number Change:	-1,600	1,700	2,900	4,500	3,100	3,600	4,400	3,600	3,100	3,100
	Percent Change:	-1.9%	2.0%	3.4%	5.1%	3.3%	3.7%	4.4%	3.5%	2.9%	2.8%
Other Services		29,300	29,200	29,700	30,100	31,400	32,000	32,900	34,200	35,300	36,300
	Number Change:	-800	-100	500	400	1,300	600	900	1,300	1,100	1,000
	Percent Change:	-2.7%	-0.3%	1.7%	1.3%	4.3%	1.9%	2.8%	4.0%	3.2%	2.8%
Government		240,800	235,000	231,800	232,600	238,200	242,600	245,600	246,400	249,500	253,700
	Number Change:	-5,700	-5,800	-3,200	800	5,600	4,400	3,000	800	3,100	4,200
	Percent Change:	-2.3%	-2.4%	-1.4%	0.3%	2.4%	1.8%	1.2%	0.3%	1.3%	1.7%

Source: California Employment Development Department, The Gregory Group

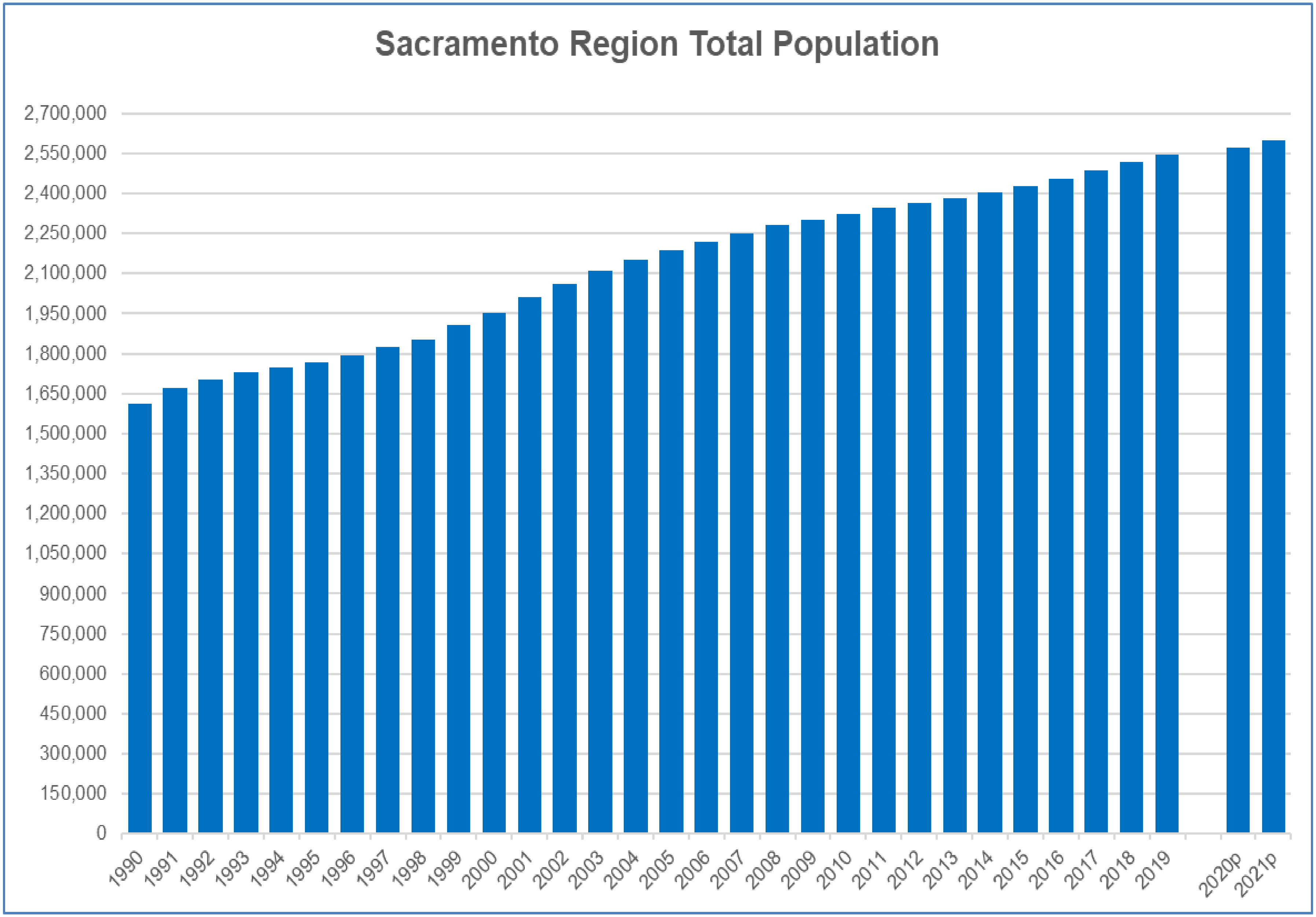


Source: U.S. Bureau Of Labor Statistics, The Gregory Group

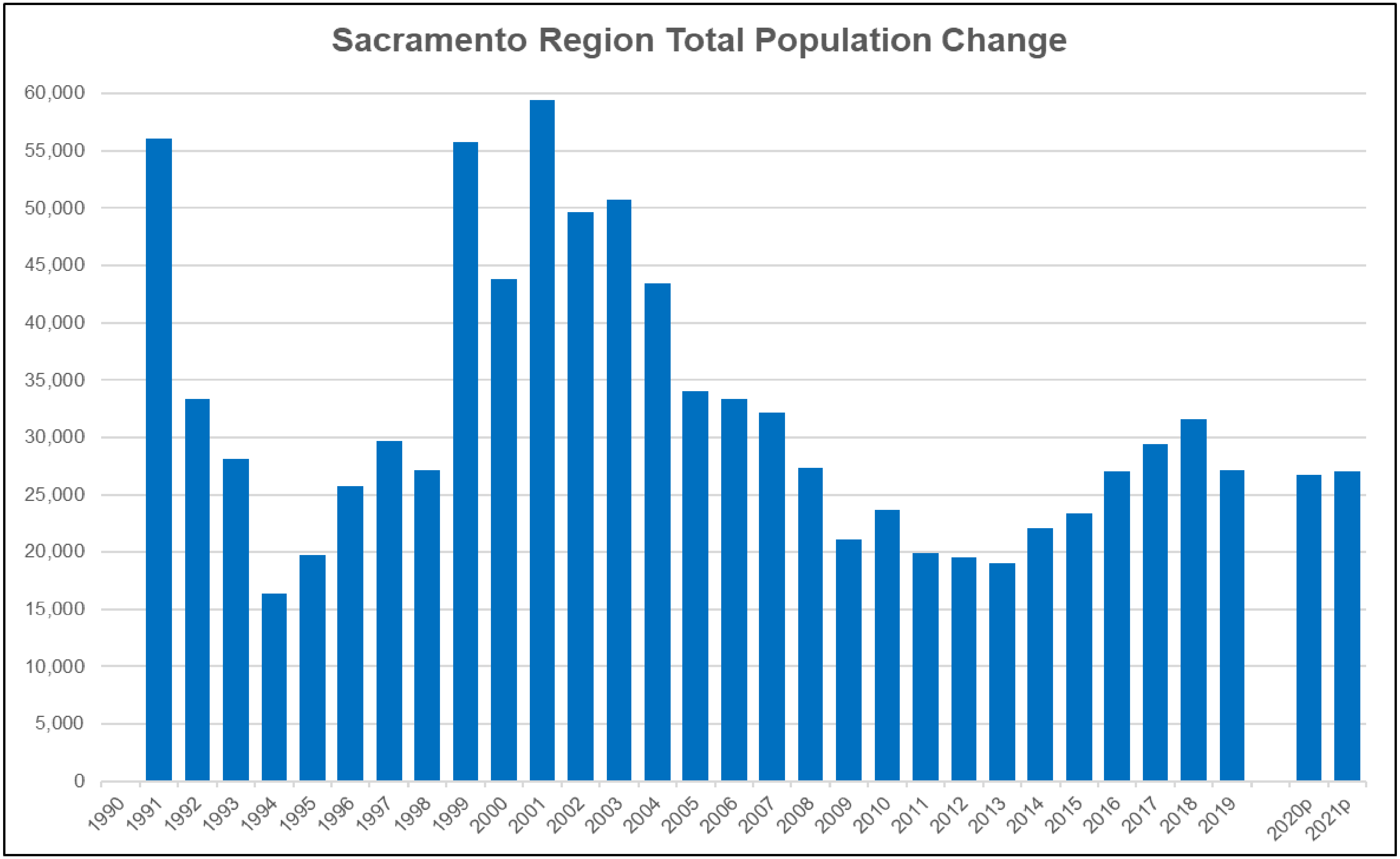


Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019e
Household Income:	$55,710	$55,178	$55,901	$56,708	$59,433	$62,210	$64,646	$66,744	$72,422	$79,061
Percent Change:	-1.4%	-1.0%	1.3%	1.4%	4.8%	4.7%	3.9%	3.2%	8.5%	9.2%

Source: U.S. Bureau Of Labor Statistics, The Gregory Group

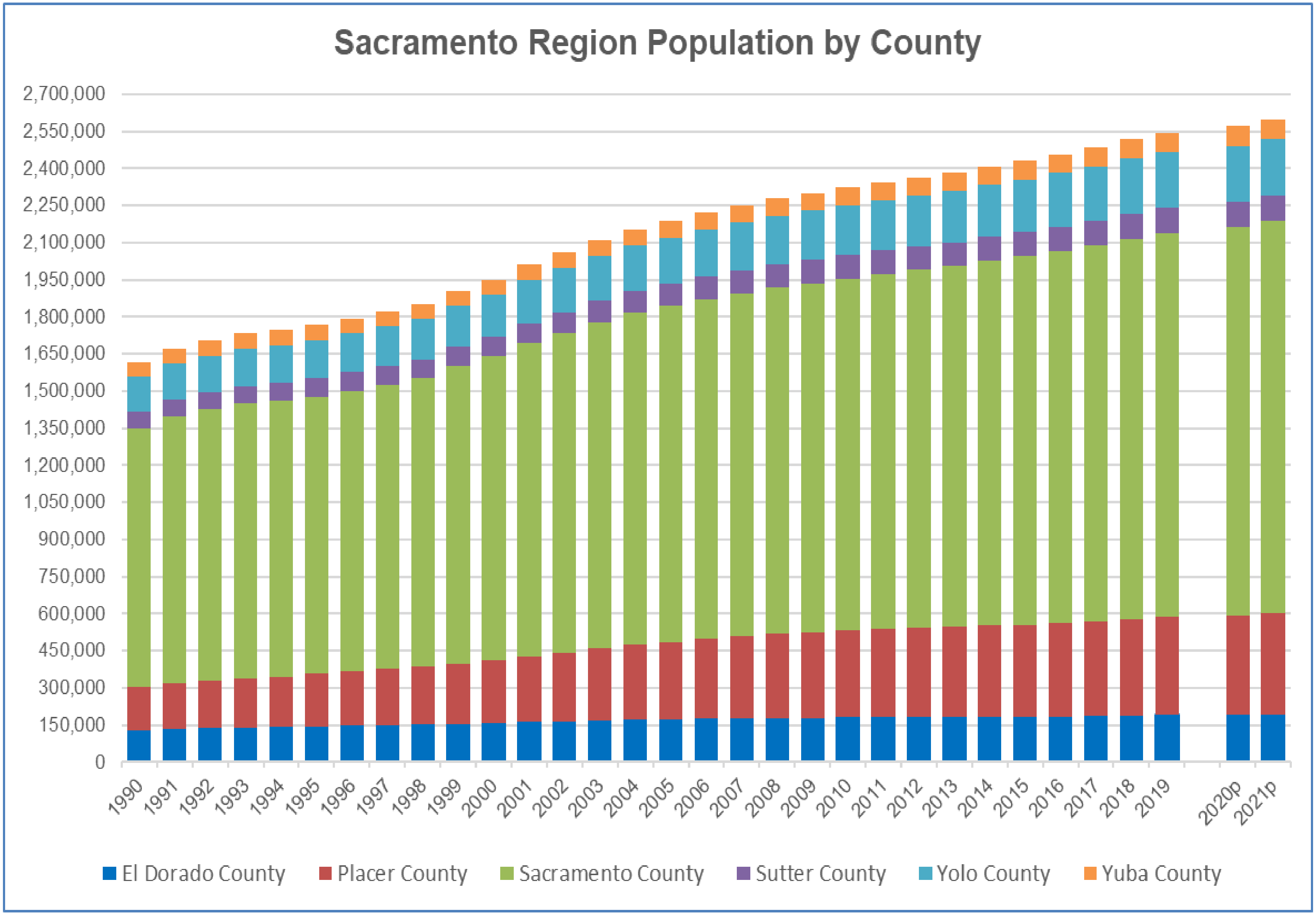


Source: California Department of Finance, The Gregory Group



Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020p	2021p
Total Population:	2,324,773	2,344,728	2,364,248	2,383,315	2,405,455	2,428,835	2,455,886	2,485,274	2,516,841	2,543,940	2,570,716	2,597,785
Number Change:	23,716	19,955	19,520	19,067	22,140	23,380	27,051	29,388	31,567	27,099	26,776	27,069
Percent Change:	1.0%	0.9%	0.8%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.1%	1.1%	1.1%

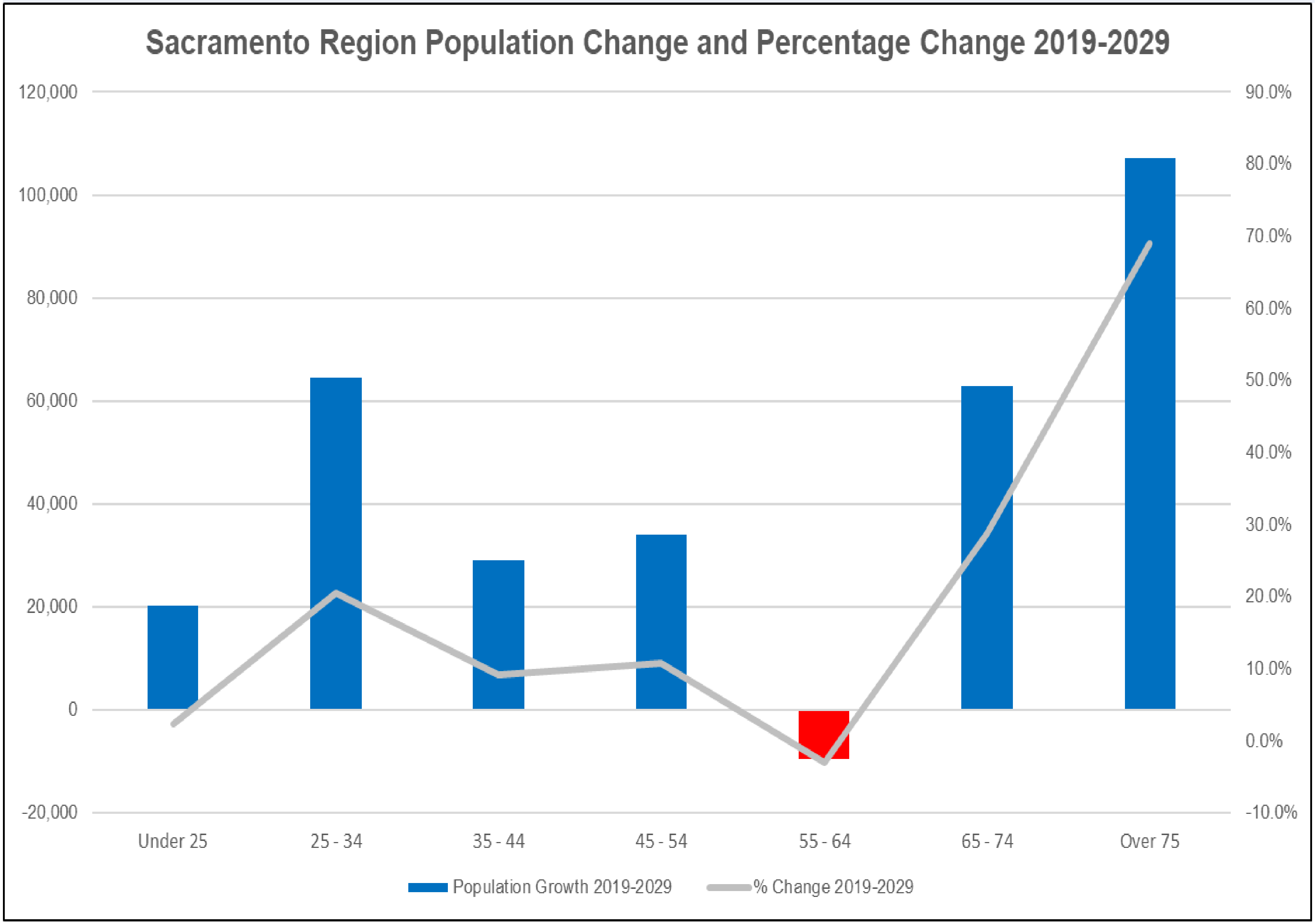
Source: California Department of Finance, The Gregory Group



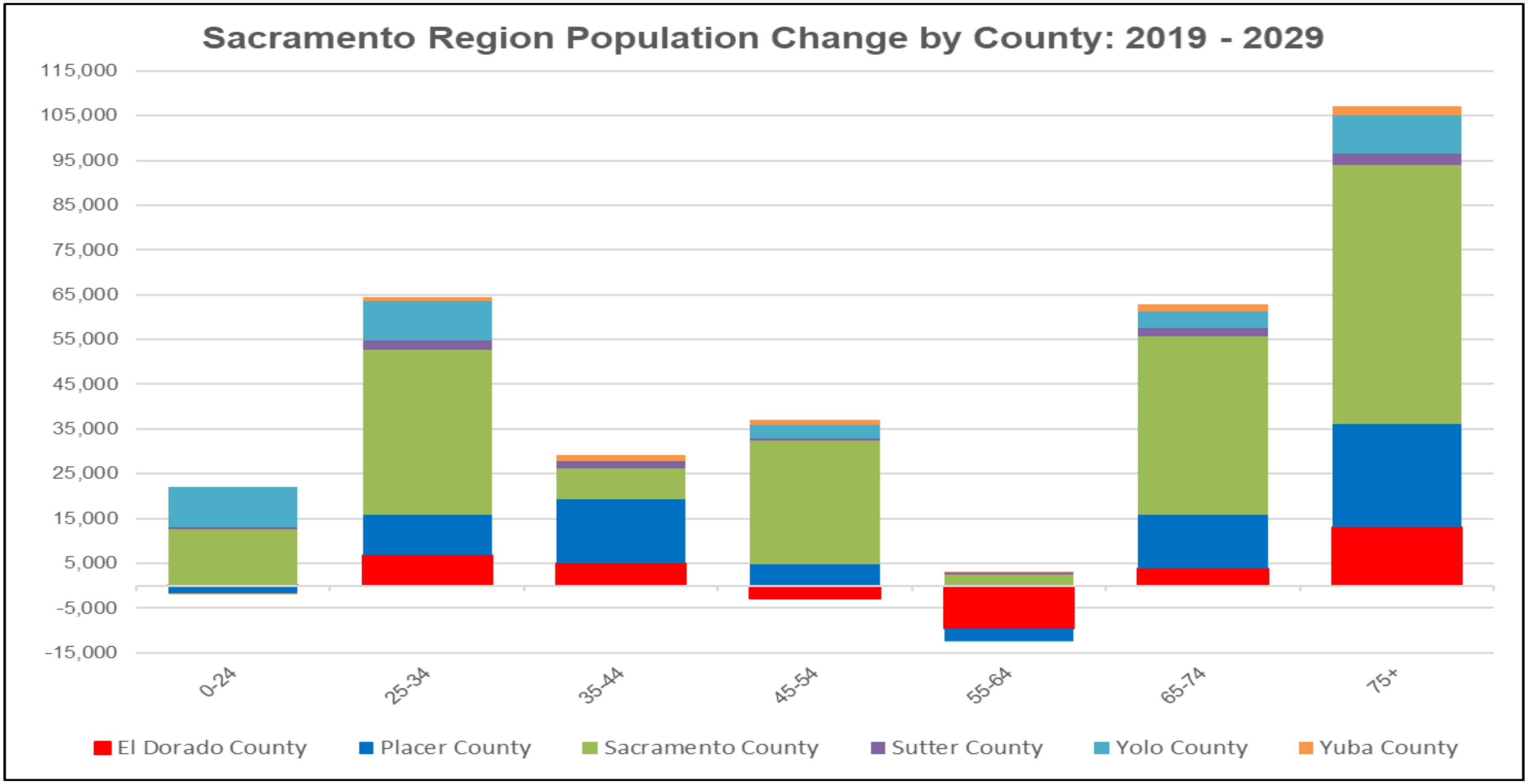
Source: California Department of Finance, The Gregory Group

Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020p	2021p
El Dorado County:	181,191	181,209	181,448	182,612	182,701	183,269	184,232	186,531	189,360	191,210	192,376	193,549
Number Change:	1,490	18	239	1,164	89	568	963	2,299	2,829	1,850	1,166	1,173
Percent Change:	0.8%	0.0%	0.1%	0.6%	0.0%	0.3%	0.5%	1.2%	1.5%	1.0%	0.6%	0.6%
Placer County:	350,629	356,233	360,566	364,778	368,318	371,414	376,486	382,748	389,278	394,737	400,263	405,867
Number Change:	6,541	5,604	4,333	4,212	3,540	3,096	5,072	6,262	6,530	5,459	5,526	5,604
Percent Change:	1.9%	1.6%	1.2%	1.2%	1.0%	0.8%	1.4%	1.7%	1.7%	1.4%	1.4%	1.4%
Sacramento County:	1,423,068	1,436,176	1,447,653	1,457,395	1,474,321	1,489,712	1,504,939	1,520,121	1,537,386	1,553,253	1,569,096	1,585,100
Number Change:	11,665	13,108	11,477	9,742	16,926	15,391	15,227	15,182	17,265	15,867	15,843	16,004
Percent Change:	0.8%	0.9%	0.8%	0.7%	1.2%	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%	1.0%
Sutter County:	94,898	94,855	95,362	96,699	96,197	96,976	97,871	99,465	101,337	103,580	104,636	105,703
Number Change:	526	-43	507	1,337	-502	779	895	1,594	1,872	2,243	1,056	1,067
Percent Change:	0.6%	0.0%	0.5%	1.4%	-0.5%	0.8%	0.9%	1.6%	1.9%	2.2%	1.0%	1.0%
Yolo County:	202,634	203,430	206,079	208,528	210,110	212,992	216,980	219,697	222,054	222,868	225,341	227,843
Number Change:	2,937	796	2,649	2,449	1,582	2,882	3,988	2,717	2,357	814	2,473	2,502
Percent Change:	1.5%	0.4%	1.3%	1.2%	0.8%	1.4%	1.9%	1.3%	1.1%	0.4%	1.1%	1.1%
Yuba County:	72,353	72,823	73,140	73,303	73,808	74,472	75,378	76,712	77,426	78,292	79,004	79,723
Number Change:	557	470	317	163	505	664	906	1,334	714	866	712	719
Percent Change:	0.8%	0.6%	0.4%	0.2%	0.7%	0.9%	1.2%	1.8%	0.9%	1.1%	0.9%	0.9%

Source: California Department of Finance, The Gregory Group

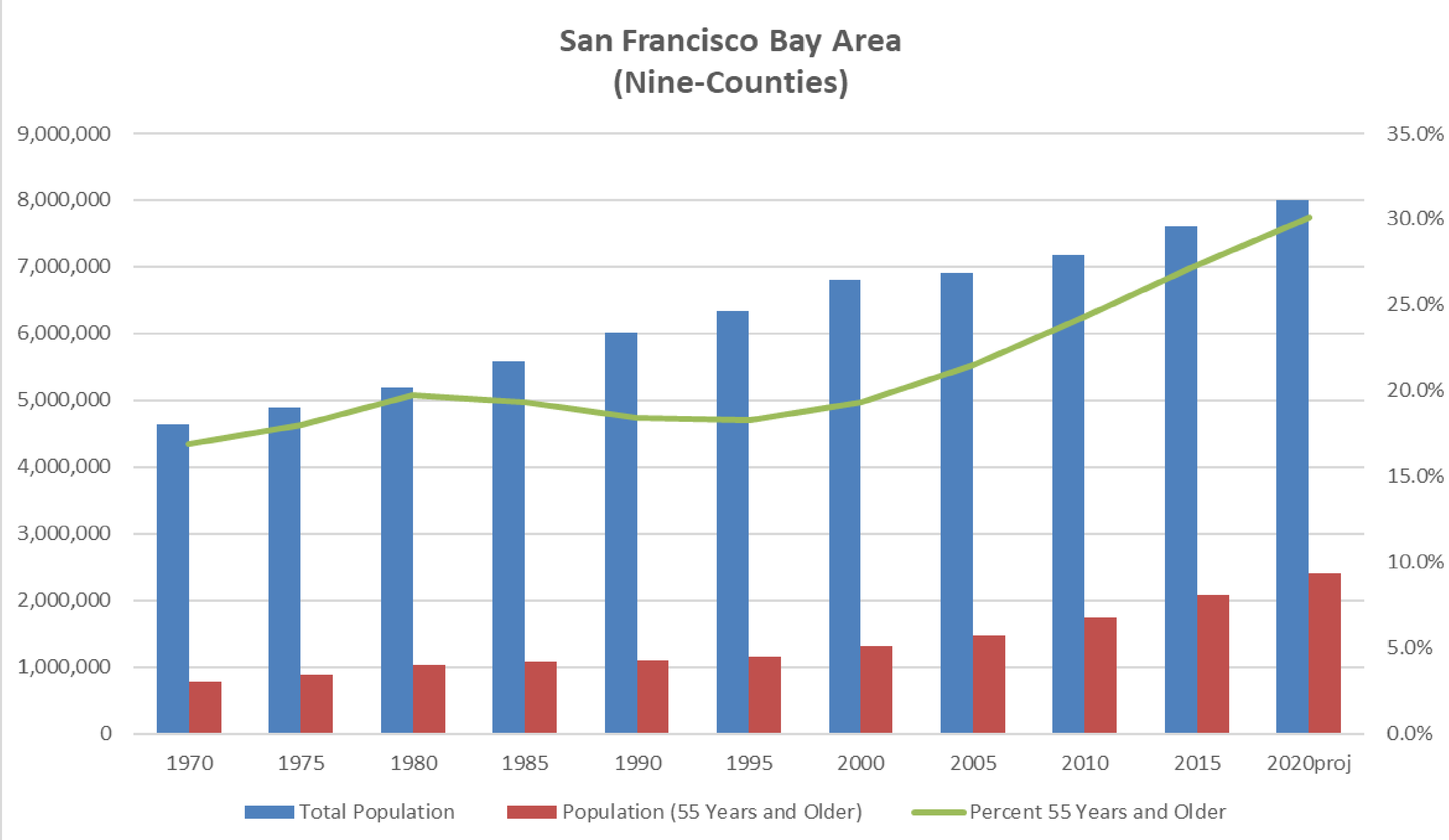


Source: California Department of Finance, The Gregory Group



Age Range	El Dorado County	Placer County	Sacramento County	Sutter County	Yolo County	Yuba County	Total	Percent Change
			Population Change: 2019 - 2029					
0-24	174	-1,795	12,508	424	9,027	-16	20,322	2.4%
25-34	6,727	9,092	36,969	1,984	8,728	984	64,484	19.9%
35-44	4,926	14,345	6,843	1,604	-112	1,517	29,123	8.8%
45-54	-2,893	4,850	27,669	447	2,823	1,218	34,114	10.9%
55-64	-9,659	-2,665	2,444	436	-146	3	-9,587	-3.0%
65-74	3,912	11,852	39,873	1,946	3,591	1,747	62,921	26.5%
75+	12,937	23,180	57,750	2,676	8,506	2,135	107,184	63.2%
Total:	**16,124**	**58,859**	**184,056**	**9,517**	**32,417**	**7,588**	**308,561**	**12.1%**

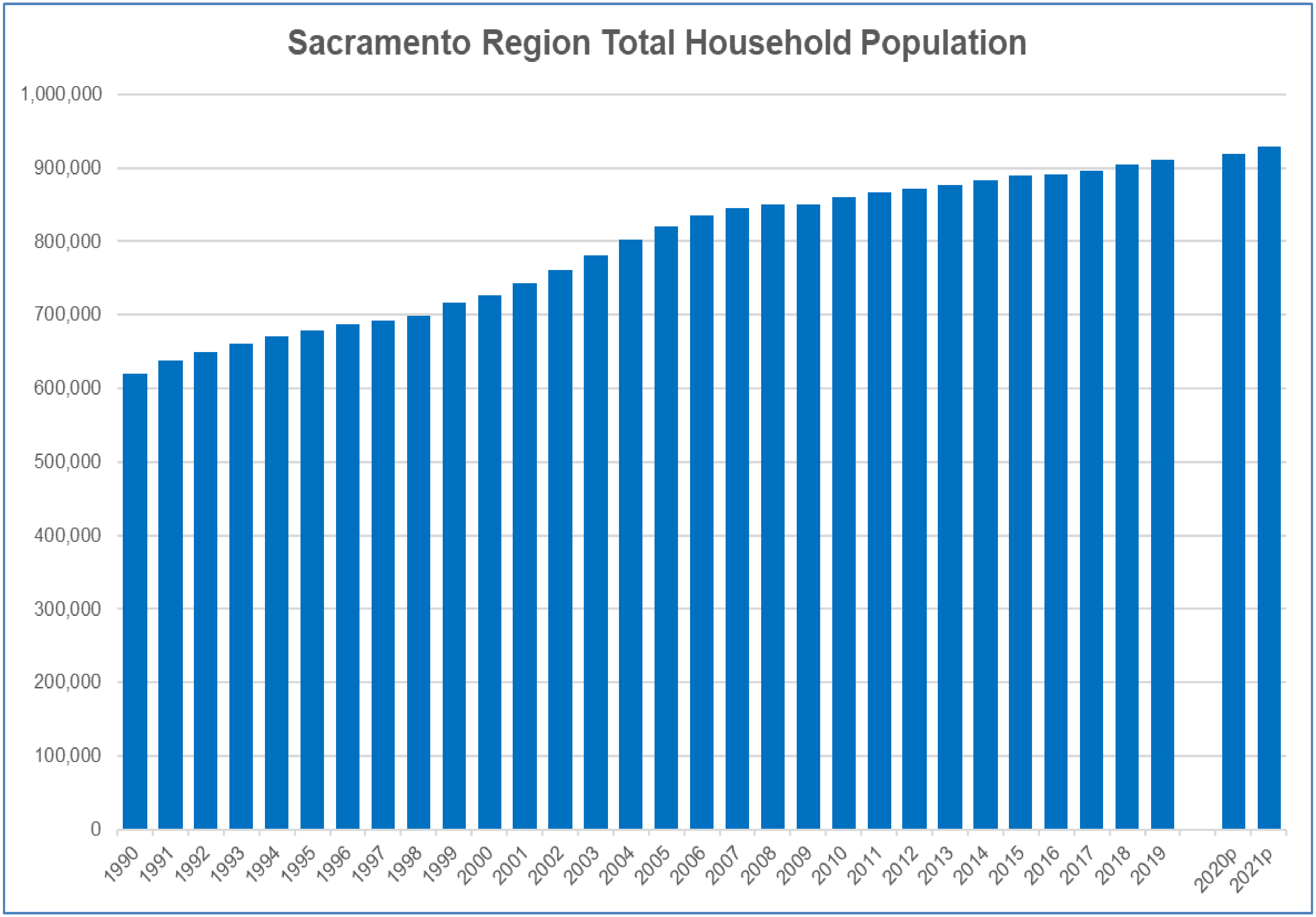
Source: California Department of Finance, The Gregory Group



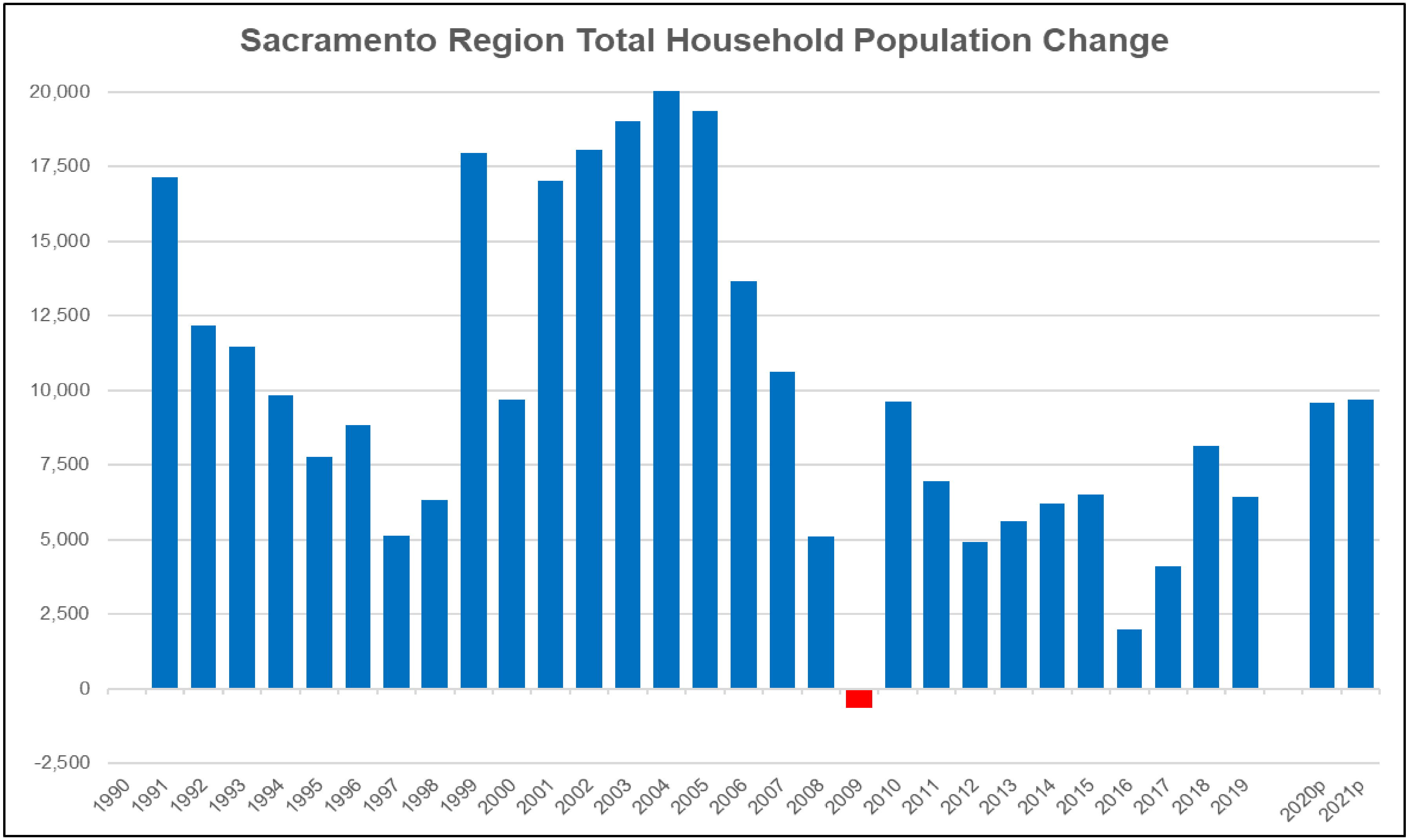
Category	San Francisco Bay Area (Nine-Counties) 1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2020proj
Total Population	4,638,633	4,897,386	5,197,178	5,592,126	6,021,836	6,344,925	6,805,690	6,900,081	7,171,673	7,613,250	7,996,841
Percent Change	--	5.6%	6.1%	7.6%	7.7%	5.4%	7.3%	1.4%	3.9%	6.2%	5.0%
Population (55 Years and Older)	783,843	882,386	1,025,974	1,081,962	1,108,480	1,158,267	1,313,966	1,481,507	1,745,786	2,079,832	2,405,369
Percent Change	--	12.6%	16.3%	5.5%	2.5%	4.5%	13.4%	12.8%	17.8%	19.1%	15.7%
Percent 55 Years and Older	**16.9%**	**18.0%**	**19.7%**	**19.3%**	**18.4%**	**18.3%**	**19.3%**	**21.5%**	**24.3%**	**27.3%**	**30.1%**

Source: California Department of Finance (Revised May 2018)

Source: California Department of Finance, The Gregory Group

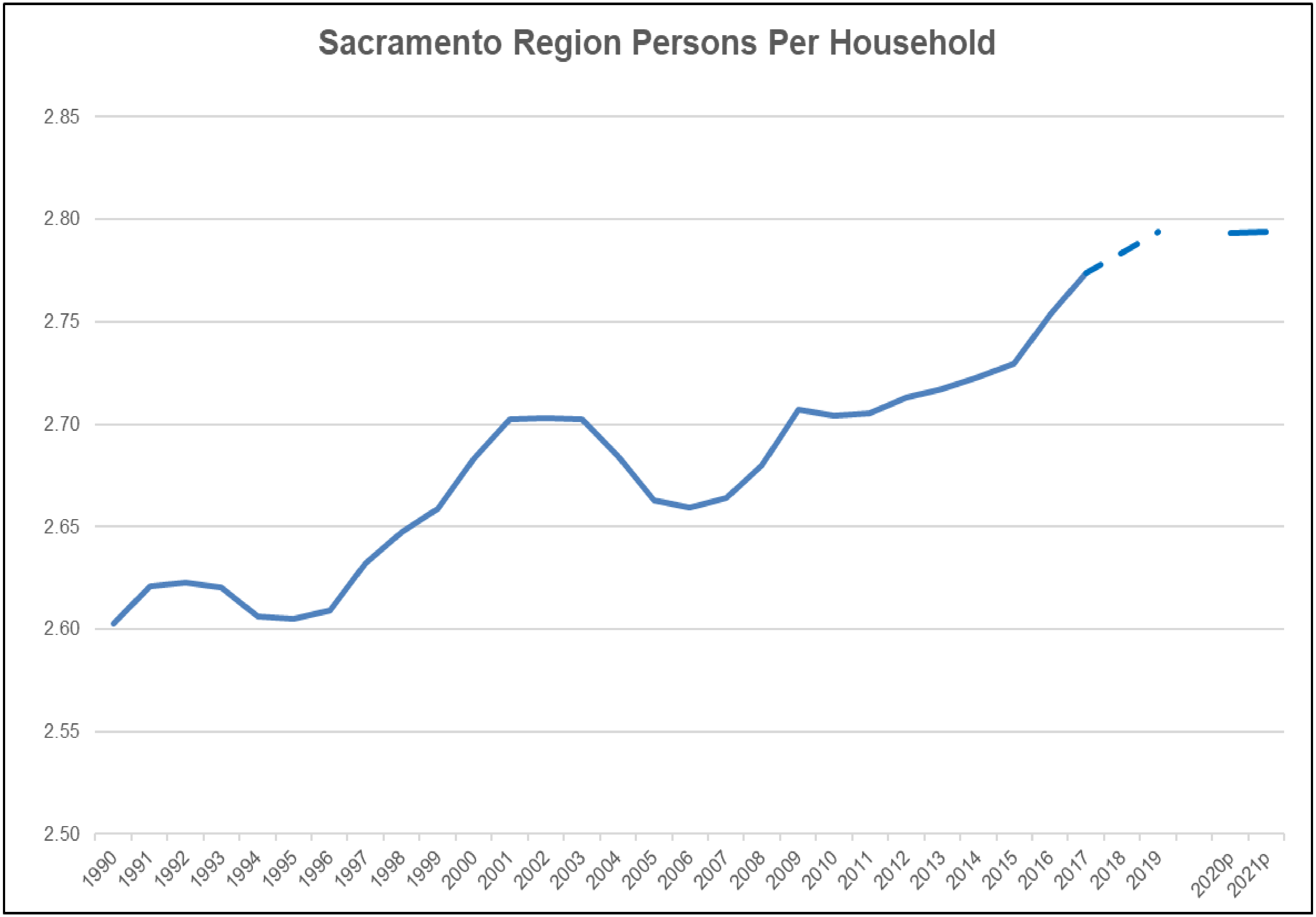


Source: California Department of Finance, The Gregory Group

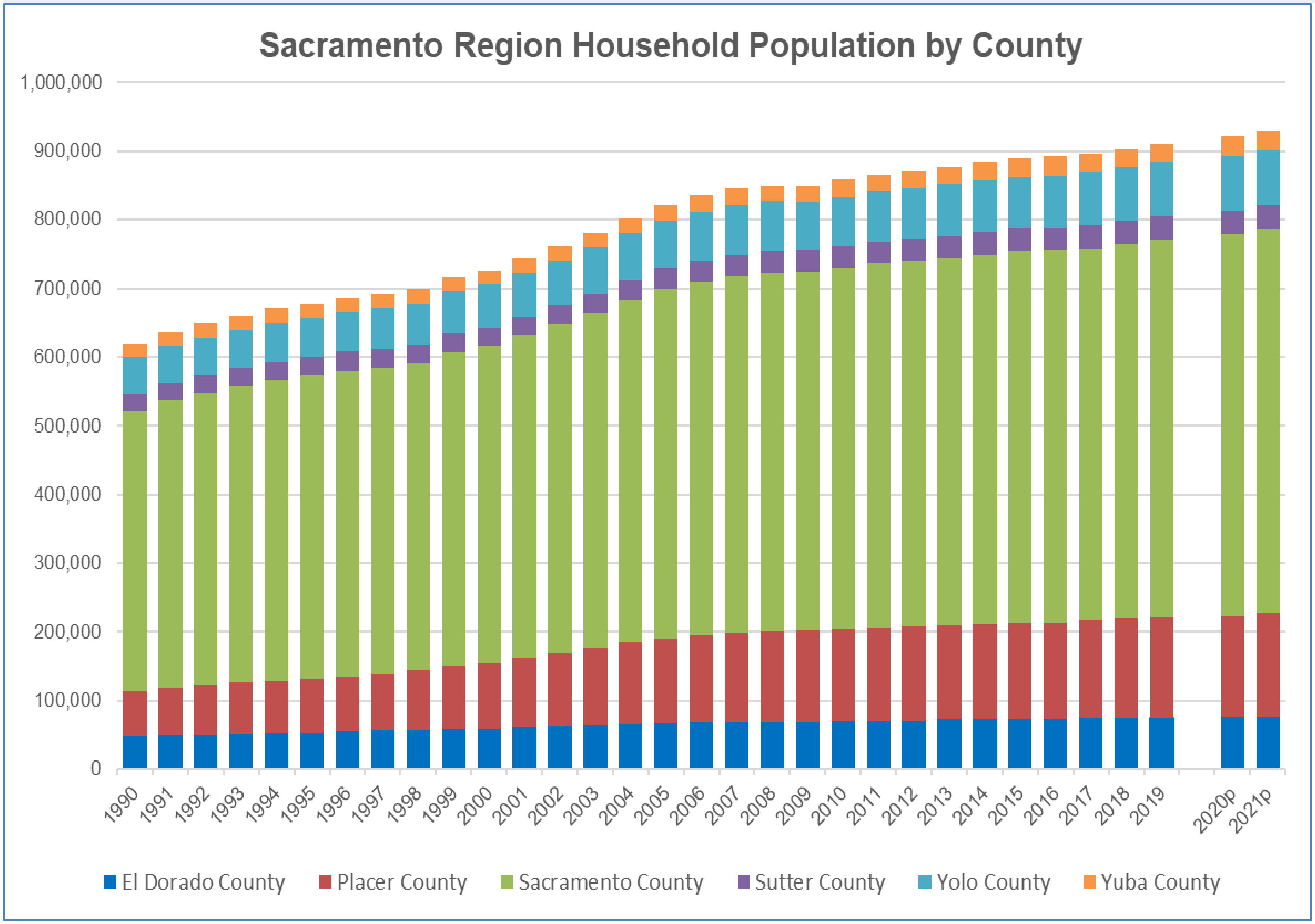


Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020p	2021p
Total Households:	859,650	866,604	871,505	877,107	883,309	889,803	891,781	895,898	904,050	910,501	920,073	929,750
Number Change:	9,605	6,954	4,901	5,602	6,202	6,494	1,978	4,117	8,152	6,451	9,572	9,677
Percent Change:	1.1%	0.8%	0.6%	0.6%	0.7%	0.7%	0.2%	0.5%	0.9%	0.7%	1.1%	1.1%
Persons Per Household:	2.70	2.71	2.71	2.72	2.72	2.73	2.75	2.77	2.78	2.79	2.80	2.81

Source: California Department of Finance, The Gregory Group



Source: California Department of Finance, The Gregory Group



Source: California Department of Finance, The Gregory Group

Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020p	2021p
El Dorado County:	71,055	71,342	72,003	72,465	72,500	72,726	72,819	74,315	75,143	75,577	76,038	76,502
Number Change:	612	287	661	462	35	226	93	1,496	828	434	461	464
Percent Change:	0.9%	0.4%	0.9%	0.6%	0.0%	0.3%	0.1%	2.1%	1.1%	0.6%	0.6%	0.6%
Placer County:	133,828	134,937	136,578	137,652	138,988	140,156	141,006	142,816	144,713	146,199	148,246	150,321
Number Change:	1,078	1,109	1,641	1,074	1,336	1,168	850	1,810	1,897	1,486	2,047	2,075
Percent Change:	0.8%	0.8%	1.2%	0.8%	1.0%	0.8%	0.6%	1.3%	1.3%	1.0%	1.4%	1.4%
Sacramento County:	525,117	529,955	532,225	533,844	538,073	541,713	541,345	540,968	545,172	548,853	554,451	560,106
Number Change:	4,496	4,838	2,270	1,619	4,229	3,640	-368	-377	4,204	3,681	5,598	5,655
Percent Change:	0.9%	0.9%	0.4%	0.3%	0.8%	0.7%	-0.1%	-0.1%	0.8%	0.7%	1.0%	1.0%
Sutter County:	31,633	31,724	31,787	32,233	32,173	32,542	32,843	33,155	33,667	34,298	34,648	35,001
Number Change:	-57	91	63	446	-60	369	301	312	512	631	350	353
Percent Change:	-0.2%	0.3%	0.2%	1.4%	-0.2%	1.1%	0.9%	0.9%	1.5%	1.9%	1.0%	1.0%
Yolo County:	73,153	73,707	73,863	75,010	75,308	76,069	76,943	77,631	78,188	78,199	79,067	79,945
Number Change:	2,713	554	156	1,147	298	761	874	688	557	11	868	878
Percent Change:	3.9%	0.8%	0.2%	1.6%	0.4%	1.0%	1.1%	0.9%	0.7%	0.0%	1.1%	1.1%
Yuba County:	24,864	24,939	25,048	25,902	26,266	26,597	26,825	27,011	27,167	27,375	27,624	27,875
Number Change:	763	75	109	854	364	331	228	186	156	208	249	251
Percent Change:	3.2%	0.3%	0.4%	3.4%	1.4%	1.3%	0.9%	0.7%	0.6%	0.8%	0.9%	0.9%

Source: California Department of Finance, The Gregory Group

Notes

The Sacramento MSA includes the four counties of El Dorado, Placer, Sacramento and Yolo

The Sacramento Region includes the six counties of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba

All projections are provided by The Gregory Group

Sources include US Bureau of Economic Analysis, US Bureau of Labor Statistics, US Bureau of Census, Thomson Reuters/University of Michigan, Board of Governors of the Federal Reserve, NAHB/Wells Fargo Bank, National Association of Realtors, Zillow Real Estate Research, California Association of Realtors, Federal Reserve Bank of St. Louis, California Department of Finance, Google Maps, City of Sacramento, Sacramento County, American FactFinder, MLS, The Gregory Group

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