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. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

$36,950,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS) IMPROVEMENT AREA NO. 2 SPECIAL TAX BONDS, SERIES 2024

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

This Official Statement describes bonds that are being issued by the City of Sacramento (the "City") with respect to Improvement Area No. 2 ('Improvement Area No. 2") of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements), City of Sacramento, County of Sacramento, State of California (the "District"). The City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 2 Special Tax Bonds, Series 2024 (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 to the extent described herein; (c) pay costs of issuance of the Bonds; and (d) fund capitalized interest on a portion of the Bonds accruing through December 1, 2026.

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 December 1, 2024 as supplemented by a First Supplemental Indenture dated as of December 1, 2024, each by and between the City and U.S. Bank Trust Company, 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 Net Special Tax Revenues (as defined in this Official Statement) received from the Special Tax (as defined in this Official Statement) levied on taxable parcels within Improvement Area No. 2 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 second amended rate and method of apportionment approved by the City Council of the City and the qualified electors within Improvement Area No. 2. See "SOURCES OF PAYMENT FOR THE BONDS." Special taxes levied on taxable parcels in Improvement Area No. 1 of the District are not pledged to and are not available to pay debt service on the Bonds.

The Bonds will be issued 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 March 1, 2025. 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 FULL 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 NET SPECIAL TAX REVENUES, 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 NET SPECIAL TAX REVENUES 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 LLP, 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 December 19, 2024.

PIPER | SANDLER

Dated: December 10, 2024

$36,950,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 2
SPECIAL TAX BONDS, SERIES 2024

MATURITY SCHEDULE

Base *CUSIP No.*† *: 786071*

$655,000
Serial Bonds

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP No.*†
2026	$ 65,000	5.00%	4.02%	101.588	SF8
2027	150,000	5.00	3.95	102.658	SG6
2028	195,000	5.00	3.97	103.506	SH4
2029	245,000	5.00	3.98	104.327	SJ0

$36,295,000 Term Bonds

$1,070,000 5.00% Term Bonds due September 1, 2032, Yield: 4.01% Price: 106.497 CUSIP No.† SK7

$1,030,000 5.00% Term Bonds due September 1, 2034, Yield: 4.07% Price: 107.386 CUSIP No.† SL5

$3,945,000 5.00% Term Bonds due September 1, 2039, Yield: 4.24% Price: 105.986[C] CUSIP No.† SM3

$6,425,000 5.00% Term Bonds due September 1, 2044, Yield: 4.54% Price: 103.570[C] CUSIP No.† SN1

$9,725,000 5.00% Term Bonds due September 1, 2049, Yield: 4.70% Price: 102.308[C] CUSIP No.† SP6

$14,100,000 5.00% Term Bonds due September 1, 2054, Yield: 4.72% Price: 102.152[C] CUSIP No.† SQ4

C Priced to the optional redemption date of September 1, 2034, at par.

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.*

CITY OF SACRAMENTO

CITY COUNCIL

Kevin McCarty, Mayor
Caity Maple, Vice Mayor, District 5
Karina Talamantes, Mayor Pro Tem, District 3
Lisa Kaplan, District 1
Roger Dickinson, District 2
Phil Pluckebaum, District 4
Eric Guerra, District 6
Rick Jennings II, District 7
Mai Vang, District 8

ADMINISTRATIVE OFFICERS

Howard Chan, City Manager
Michael Jasso, Assistant City Manager
Mario Lara, Assistant City Manager
Leyne Milstein, Assistant City Manager
Ryan Moore, Assistant City Manager
John Colville, City Treasurer
Susana Alcala Wood, City Attorney
Farishta Ahrary, City Auditor
Mindy Cuppy, City Clerk

PROFESSIONAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Trustee

U.S. Bank Trust Company, 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

Appraisal Reviewer
BBG, Inc.
Sacramento, 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:

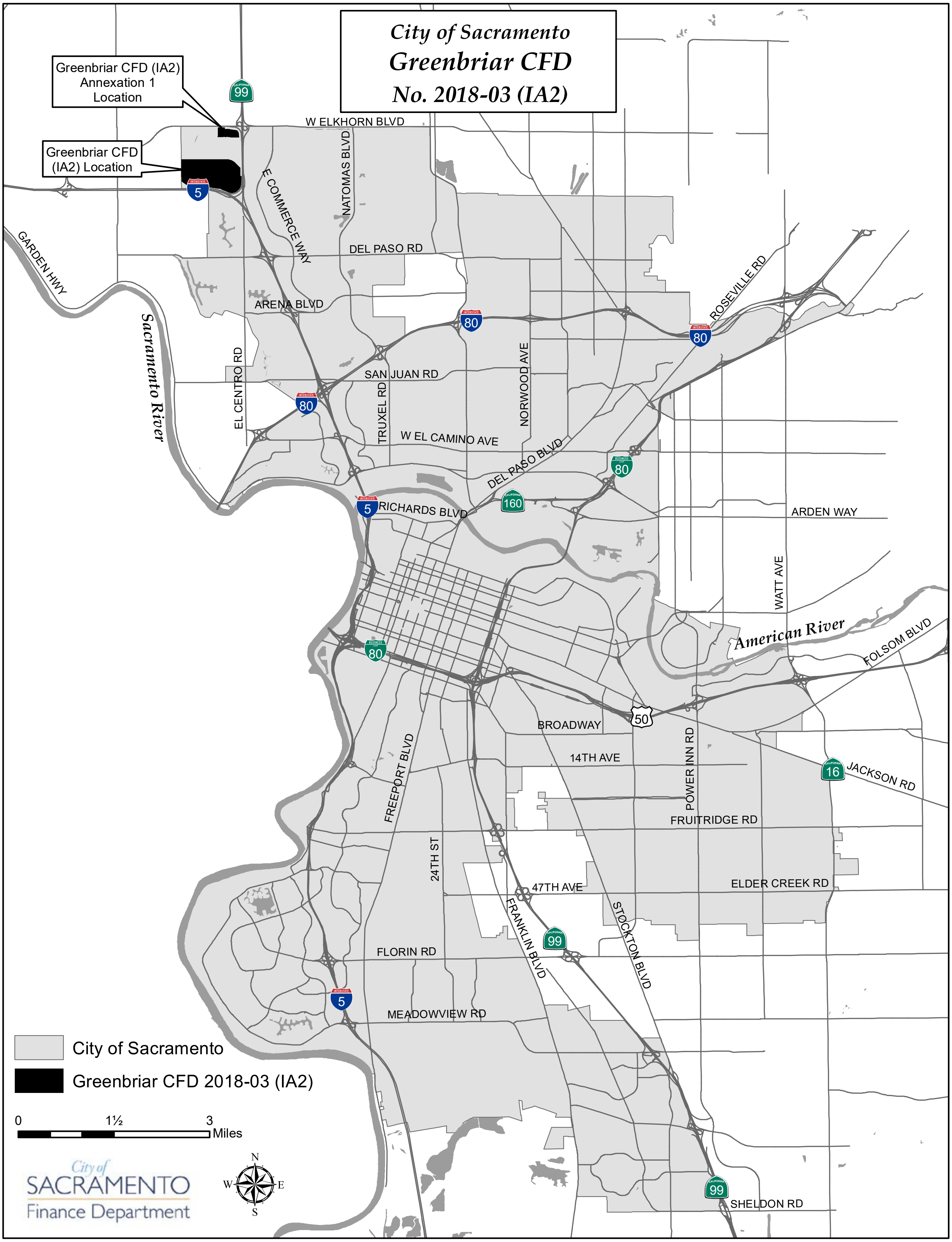
> *The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness 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. 2" and "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2."

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.

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.

TABLE OF CONTENTS


City of Sacramento
Greenbriar CFD
No. 2018-03 (IA2)
Greenbriar CFD (IA2) Annexation 1 Location
Greenbriar CFD (IA2) Location
W ELKHORN BLVD
NATOMAS BLVD
E COMMERCE WAY
DEL PASO RD
GARDEN HWY
ARENA BLVD
Sacramento River
EL CENTRO RD
SAN JUAN RD
TRUXEL RD
NORWOOD AVE
W EL CAMINO AVE
DEL PASO BLVD
ROSEVILLE RD
RICHARDS BLVD
ARDEN WAY
WATT AVE
American River
FOLSOM BLVD
BROADWAY
14TH AVE
POWER INN RD
JACKSON RD
FREEPORT BLVD
FRUITRIDGE RD
24TH ST
47TH AVE
ELDER CREEK RD
FRANKLIN BLVD
STOCKTON BLVD
FLORIN RD
MEADOWVIEW RD
SHELDON RD
City of Sacramento
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City of Sacramento
Greenbriar CFD No. 2018-03 (IA2)

City of SACRAMENTO
Finance Department
M.Dobyns | 12/4/2024

Greenbriar CFD IA2 Boundary

City Boundary

2024 Aerial Photo

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$36,950,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 2
SPECIAL TAX BONDS, SERIES 2024

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 the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 2 Special Tax Bonds, Series 2024 (the "Bonds") in the aggregate principal amount of $36,950,000. The Bonds are being issued by the City with respect to Improvement Area No. 2 ("Improvement Area No. 2") of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements), City of Sacramento, County of Sacramento, State of California (the "District"). 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 benefiting the District; (b) fund a reserve fund securing the Bonds; (c) pay costs of issuance of the Bonds; and (d) fund capitalized interest on a portion of the Bonds accruing through December 1, 2026. 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 December 1, 2024 (the "Master Indenture"), as supplemented by a First Supplemental Indenture dated as of December 1, 2024 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture") each between the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Bonds are secured under the Indenture by a pledge of and lien upon the Net Special Tax Revenues, which are the proceeds of the Special Tax levied on taxable parcels within Improvement Area No. 2, less the Priority Administrative Expenses (as such terms are defined in this Official Statement), 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." ***Special taxes levied on taxable parcels in Improvement Area No. 1 of the District are not pledged to and are not available to pay debt service on 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" and "UNDERWRITING."

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. 2

General. The District is generally coterminous with the boundaries of a new master-planned community that was initially named "Greenbriar" and has since been 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 has been and continues to be developed 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 (Shore Vista Way (formerly 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 Shore Vista Way will be the responsibility of the Sacramento Regional Transit District and not the City. No assurances can be made that such light rail extension will be constructed.

Northlake is currently planned to include approximately 2,314 single family homes, approximately 520 multifamily homes and approximately 40,000 square feet of commercial and retail space. Similar to the Westlake development located to the south, the Northlake development includes several acres of man-made lakes with certain homes to be situated on lakefront lots. The District consists of approximately 577 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.

The District is divided into two improvement areas. The first phase of Northlake is generally coterminous with Improvement Area No. 1. Development in Improvement Area No. 1 is planned for 1,137 single-family for-sale homes. Home sales in Improvement Area No. 1 began in approximately January 2021 and as of October 31, 2024, Improvement Area No. 1 was substantially built-out with 1,116 of the 1,137 planned homes conveyed to individual homeowners. The development in Improvement Area No. 1 is being undertaken through an arrangement between affiliates of the Developer (as defined below) and Lennar Homes (as defined below) that is similar to the development arrangement for Improvement Area No. 2 described herein. ***The property in Improvement Area No. 1 is not subject to the levy of the Special Tax and is not security for the Bonds.***

The development within Improvement Area No. 2 is planned for 1,177 market-rate for-sale homes, a TK-8 school (which is complete with the first class of students attending in the 2024-25 school year), and multi-family residential and commercial developments. The school site, the multi-family residential and commercial development sites are not expected to be subject to the Special Tax levy. Improvement Area No. 2 is also planned to include three parks totaling approximately 6.4 acres, open space and trails and approximately 21 acres of man-made lakes.

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 $50,000,000 with respect to Improvement Area No. 2 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. 2 — 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. 2 at which the landowners eligible to vote approved the issuance of bonds for Improvement Area No. 2 in an amount not to exceed $50,000,000.

Subsequent to the formation of the District, the City received a petition from the Developer to amend the rate and method of special tax for Improvement Area No. 2 that was approved at the November 27, 2018 election with an Amended and Restated Rate and Method of Apportionment (the “First Amended Rate and Method”) and to increase the authorized bonded indebtedness for Improvement Area No. 2 from $50,000,000 to $67,000,000. On October 26, 2021, the City Council adopted Resolution No. 2021-0321, to initiate the process to approve the First Amended Rate and Method and to increase the authorized bonded indebtedness for Improvement Area No. 2. On November 30, 2021, the City Council adopted Resolution No. 2021-0349, calling an election for December 1, 2021, on the propositions to approve the First Amended Rate and Method and increase the authorized bonded indebtedness for Improvement Area No. 2 from $50,000,000 to $67,000,000, which propositions were unanimously approved by the Developer, as the sole qualified landowner elector within Improvement Area No. 2.

Subsequent to the change proceedings described in the preceding paragraph, the City received a petition from the owners of property to further amend the First Amended Rate and Method with a Second Amended and Restated Rate and Method of Apportionment for Improvement Area No. 2 (the “Second Amended Rate and Method”) and to annex certain property to Improvement Area No. 2. On November 28, 2023, the City Council adopted Resolution No. 2023-0379, to initiate the process to approve the Second Amended Rate and Method and to annex certain property to Improvement Area No. 2. On February 27, 2024, the City Council adopted Resolution No. 2024-0063, calling an election for March 5, 2024, on the propositions to amend the First Amended Rate and Method and annex certain property to Improvement Area No. 2, which propositions were unanimously approved by the Developer and The Greenbriar Project Owner, LLC, as the qualified landowner electors within Improvement Area No. 2 (including the property to be annexed).

On March 19, 2024, the City Council adopted Ordinance No. 2024-0004 (the “Ordinance”) which authorizes the levy of a special tax pursuant to the Second Amended Rate and Method approved at the March 5, 2024 election, a copy of which is attached hereto as APPENDIX A. A Second Amendment to Notice of Special Tax Lien (the “Second Notice”) was recorded in the office of the Clerk Recorder’s Office of the County of Sacramento (the “County”) on March 14, 2024 as Document No. 202403140563. The Second Notice identified two parcels that were originally in Improvement Area No. 1 (and were subsequently removed therefrom) that were annexed to Improvement Area No. 2 and subject to the Special Tax for Improvement Area No. 2. A Third Amendment to Notice of Special Tax Lien (the “Third Notice”) was recorded in the office of the Clerk Recorder’s office of the County on March 14, 2024 as Document No. 202403140564. The Third Notice identified the entire list of all parcels subject to the Special Tax for Improvement Area No. 2.

Any special taxes levied within Improvement Area No. 1 of the District are not pledged to the payment of the Bonds.

Property Ownership and Development Status

The proposed development within Improvement Area No. 2 is the second and final phase of the Northlake master-planned community. The entity serving as master developer within Improvement Area No. 2 is Greenbriar Phase 2, LLC, a Delaware limited liability company (the “Developer”). The Developer is a wholly-owned subsidiary of Greenbriar Investor, LLC, which is a joint venture entity formed by affiliates of

Integral Communities and Lennar Homes of California, LLC, a California limited liability company ("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. 2 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. 2 that is planned for residential homes in phased takedowns. Pursuant to such agreement as may be amended, 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 October 31, 2024, other than the Shore Vista Way Overcrossing improvement described herein, such backbone infrastructure was substantially complete and the Developer expects to complete all backbone infrastructure by the end of calendar year 2025 necessary to achieve buildout within Improvement Area No. 2. The Developer has obtained all discretionary approvals required in order to complete the planned development within Improvement Area No. 2.

The Developer is required to construct a State Route 99 overcrossing that would connect Shore Vista Way (which bisects Northlake from east to west) to East Commerce Way, located offsite to the east of Northlake. Based on the development agreement for Northlake, as currently amended, the failure to meet certain timing and other requirements related to the construction of the overcrossing could impact the ability to record additional final subdivision maps within Improvement Area No. 2, which could negatively impact the projected timing of home construction and sales within Improvement Area No. 2. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2 — *Entitlements and Mitigation Measures* — Transportation Development Impact Fees/Shore Vista Way Overcrossing."

As of the September 25, 2024 date of value of the Appraisal Report (as defined herein), the Developer has substantially completed the in-tract infrastructure for approximately 488 lots within Improvement Area No. 2, including for the 208 lots that Lennar Homes had acquired as of such date. The Developer expects to substantially complete the in-tract infrastructure for all residential lots by the end of 2026, and in any event, prior to the times necessary in order for the Developer to meet the takedown schedule agreed to with Lennar Homes.

The development within Improvement Area No. 2 is planned for 1,177 market-rate for-sale homes, a TK-8 school (which is complete with the first class of students attending in the 2024-25 school year), and multi-family residential and commercial developments. The school site, the multi-family residential and commercial development sites are not expected to be subject to the Special Tax levy.

As of September 25, 2024, Lennar Homes had obtained 194 building permits within Improvement Area No. 2, consisting of building permits for 33 model homes (17 completed as of such date and 16 under construction) and 161 production homes (nine completed as of such date and 152 under construction). Lennar Homes opened six of the eight product lines planned within Improvement Area No. 2 for sale in September 2024 and expects to open the two remaining product lines for sale in January 2025.

As of November 30, 2024, Lennar Homes had obtained 218 building permits within Improvement Area No. 2. As of such date, Lennar Homes had completed and conveyed 42 homes to individual homeowners and had 46 homes in escrow. Lennar Homes currently expects to complete and convey all 1,177 planned homes within Improvement Area No. 2 to individual homeowners by the fourth quarter of 2028.

See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2" and "PROPERTY OWNERSHIP."

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. 2," "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2" 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 Net Special Tax Revenues on a parity with the Bonds, which may be issued for purposes of funding additional eligible facilities or to refund Outstanding Bonds (the "Parity Bonds") and any Parity Bonds, are limited obligations of the City, and the interest on and principal of and redemption premiums, if any, on the Bonds and any Parity Bonds are payable solely from Net Special Tax Revenues which are derived from the Special Tax to be levied annually against the Taxable Property in Improvement Area No. 2, 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. 2, 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 Net Special Tax Revenues, no other revenues or taxes are pledged to the payment of the Bonds and any Parity Bonds. The Bonds and any Parity Bonds are not general obligations of the City but are special limited obligations of the City payable solely from the Net Special Tax Revenues and other amounts held under the Indenture as more fully described herein.

Special Tax. As used in this Official Statement, the terms: (1) "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. 2 under and pursuant to the Act and in accordance with the Second Amended Rate and Method; (2) "Net Special Tax Revenues" means the proceeds of the Special Tax less the Priority Administrative Expenses; and (3) "Priority Administrative Expenses" means (i) for Fiscal Year 2025-26, $20,000, and (ii) for each subsequent Fiscal Year, an amount equal to the preceding Fiscal Year's Priority Administrative Expenses plus 3% of such amount. See "SOURCES OF PAYMENT FOR THE BONDS — Special Tax" and APPENDIX A — "SECOND AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." Under the Indenture, the City will pledge to pay debt service on the Bonds and any Parity Bonds from the Net Special Tax Revenues received by or on behalf of the City and any other amounts held in the Special Tax Fund, the Bond Redemption Fund, and the Bond Reserve Fund, as provided in the Indenture.

The Net Special Tax Revenues are the primary security for the repayment of the Bonds and any Parity 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 Parity 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 of Sacramento 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 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 (a) all parcels that are delinquent in the payment of two installments of such Special Tax in such Fiscal Year and (b) all parcels that are delinquent in the payment of such Special Tax if the total amount so collected is less than ninety-five percent (95%) of the total amount of the Special Tax levied in such Fiscal Year, in each case to enforce the lien of all such delinquent installments of such Special Tax and will diligently prosecute and pursue such foreclosure proceedings to judgement and sale provided, 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 Government Code of the State of California.

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). The County's policy is that any new taxing entity or special assessment district that includes its levy on the County's secured tax roll is qualified to be under the County's Teeter Plan. Fiscal Year 2025-26 will be the first year of the Special Tax levy and it is expected that Improvement Area No. 2 will be included in the County's Teeter Plan when the Special Tax is levied. 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. 2 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. 2. See "SPECIAL RISK FACTORS — Property Values" and APPENDIX B-1 — "APPRAISAL REPORT."

NEITHER THE FULL 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 NET SPECIAL TAX REVENUES, 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 NET SPECIAL TAX REVENUES AND CERTAIN OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

Parity Bonds and Additional Liens. Under the terms of the Indenture, the City may issue Parity Bonds secured by Net Special Tax Revenues on a parity with the Bonds if certain conditions are met, which may be issued for purposes of funding additional eligible facilities or to refund outstanding Bonds and any Parity Bonds. See "SOURCES OF PAYMENT FOR THE BONDS — Issuance of Parity Bonds." Parity 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. 2, 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 Taxable Property and existing improvements within Improvement Area No. 2 was prepared by Smith & Associates, Inc., Folsom, California (the "Appraiser"). The Appraisal Report has a date of value of September 25, 2024 (the "Date of Value"). See APPENDIX B-1 — "APPRAISAL REPORT." The Appraisal Report provides an estimated aggregate of market value for the Taxable Property within Improvement Area No. 2. As further described herein, Multi-Family Property, other than Taxable Multi-Family Property, and the property in Improvement Area No. 2 planned to be classified as Non-Residential Property, are expected to be classified as Exempt Property (as such terms are defined in the Second Amended Rate and Method) and not be subject to the Special Tax levy. As a result, only the Villages planned for the 1,177 for-sale residential homes are included in the appraised value of the Taxable Property. As of the Date of Value, the Appraiser estimates that the aggregate market value of the Taxable Property (as defined in the Second Amended Rate and Method) within Improvement Area No. 2 was not less than $134,605,000.

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in APPENDIX B-1. The City makes no representations as to the accuracy of the Appraisal Report. See "THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Property Values" and "— Value-To-Lien Ratios." There is no assurance that any property within Improvement Area No. 2 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. 2," "SPECIAL RISK FACTORS — Property Values" and APPENDIX B-1 — "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 Trust Company, National Association, will serve 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 LLP 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. 2 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."

Changes Since the Date of the Preliminary Official Statement

Changes have been made in this Official Statement since the Preliminary Official Statement dated December 4, 2024, as supplemented by the Supplement to Preliminary Official Statement dated December 9, 2024 as follows: (i) on the page following the maturity schedule to update the identity of the Mayor and certain City Council members who took office effective December 10, 2024; (ii) under the caption "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2—Infrastructure Development— *Small-Lot Final Map Status*" to reflect that as of December 12, 2024, small-lot final maps had been recorded for 698 lots within Improvement Area No. 2; (iii) in the table under the caption "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2—Acquisition of Lots by Lennar Homes—*Takedown Schedule*" to reflect that on December 12, 2024, Lennar Homes acquired 88 additional lots from the Developer under the Lennar Homes PSA (as defined herein) and to make certain adjustments to the schedule of remaining takedowns; and (iv) in Appendix G to revise the termination thresholds with respect to the Developer's and Lennar Homes' obligation to file Developer Reports.

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. 2 — Description of Authorized Facilities."

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	$ 36,950,000.00
Plus Original Issue Premium	1,161,455.95
Total Sources	**$ 38,111,455.95**
Uses of Funds:	
Acquisition and Construction Fund	$ 30,812,353.86
Bond Redemption Fund[(1)]	2,747,812.50
Costs of Issuance[(2)]	1,312,989.93
Bond Reserve Fund	3,238,299.66
Total Uses	**$ 38,111,455.95**

(1) Amount represents capitalized interest on a portion of the Bonds accruing through December 1, 2026.
(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 March 1, 2025 (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. The interest accruing on a portion of the Bonds through December 1, 2026 is being funded 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, 2032, 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, 2031, 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, 2031, through and including August 31, 2032	103%
September 1, 2032, through and including August 31, 2033	102
September 1, 2033, through and including August 31, 2034	101
September 1, 2034 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 March 1, 2025, 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 March 1, 2025 through and including March 1, 2032	103%
September 1, 2032 and March 1, 2033	102
September 1, 2033 and March 1, 2034	101
September 1, 2034, 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, 2032, 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, 2032 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*
2030	$300,000
2031	355,000
2032 (maturity)	415,000

The Bonds maturing on September 1, 2034, are subject to mandatory redemption by the City before their stated maturity date in part on September 1, 2033 as set forth in the schedule below, solely from a Sinking Fund Account Payment 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, 2034 have been optionally or extraordinarily redeemed, the amount of the Sinking Fund Account Payment 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*
2033	$480,000
2034 (maturity)	550,000

The Bonds maturing on September 1, 2039, 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, 2039 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*
2035	$625,000
2036	700,000
2037	785,000
2038	870,000
2039 (maturity)	965,000

The Bonds maturing on September 1, 2044, 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, 2044 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*
2040	$1,065,000
2041	1,165,000
2042	1,280,000
2043	1,395,000
2044 (maturity)	1,520,000

The Bonds maturing on September 1, 2049, 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, 2049 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*
2045	$1,650,000
2046	1,790,000
2047	1,935,000
2048	2,095,000
2049 (maturity)	2,255,000

The Bonds maturing on September 1, 2054, 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, 2054 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*
2050	$2,430,000
2051	2,615,000
2052	2,810,000
2053	3,015,000
2054 (maturity)	3,230,000

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.

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 Net Special Tax Revenues, assuming no delinquencies, if the Special Tax is levied at the Maximum Special Tax Rates on 797 parcels which are or are expected to be within recorded final subdivision maps by the first half of calendar year 2025 – comprised of 488 parcels within recorded final subdivision maps, 210 parcels that were anticipated to be within recorded final subdivision maps by the end of calendar year 2024 (which maps have been recorded), and 99 parcels that are anticipated to be within recorded final subdivision maps by the end of the first half of calendar year 2025, would produce not less than 110% annual coverage on annual Debt Service on the Bonds. 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. The estimated timing of final map recordation for purposes of sizing the Bonds differs from the Developer's current expected timing with respect to such final maps.

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Date	*Principal*	*Interest*	*Total Debt Service*
3/1/2025	$ -	$ 369,500.00	$ 369,500.00(1)
9/1/2025	-	923,750.00	923,750.00(1)
3/1/2026	-	923,750.00	923,750.00(1)
9/1/2026	65,000	923,750.00	988,750.00(2)
3/1/2027	-	922,125.00	922,125.00(2)
9/1/2027	150,000	922,125.00	1,072,125.00
3/1/2028	-	918,375.00	918,375.00
9/1/2028	195,000	918,375.00	1,113,375.00
3/1/2029	-	913,500.00	913,500.00
9/1/2029	245,000	913,500.00	1,158,500.00
3/1/2030	-	907,375.00	907,375.00
9/1/2030	300,000	907,375.00	1,207,375.00
3/1/2031	-	899,875.00	899,875.00
9/1/2031	355,000	899,875.00	1,254,875.00
3/1/2032	-	891,000.00	891,000.00
9/1/2032	415,000	891,000.00	1,306,000.00
3/1/2033	-	880,625.00	880,625.00
9/1/2033	480,000	880,625.00	1,360,625.00
3/1/2034	-	868,625.00	868,625.00
9/1/2034	550,000	868,625.00	1,418,625.00
3/1/2035	-	854,875.00	854,875.00
9/1/2035	625,000	854,875.00	1,479,875.00
3/1/2036	-	839,250.00	839,250.00
9/1/2036	700,000	839,250.00	1,539,250.00
3/1/2037	-	821,750.00	821,750.00
9/1/2037	785,000	821,750.00	1,606,750.00
3/1/2038	-	802,125.00	802,125.00
9/1/2038	870,000	802,125.00	1,672,125.00
3/1/2039	-	780,375.00	780,375.00
9/1/2039	965,000	780,375.00	1,745,375.00
3/1/2040	-	756,250.00	756,250.00
9/1/2040	1,065,000	756,250.00	1,821,250.00
3/1/2041	-	729,625.00	729,625.00
9/1/2041	1,165,000	729,625.00	1,894,625.00
3/1/2042	-	700,500.00	700,500.00
9/1/2042	1,280,000	700,500.00	1,980,500.00
3/1/2043	-	668,500.00	668,500.00
9/1/2043	1,395,000	668,500.00	2,063,500.00
3/1/2044	-	633,625.00	633,625.00
9/1/2044	1,520,000	633,625.00	2,153,625.00
3/1/2045	-	595,625.00	595,625.00
9/1/2045	1,650,000	595,625.00	2,245,625.00
3/1/2046	-	554,375.00	554,375.00
9/1/2046	1,790,000	554,375.00	2,344,375.00
3/1/2047	-	509,625.00	509,625.00
9/1/2047	1,935,000	509,625.00	2,444,625.00
3/1/2048	-	461,250.00	461,250.00
9/1/2048	2,095,000	461,250.00	2,556,250.00
3/1/2049	-	408,875.00	408,875.00
9/1/2049	2,255,000	408,875.00	2,663,875.00
3/1/2050	-	352,500.00	352,500.00
9/1/2050	2,430,000	352,500.00	2,782,500.00
3/1/2051	-	291,750.00	291,750.00
9/1/2051	2,615,000	291,750.00	2,906,750.00
3/1/2052	-	226,375.00	226,375.00
9/1/2052	2,810,000	226,375.00	3,036,375.00
3/1/2053	-	156,125.00	156,125.00
9/1/2053	3,015,000	156,125.00	3,171,125.00
3/1/2054	-	80,750.00	80,750.00
9/1/2054	3,230,000	80,750.00	3,310,750.00
Total	$36,950,000	$39,992,000.00	$76,942,000.00

(1) Amount to be paid from capitalized interest.
(2) A portion of such 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 Net Special Tax Revenues 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 terms: (1) "Special Tax" to mean the special tax authorized to be levied and collected annually on all Taxable Land in Improvement Area No. 2 in accordance with the Second Amended Rate and Method under and pursuant to the Act; (2) "Net Special Tax Revenues" to mean the proceeds of the Special Tax less the Priority Administrative Expenses; and (3) "Priority Administrative Expenses" to mean (i) for Fiscal Year 2025-26, $20,000, and (ii) for each subsequent Fiscal Year, an amount equal to the preceding Fiscal Year's Priority Administrative Expenses plus 3% of such amount. 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 Second Amended Rate and Method. See "SOURCES OF PAYMENT FOR THE BONDS — Special Tax" and "SPECIAL RISK FACTORS — Proposition 218" below. The Second Amended Rate and Method apportions the total amount of the Special Tax to be collected among the Taxable Property in Improvement Area No. 2. See "—Special Tax" and APPENDIX A — "SECOND 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. 2, 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 FULL 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 NET SPECIAL TAX REVENUES, 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 NET SPECIAL TAX REVENUES 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. 2 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. 2, on December 1, 2021, an election was held within Improvement Area No. 2 at which the landowners eligible to vote approved the issuance of bonds for the District with respect to Improvement Area No. 2 in an amount not to exceed $67,000,000, secured by special taxes levied on property within Improvement Area No. 2 to finance the facilities and fees. On March 5, 2024, the landowners within Improvement Area No. 2 also voted to approve the Second Amended Rate and Method which authorized the Special Tax to be levied to repay indebtedness of the District with respect to Improvement Area No. 2, 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. 2 in accordance with the Second Amended Rate and Method and, subject to the limitations in the Second Amended 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 and, except as otherwise provided in the Indenture or by the Act, is 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 — "SECOND AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

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 is being 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 Expense Fund (maintained by the Treasurer) a sum equal to the Priority Administrative Expenses,

(2) to the Bond Redemption Fund (maintained by the Trustee) to pay debt service payments on all Outstanding Bonds and any Parity Bonds,

(3) to the Bond Reserve Fund (maintained by the Trustee) to the extent necessary to replenish the Bond Reserve Fund to the Required Bond Reserve and to any other reserve fund established for a Series of Parity Bonds, on a pro rata basis,

(4) to 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, in either case, to the extent such Expenses were not already funded or reimbursed by Priority Administrative Expenses, and

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

Promptly after receipt of any proceeds of the Special Tax in a Fiscal Year, the Treasurer will, from the money in the Special Tax Fund, transfer to and deposit in the Expense Fund a sum equal to the Priority Administrative Expenses for such Fiscal Year.

At least one Business Day prior to the first day of each March and September, 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 interest becoming due and payable on all Outstanding Bonds and Parity Bonds on such March 1 and September 1. At least one Business Day prior to the first day in September in each year, 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 Parity 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 Parity 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 Second Amended Rate and Method) in the Acquisition and Construction Fund, (ii) deposit any component thereof representing the "Administrative Fees and Expenses" (as defined in the Second Amended 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 Parity 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 Second Amended Rate and Method. See APPENDIX A — "SECOND 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."

Second Amended 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 Second Amended Rate and Method which the City Council and the electors within Improvement Area No. 2 have approved. The Second Amended Rate and Method apportions the total amount of the Special Tax to be collected among the Taxable Property in the Improvement Area No. 2 as more particularly described below.

The following is a synopsis of the provisions of the Second Amended Rate and Method for Improvement Area No. 2, which should be read in conjunction with the complete text of the Second Amended Rate and Method which is attached as APPENDIX A — "SECOND AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The definitions of the capitalized terms used under this caption "*—Second Amended Rate and Method of Apportionment of Special Tax*" are as set forth in APPENDIX A. This section provides only a summary of the Second Amended Rate and Method, and is qualified by more complete and detailed information contained in the entire Second Amended 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 Welfare Exemption Property, Taxable Public Property, or Exempt Property; (3) for Developed Property, whether an Assessor's Parcel is Single Family Residential Property or Non-Residential 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 Second Amended 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. 2 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 (3) 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, the Special Tax will be levied Proportionately on Taxable Welfare Exemption Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable Welfare Exemption 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 HOA Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable HOA Property.

Step 8. If additional revenue is needed after Step 7 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 is the greater of (i) the Special Tax rates set forth in Table 1 below (which rates will increase by two percent each Fiscal Year from the amount in effect in the previous Fiscal Year), or, (ii) the Maximum Special Tax determined pursuant to Section D as described under "— *Changes to Maximum Special Tax Rates*" below.

The Maximum Special Tax for Undeveloped Property, Anticipated Park/School Site Property, Taxable Multi-Family Property, Taxable HOA Property, Taxable Welfare Exemption Property, and Taxable Public Property is $32,347 per Acre for Fiscal Year 2025-26, which amount shall increase on each July 1 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. 2 were completed on March 12, 2024. The Expected Maximum Special Tax Revenues for each Village at such time are set forth in Attachment 1 to the Second Amended 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. 2 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 Second Amended Rate and Method (which shall be updated by the Administrator each time a Land Use Change has been processed according to the Second Amended 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. 2 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 the Required Coverage, no further action is needed, and the Administrator shall update Attachment 1 to the Second Amended 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 Second Amended 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 are 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 Expected Maximum Special Tax Revenues at buildout within Improvement Area No. 2 (i.e., assuming building permits have been issued for all 1,177 planned residential units), based on the Fiscal Year 2025-26 Base 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 Base Special Tax rates for Developed Property will be those set forth in Table 1 below, which increase by 2% per Fiscal Year.

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TABLE 1
IMPROVEMENT AREA NO. 2 OF
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
EXPECTED LAND USES AND EXPECTED MAXIMUM SPECIAL TAX REVENUES
AT BUILDOUT

Village	***Number of Planned Units***[(1)]	***Fiscal Year 2025-26 Base Special Tax Rates***[(2)]	***Fiscal Year 2025-26 Expected Maximum Special Tax Revenues at Buildout***
Village 1A	64	$2,310	$147,834
Village 1B	40	2,310	92,396
Village 2	89	2,310	205,582
Village 3	11	2,995	32,946
Village 4	68	2,630	178,861
Village 5	61	2,630	160,449
Village 6	54	2,995	161,735
Village 7	26	3,269	84,993
Village 8	88	2,995	263,568
Village 9	53	3,269	173,254
Village 10	59	3,269	192,868
Village 11	44	2,630	115,734
Village 12	60	3,322	199,319
Village 13	50	3,322	166,099
Village 14	54	2,885	155,773
Village 15	29	2,885	83,656
Village 16	34	2,885	98,079
Village 17	46	2,885	132,695
Village 18	59	3,622	213,687
Village 19	49	3,622	177,469
Phase 1 - Village 14[(3)]	139	1,828	254,124
Total	**1,177**		**$3,291,121**

(1) Based on the expected land uses within each Village provided by the Developer as of September 24, 2024.
(2) The Special Tax rates per residential unit in Table 1 above increase by 2.0% per Fiscal Year.
(3) Also referred to herein as Village 14/20.
Source: Goodwin Consulting Group, Inc.

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.

Exemptions. The Special Tax will not be levied in any Fiscal Year on: (1) Exempt Property, except Taxable Public Property, Taxable Multi-Family Property, Taxable Non-Residential Property, Taxable Welfare Exemption 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.

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 Second Amended Rate and Method are satisfied. The Prepayment Amount is calculated as specified in Section H of the Second Amended 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. 2 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 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 all Taxable Property to make-up all or a portion of any shortfall in the Special Tax levy, subject to the maximum Special Tax rate on such Taxable 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. 2 of the District.

Although the Special Tax constitutes a lien on Taxable Property (as defined in the Second Amended Rate and Method) within Improvement Area No. 2, it does not constitute a personal indebtedness of the owners of property within Improvement Area No. 2. In addition to the obligation to pay the Special Tax, properties in Improvement Area No. 2 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. 2. 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. 2 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 Net 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 parcels 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 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 (a) all parcels that are delinquent in the payment of two installments of such Special Tax in such Fiscal Year and (b) all parcels that are delinquent in the payment of such Special Tax if the total amount so collected is less than ninety-five percent (95%) of the total amount of the Special Tax levied in such Fiscal Year, in each case to enforce the lien of all such delinquent installments of such Special Tax and will diligently prosecute and pursue such foreclosure proceedings to judgement and sale provided, 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 Government Code of the State of California.

However, 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* property taxes.

Bond Reserve Fund

In order to secure the payment of principal of and 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, with respect to the Bonds and any Series of Parity Bonds (unless otherwise specified in a Supplemental Indenture, including to have the Bond Reserve Fund secure the Bonds and any other Series of Parity Bonds), the least of (a) 10% of the principal amount of the Bonds or such Series of Parity Bonds, (b) Maximum Annual Debt Service with respect to the Bonds or such Series of Parity Bonds, and (c) 125% of the average annual Debt Service with respect to the Bonds or such Series of Parity Bonds, all as determined by the City under the Internal Revenue Code of 1986, as amended (the "Tax Code"), and specified in writing to the Trustee; provided, that

(1) if the Bond Reserve Fund will secure any Series of Parity Bonds, all the Bonds and such Parity Bonds shall be covered by the Bond Reserve Fund;

(2) 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;

(3) the amount of the Required Bond Reserve shall not increase at any time except (potentially) upon the issuance of a new Series of Parity Bonds; and

(4) with respect to the issuance of any issue of Parity Bonds, if the amount on deposit in the Bond Reserve Fund or other applicable reserve fund for a Series of Parity Bonds would have to be increased by an amount greater than ten percent (10%) of the stated principal amount of such issue of Parity 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 Parity 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 $3,238,299.66 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. 2 in accordance with the Second Amended 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 and any other reserve fund established for a Series of Parity Bonds at the applicable Required Bond Reserve. Amounts in the Bond Reserve Fund are to be applied to (i) pay debt service on the Bonds and any Parity Bonds secured thereby, 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 Parity Bonds secured thereby 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 Parity Bonds. See APPENDIX E — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Allocation of Money in the Special Tax Fund."

Issuance of Parity Bonds

The City may issue Parity Bonds to finance additional facilities or to refund any Outstanding Bonds and Parity Bonds. The City may issue Parity Bonds to finance additional facilities, subject to, among others set forth in the Indenture, the following conditions:

(a) The Net Special Tax Revenues expected to be available to the City if the Special Tax were to be levied and collected at its maximum rate and amount on all Taxable Land in Improvement Area No. 2 during each Fiscal Year that the Bonds and such Parity Bonds will be Outstanding, as shown by a written certificate of the special tax consultant selected by the City on file with the Trustee, would have produced a sum equal to at least 110% of the annual Debt Service during the Bond Year that begins in such Fiscal Year; and

(b) The Aggregate Value-to-Lien Ratio of all Taxable Land (excluding the Value of any parcels of Taxable Land then delinquent in the payment of any Special Tax) shall be at least 3:1, and the Allocable Value-to-Lien Ratio of all Undeveloped Property (excluding the Value of any parcels of Taxable Land then delinquent in the payment of any Special Tax) shall be at least 3:1; and, for the purposes of this paragraph, the term "Value" means either the current assessed valuation of a parcel of Taxable Land or the appraised value of a parcel of Taxable Land determined by an MAI appraiser, the term "Aggregate Value-to-Lien Ratio" means the ratio of the Value of all Taxable Land to the aggregate principal amount of all Bonds Outstanding and the Parity Bonds proposed to be issued plus the aggregate principal amount of all other assessment bonds and bonds issued under the Act and reasonably allocable to such Taxable Property, the term "Allocable Value-to-Lien Ratio" means the ratio of the Value of all Undeveloped Property to the principal amount of all Bonds

Outstanding and the Parity Bonds proposed to be issued and reasonably allocable to such Undeveloped Property, plus the principal amount of all other assessment bonds and bonds issued under the Act and reasonably allocable to such Undeveloped Property; and the term "Undeveloped Property" means all parcels of Taxable Land for which a building permit has not been issued.

Notwithstanding the foregoing, nothing contained in the Indenture limits the issuance of Parity Bonds if, after the issuance and delivery of such Parity Bonds, either (i) none of the Bonds and Parity Bonds theretofore issued will be Outstanding or (ii) the Debt Service in each Bond Year that begins after the issuance of such Parity Bonds is not increased by reason of the issuance of such Parity Bonds.

Teeter Plan

In July 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. The County has the discretion to determine which delinquent special taxes will be paid through the Teeter Plan on a case-by-case basis.

The County's policy includes the following criteria for delinquent parcels to be excluded from the County's Teeter Plan: (1) tax bills belonging to a governmental/public agency; (2) common area parcels; (3) tax bills on the unitary assessed values or pipeline assessed values; (4) special assessments (subject to judiciary foreclosure) to be stripped from the tax bill; (5) bankruptcy; (6) demolition of the property; (7) vacant buildings (due to a risk of possible demolition); (8) contamination of the property; (9) property that is subjected to the "sealed bid"; (10) the delinquent amount is greater than or equal to assessed value of the property; (11) property that is de-enrolled from the Teeter Plan in previous years under the same owner and (12) the amount of code enforcement liens, other delinquent abatement liens, and delinquent utilities abatement liens, and delinquent utilities levied on the property is equal to or greater than 5% of the assessed value of the property.

The County's policy is that any new taxing entity or special assessment district that includes its levy on the County tax roll is qualified to be under the County's Teeter Plan. Fiscal Year 2025-26 will be the first year of the Special Tax levy and it is expected that Improvement Area No. 2 will be included in the County's Teeter Plan when the Special Tax is levied. See "SPECIAL RISK FACTORS — Teeter Plan Termination."

THE DISTRICT AND IMPROVEMENT AREA NO. 2

General Description

The District was formed and Improvement Area No. 2 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. 2 authorized the City to incur bonded indebtedness with respect to Improvement Area No. 2 to finance certain public facilities and governmental fees to meet the needs of new development within the District, approved the Second Amended Rate and Method for Improvement Area No. 2 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 has since been marketed as "Northlake." Northlake is currently planned to include approximately 2,314 single family homes, approximately 520 multifamily homes and approximately 40,000 square feet of commercial and retail space. The District consists of approximately 577 acres. Northlake is planned to be developed in two phases with the first phase being generally coterminous with Improvement Area No. 1 of the District. Development in Improvement Area No. 1 is planned for 1,137 single-family for-sale homes. Home sales in Improvement Area No. 1 began in approximately January 2021 and as of October 31, 2024, Improvement Area No. 1 was substantially built-out with 1,116 of the 1,137 planned homes conveyed to individual homeowners.

The second phase of Northlake is generally coterminous with Improvement Area No. 2. Improvement Area No. 2 consists of approximately 288 acres located to the west of State Highway 99, south of Shore Vista Way (formerly Meister Way), east of Lone Tree Road and north of the Interstate 5 Freeway. Approximately 20 acres located on the northwestern end of Phase 1 of Northlake (non-contiguous to the balance of Improvement Area No. 2) was annexed to Improvement Area No. 2 in March 2024 (referred to herein as Village 14/20).

The development within Improvement Area No. 2 is planned for 1,177 market-rate for-sale homes, a TK-8 school (which is complete with the first class of students attending in the 2024-25 school year), and multi-family residential and commercial developments. The school site, the multi-family residential and commercial development sites are not expected to be subject to the Special Tax levy. Improvement Area No. 2 is also planned to include three parks totaling approximately 6.4 acres, open space and trails and approximately 21 acres of man-made lakes. The man-made lakes are substantially complete and are located toward the center/western portion of Improvement Area No. 2, with 115 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. 2 therein. As of October 31, 2024, other than the Shore Vista Way Overcrossing improvement described below, such backbone infrastructure was substantially complete and the Developer expects to complete all backbone infrastructure necessary to achieve buildout within Improvement Area No. 2 by the end of calendar year 2025. The Developer has obtained all discretionary approvals required in order to complete the planned development within Improvement Area No. 2.

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. 2 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 the Date of Value, the Developer has substantially completed the in-tract infrastructure for approximately 488 lots within Improvement Area No. 2, including for the 208 lots that Lennar Homes had acquired as of such date. The Developer expects to substantially complete the in-tract infrastructure for all residential lots by the end of 2026, 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 November 30, 2024, Lennar Homes had obtained 218 building permits within Improvement Area No. 2. As of such date, Lennar Homes had completed and conveyed 42 homes to individual homeowners and had 46 homes in escrow.

See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2" 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-1 — "APPRAISAL REPORT."

Water and sewer service to the property is provided by the City and the Sacramento Area Sewer 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 $30.8 million of the costs of such facilities or fees including but not limited to Twin Rivers Unified School District's governmental fee program is expected to be reimbursed or paid from Bond proceeds. Approximately $18.3 million of fees included within the Twin Rivers Unified School District's, fee program and approximately $12.5 million of City street and utility infrastructure improvements 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. 2" for a description of the infrastructure required to be constructed by the Developer in order to complete development within Improvement Area No. 2.

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 "Natomas Levee Project"). As a result of the implementation of the Natomas 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 Natomas Levee Project is currently expected to be substantially complete by the end of calendar year 2025 (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, consistent 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 (Resolution No. 2017-0209) that permits the Northlake project to proceed notwithstanding the caps on residential development under the Building Ordinance.

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 Natomas Levee Project is completed. The Corps began construction of the Natomas Levee Project in 2017 and the Natomas Levee Project is currently estimated to be substantially complete in 2025. Completion of the Natomas 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. 2).

The requirement to purchase flood insurance within Improvement Area No. 2 remains in effect even though the Natomas Basin is currently 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.

When the Natomas Levee Project is completed, the City expects that, under current FEMA criteria, the majority of 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). See "Flood Hazard— *Compliance with State Flood Protection Requirements*" below for a discussion of the State-required level of flood protection for areas within the California Central Valley (including the City).

Flood Hazard

Development in the District is subject to federal and State requirements regarding the restoration of protection against flood hazards (e.g., levees). As described below, failure to meet such federal or State requirements could delay development in Improvement Area No. 2.

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 Natomas 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 that any delays with respect to the Natomas Levee Project to result in FEMA revising the flood map from its current Zone A99 designation, thereby causing another de facto building moratorium in the Natomas Basin.

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 the end of calendar year 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). The remaining improvements that will allow the Natomas Basin to meet the State requirement for 200-year flood protection have been funded and are part of an active U.S. Army Corps of Engineers construction contract. SAFCA has informed the City that it currently expects construction of the remaining improvements necessary to meet the State requirement for 200-year flood protection to begin and be completed in calendar year 2025.

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 projects involving various levee systems, including the Natomas Levee Project, designed to protect the City from flood events (collectively, the "Levee Project") are meeting specified development milestones toward providing an ULOP by 2025. The City does not manage or otherwise have any control over the construction of the Levee Project. In the latest annual progress report prepared by SAFCA in August 2024 (the "2024 ULOP Report"), which the City relied on to make the adequate-progress finding in October 2024, SAFCA noted that as the December 31, 2025 deadline for ULOP attainment draws near, new delays to remaining scheduled construction activities with respect to certain portions of the Levee Project could constrain attainment for affected portions of the subject basins.

If construction of a portion of the Levee Project is delayed so that the City is unable to make a finding of adequate-progress toward an ULOP for the affected basin, 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. In such event, development within Improvement Area No. 2 could be materially delayed.

In the 2024 ULOP Report, SAFCA estimates that construction of the remaining necessary portions of the Natomas Levee Project will be substantially complete by the end of calendar year 2025, with certain construction and documentation activities potentially extending beyond 2025. The discovery of cultural artifacts at the locations of the remaining uncompleted portions of the Natomas Levee Project may cause construction delays. However, SAFCA has informed the City that the currently estimated completion schedule for the Natomas Levee Project accounts for various potential causes of delay, including the discovery of cultural artifacts. SAFCA has informed the City that SAFCA does not believe that the discovery of cultural artifacts to be a distinct or separate risk from other potential causes of construction delays (e.g. contractor delays and delays due to weather events). Notwithstanding the foregoing, in the event that any portion of the Natomas Levee Project is not complete by the end of calendar year 2025, it is possible that the requirement to achieve a ULOP could delay development activities in the Natomas Basin (including the District) and such delays could be material.

Certain jurisdictions within the vicinity of the City (e.g. the City of West Sacramento and the Mossdale Tract in the County of San Joaquin) have attained legislative extensions of the December 31, 2025 ULOP deadline, with a new deadline of 2040. The City may consider seeking a similar legislative extension if determined by the City to be advisable. However, no assurances can be made that such legislation will be sought and if sought, that such legislation will be passed. See "SPECIAL RISK FACTORS — Natural Disasters."

Direct and Overlapping Indebtedness

The ability of an owner of land within Improvement Area No. 2 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. 2 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. 2. The Debt Report has been derived from data assembled and reported to the City by California Municipal Statistics, Inc. as of November 1, 2024. 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
IMPROVEMENT AREA NO. 2 OF
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
OVERLAPPING DEBT SUMMARY AS OF NOVEMBER 1, 2024

2024-25 Assessed Valuation: $67,375,274 (Land and Improvements)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 11/1/24
Los Rios Community College District General Obligation Bonds	0.024%	$83,812
Twin Rivers Unified School District General Obligation Bonds (former elementary schools)(1)	0.391	287,152
Twin Rivers Unified School District General Obligation Bonds	0.309	840,916
Sacramento Area Flood Control District Consolidated Capital Assessment District No. 2 Bonds	0.016	46,003
Sacramento Area Flood Control District Natomas Basin Local Assessment District	0.044	12,726
City of Sacramento Greenbriar CFD No. 2018-03, I.A. 2 Mello-Roos Act Bonds	**100.000**	**0**(2)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,270,609(3)

Ratios to 2024-25 Assessed Valuation:
Total Direct and Overlapping Tax and Assessment Debt .... 1.89%(2)

(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) Excludes the principal amount of the Bonds.
(3) Includes overlapping debt on all property in Improvement Area No. 2 and differs from the totals in Tables 4A, 4B and 5, which only include overlapping debt on the Taxable Property in Improvement Area No. 2.
Source: California Municipal Statistics, Inc.

Estimated Fiscal Year 2024-25 Tax Burden

Table 3 below sets forth the estimated total tax obligation of single-family detached homes within Improvement Area No. 2 based on the average base sales prices of homes as set forth in the Appraisal Report, the Fiscal Year 2024-25 Special Tax levy at the Maximum Special Tax rates on Developed Property and the Fiscal Year 2024-25 tax rates for overlapping taxing entities. The amounts charged and the effective tax rates vary for individual parcels within Improvement Area No. 2 and may increase or decrease in future years. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments."

TABLE 3
IMPROVEMENT AREA NO. 2 OF
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
ESTIMATED TAX OBLIGATION

		Villages 1 & 2	*Villages 4, 5, & 11*	*Villages 3, 6 & 8*	*Villages 7, 9 & 10*	*Villages 12 & 13*	*Villages 14, 15, 16 & 17*	*Villages 18 & 19*	*Villages 14 Ph1*
Assumptions									
Average Base Price [1]		$570,240	$619,657	$681,190	$652,990	$679,590	$751,823	$735,657	$528,740
Homeowner's Exemption		(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Net Expected Assessed Value		$563,240	$612,657	$674,190	$645,990	$672,590	$744,823	$728,657	$521,740
Ad Valorem Taxes [2]	Rate								
County General	1.00000%	$ 5,632	$ 6,127	$ 6,742	$ 6,460	$ 6,726	$ 7,448	$ 7,287	$ 5,217
Twin Rivers Unif GOB	0.04380	247	268	295	283	295	326	319	229
Twin Rivers Elem. GOB [3]	0.03520	198	216	237	227	237	262	256	184
Twin Rivers Elem SFID [3]	0.03380	190	207	228	218	227	252	246	176
Los Rios College GO Bond	0.02000	113	123	135	129	135	149	146	104
Grant Jt. High GOB [3]	0.01100	62	67	74	71	74	82	80	57
Total *Ad Valorem* Taxes	1.14380%	$ 6,442	$ 7,008	$ 7,711	$ 7,389	$ 7,693	$ 8,519	$ 8,334	$ 5,968
Direct Charges [4]									
SAFCA Consolidated Capital Assessment #2		$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2
Natomas Basin Local Assessment District		2	2	2	2	2	2	2	2
Sacramento Additional Library Services Tax		40	40	40	40	40	40	40	40
Sacramento Core Library Service Tax		16	16	16	16	16	16	16	16
Sacramento Services CFD No. 2018-05		278	278	278	278	278	278	278	278
Sacramento Area Flood Control Agency		11	11	11	11	11	11	11	11
North Natomas TMA CFD No. 99-01		89	89	89	89	89	89	89	89
Reclamation District No. 1000		10	10	10	10	10	10	10	10
RD 1000 Stormwater Service Fee		4	4	4	4	4	4	4	4
IA No. 2 Greenbriar CFD No. 2018-03 [5]		2,265	2,579	2,936	3,205	3,257	2,828	3,551	1,792
Total Direct Charges		$ 2,716	$ 3,030	$ 3,387	$ 3,656	$ 3,708	$ 3,279	$ 4,002	$ 2,243
Total Taxes and Direct Charges [6]		**$ 9,158**	**$ 10,037**	**$ 11,099**	**$ 11,045**	**$ 11,401**	**$ 11,798**	**$ 12,336**	**$ 8,211**
Percentage of Average Base Price		**1.61%**	**1.62%**	**1.63%**	**1.69%**	**1.68%**	**1.57%**	**1.68%**	**1.55%**

(1) Reflects average base sales prices based on the Appraisal Report.
(2) Based on Fiscal Year 2024-25 *ad valorem* tax rates for the tax rate area within the District. 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 2024-25 Maximum Special Tax rates on Developed Property.
(6) Totals may not sum due to rounding.
Source: Sacramento County Tax Collector's Office; Goodwin Consulting Group, Inc.; Appraiser.

Market Absorption Study

In order to provide an independent estimate of the absorption schedule of the property within Improvement Area No. 2, 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. 2.

The Market Absorption Consultant Report dated as of May 2024 is attached hereto as Appendix I (the "Market Absorption Report"). In the Market Absorption Report, the Market Absorption Consultant observes that despite the increase in mortgage rates during 2023 through the first two quarters in 2024, new-home sales increased in the first quarter of 2024. In addition, the effect of mortgage lock (where low interest rate homeowners are reluctant to sell their home with a current mortgage rate that is below 5%) incentivized potential home buyers to look to the new-home market. As a result, the increase in new buyers led to increased home prices in the second quarter of 2024 (after leveling off for the prior three quarters), recording an increase of 1.2% on a quarter-over-quarter basis and an increase of 3.4% on a year-over-year basis. The Market Absorption Report notes that a strong increase in mortgage rates, sustained higher mortgage rates and a recession in the next two to four years during the sales period of the projects in Improvement Area No. 2 could have a significant impact on absorption and this impact could result in slower sales and lower pricing than anticipated.

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 (including in Phase 1 of Northlake) 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 June 2024 (home sales in Improvement Area No. 2 commenced in September 2024), the Market Absorption Consultant concludes that the development within Improvement Area No. 2 can absorb 0.81 units per week per product offering with the final sales to occur in the third quarter of 2028. The following table sets forth the Market Absorption Consultant's estimated absorption schedule for the 1,177 residential units planned for Improvement Area No. 2.

Community	***Villages***	***Total No. of Units***	***Units Sold Per Year***				
			2024	***2025***	***2026***	***2027***	***2028***
Bleau	12 & 13	110	23	39	39	9	0
Crestvue	7, 9 & 10	138	23	39	39	37	0
Drifton	18 & 19	108	15	26	26	26	15
Lakelet	4, 5 & 11	173	30	52	52	39	0
Shor	1 & 2	193	30	52	52	52	7
Watersyde	3, 6 & 8	153	23	39	39	39	13
Wavmor	14 through 17	163	23	39	39	39	23
Waters Edge	14/20	139	30	52	52	5	0
		1,177	**197**	**338**	**338**	**246**	**58**

The Market Absorption Consultant identifies potential risks that could affect the estimated absorption, including economic downturn. 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 all property within Improvement Area No. 2, as shown on the County's assessment roll for Fiscal Year 2024-25, is approximately $67,375,274. The assessed value of the property within Improvement Area No. 2 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. 2 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. 2, 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. 2 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-1 — "APPRAISAL REPORT."

The purpose of the Appraisal Report was to estimate the market value of the property within Improvement Area No. 2 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 market value of the property within Improvement Area No. 2 subject to the Special Tax levy was $134,605,000. 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. 2 will be required to purchase flood insurance. See "— De Facto Building Moratorium from 2008 to 2015" and "— Flood Hazard."

Pursuant to the Second Amended Rate and Method, the property planned for the multi-family projects, commercial projects, parks and open space 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 "Value-To-Lien Ratios —*Tax-Exempt Parcels*" below.

In estimating the market value for the Taxable Property within Improvement Area No. 2, the Appraiser used a sales comparison approach to estimate the land value per lot within each of the proposed villages within Improvement Area No. 2. 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. 2. 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-1 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. 2 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. 2 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. 2 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. 2 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. 2.

Appraisal Review Report. The City engaged BBG, Inc., independent appraisers, to conduct a review of the Appraisal Report. BBG, Inc. concluded in its report dated November 12, 2024 that: (i) the data used for the Appraisal Report is adequate and reasonable; (ii) the methods and techniques used in the Appraisal Report are appropriate; (iii) the value opinions stated in the Appraisal Report are adequately supported and are credible, given the data and analyses presented (however, BBG, Inc. expresses no opinions of value as to the properties appraised in the Appraisal Report); and (iv) in BBG, Inc.'s judgment, the Appraisal Report complies with Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice and California Debt and Investment Advisory Commission appraisal guidelines.

Estimated Debt Service Coverage

The Bonds have been structured such that the projected annual Net Special Tax Revenues, assuming no delinquencies, if levied at the Maximum Special Tax Rates on 797 parcels which are or are expected to be within recorded final subdivision maps by the first half of calendar year 2025 – comprised of 488 parcels within recorded final subdivision maps, 210 parcels that were anticipated to be within recorded final subdivision maps by the end of calendar year 2024 (which maps have been recorded), and 99 parcels that are anticipated to be within recorded final subdivision maps by the end of the first half of calendar year 2025, would produce not less than 110% annual coverage on annual Debt Service on the Bonds. 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. The estimated timing of final map recordation for purposes of sizing the Bonds differs from the Developer's current expected timing with respect to such final maps. Subject to satisfaction of the conditions under the Indenture, the City expects that Parity Bonds will be issued to fund additional authorized facilities. See "SOURCES OF PAYMENT FOR THE BONDS— Issuance of Parity Bonds."

Value-To-Lien Ratios

Value-to-Lien Ratio. Based on the principal amount of the Bonds, the estimated appraised value-to-lien ratio within Improvement Area No. 2, including all Taxable Property (giving effect to the issuance of the Bonds) as of the Date of Value is approximately 3.64-to-1. This ratio includes other land-secured debt (i.e.

other community facilities districts or assessment districts) and overlapping general obligation bonds. See "— Direct and Overlapping Indebtedness" above. The aforesaid value to lien ratio is for the entire Improvement Area No. 2, however, the ratios of the value of individual lots within Improvement Area No. 2 to their respective shares of the principal amount of the Bonds can vary substantially.

As of the Date of Value, Lennar Homes had acquired 208 lots from the Developer. As of such date, the balance of the Taxable Property within Improvement Area No. 2 was owned by the Developer. Based on the acquisition of 208 lots from the Developer and assuming no additional transfer of property or development activity within Improvement Area No. 2, the Developer and Lennar Homes are estimated to be responsible for 71.3% and 28.7% of the projected Fiscal Year 2025-26 Special Tax levy, respectively. As of November 30, 2024, Lennar Homes had obtained 218 building permits within Improvement Area No. 2. As of such date, Lennar Homes had completed and conveyed 42 homes to individual homeowners and had 46 homes in escrow. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2 — Home Construction."

Table 4A below sets forth the estimated value-to-lien ratio of the Taxable Property within Improvement Area No. 2 based on building permits issued and ownership status as of the Date of Value, the aggregate estimated values set forth in the Appraisal Report, the principal amount of the Bonds and overlapping debt. Table 4B sets forth the estimated value-to-lien ratio of the Taxable Property within Improvement Area No. 2 assuming full buildout, the aggregate estimated values set forth in the Appraisal Report, the principal amount of the Bonds and overlapping debt.

Table 5 below sets forth the estimated value-to-lien ratios for Taxable Property within Improvement Area No. 2 by various ranges based upon the principal amount of the Bonds and overlapping debt based on building permits issued as of the Date of Value.

Tax-Exempt Parcels. The sites expected to be classified as Multi-Family Property and Non-Residential Property under the Second Amended Rate and Method are not expected to be subject to the Special Tax levy. In addition, pursuant to the Second Amended Rate and Method, property to be used as parks, open space, approximately 21 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.

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TABLE 4A
IMPROVEMENT AREA NO. 2 OF
CITY OF SACRAMENTO GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
MAXIMUM AND PROJECTED SPECIAL TAX LEVY AND VALUE-TO-LIEN RATIOS
(DEVELOPMENT AND OWNERSHIP AS OF THE DATE OF VALUE)

Development Status and Property Ownership [(1)]	*Taxable Parcels*	*Expected Residential Units* [(2)]	*Fiscal Year 2025-26 Maximum Special Tax* [(3)]	*Fiscal Year 2025-26 Hypothetical Special Tax Levy* [(1)]	*Percent of Fiscal Year 2025-26 Hypothetical Special Tax Levy*	*Appraised Value* [(4)]	*Allocated CFD No. 2018-03 IA 2 Bonds* [(5)]	*Total Direct and Overlapping Debt Lien* [(6)]	*Value-to-Lien*
Developed Property[(7)]									
Lennar Homes of California, LLC									
Model Homes[(8)]	17	17	$ 51,191	$ 51,191	2.6%	$ 10,883,562	$ 978,797	$ 979,351	11.11
Completed Homes	9	9	25,677	25,677	1.3	5,314,584	490,961	491,231	10.82
Homes Under Construction	168	168	442,944	442,944	22.9	35,905,592	8,469,231	8,474,195	4.24
Subtotal	194	194	$ 519,813	$ 519,813	26.9%	$ 52,103,738	$ 9,938,989	$ 9,944,777	5.24
Final Map Property									
Lennar Homes of California, LLC	14	14	$ 35,619	$ 35,619	1.8%	$ 2,621,262	$ 681,037	$ 681,472	3.85
Greenbriar Phase 2, LLC	280	280	792,578	792,578	41.0	23,081,940	15,154,347	15,163,262	1.52
Subtotal	294	294	$ 828,197	$ 828,197	42.9%	$ 25,703,202	$15,835,384	$15,844,735	1.62
Undeveloped Property[(9)]									
Greenbriar Phase 2, LLC	19	689	$4,075,870	$ 584,490	30.2%	$ 56,798,060	$11,175,628	$11,203,140	5.07
Anticipated Park Property[(10)]	3	0	$ 210,517	$ 0	0.0%	$ 0	$ 0	$ 1,239	0.00
Total	510	1,177	$5,634,397	$1,932,500	100.0%	$134,605,000	$36,950,000	$36,993,890	3.64

(1) Based on ownership and development status as of the Date of Value.
(2) Based on the expected land uses within each Village as of the Date of Value.
(3) Based on development status as of the Date of Value.
(4) Based on the Appraisal Report.
(5) Allocated based on the hypothetical Fiscal Year 2025-26 Special Tax levy. Does not reflect the application of capitalized interest on the Bonds.
(6) Includes land-secured overlapping special tax and assessment lien debt as of November 1, 2024 that is applicable to the Taxable Property in Improvement Area No. 2. Total differs from the total in Table 2, which includes overlapping debt on all property in Improvement Area No. 2, but does not include the principal amount of the Bonds. Does not include overlapping general obligation debt. See "— Direct and Overlapping Indebtedness" above.
(7) As of November 30, 2024, Lennar Homes had obtained 218 building permits within Improvement Area No. 2. As of such date, Lennar Homes had completed and conveyed 42 homes to individual homeowners and had 46 homes in escrow. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2 — Home Construction."
(8) Only includes completed model homes as of the Date of Value. Additional model homes were under construction as of such date.
(9) 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. 2 — Infrastructure Development — *Small-Lot Final Map Status*" for the current schedule for recording the remaining small-lot final maps. Includes parcels anticipated to be zoned as Multi-Family Property and Non-Residential Property, which are currently classified as Undeveloped Property and are expected to be classified as Exempt Property once a building permit is issued. The value of such parcels is not included in this table.
(10) Such parcels were not appraised in the Appraisal Report and none of Bonds are allocated to such parcels.

Source: California Municipal Statistics; Goodwin Consulting Group, Inc.; Smith & Associates, Inc.

TABLE 4B
IMPROVEMENT AREA NO. 2 OF
CITY OF SACRAMENTO GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
MAXIMUM AND PROJECTED SPECIAL TAX LEVY AND VALUE-TO-LIEN RATIOS
MAXIMUM AND PROJECTED SPECIAL TAX LEVY AND VALUE-TO-LIEN RATIOS AT BUILDOUT

Development Status and Property Ownership [(1)]	*Taxable Parcels*	*Expected Residential Units* [(2)]	*Fiscal Year 2025-26 Maximum Special Tax* [(3)]	*Fiscal Year 2025-26 Maximum Special Tax Revenues at Buildout* [(2)]	*Percent of Maximum Special Tax Revenues at Buildout*	*Appraised Value* [(4)]	*Allocated CFD No. 2018-03 IA 2 Bonds* [(5)]	*Total Direct and Overlapping Debt Lien* [(6)]	*Value-to-Lien*
Developed Property[(7)]									
Lennar Homes of California, LLC									
Model Homes[(8)]	17	17	$ 51,191	$ 51,191	1.6%	$ 10,883,562	$ 574,736	$ 575,290	18.92
Completed Homes	9	9	25,677	25,677	0.8	5,314,584	288,285	288,555	18.42
Homes Under Construction	168	168	442,944	442,944	13.5	35,905,592	4,973,014	4,977,977	7.21
Subtotal	194	194	$ 519,813	$ 519,813	15.8%	$ 52,103,738	$ 5,836,035	$ 5,841,823	8.92
Final Map Property									
Lennar Homes of California, LLC	14	14	$ 35,619	$ 35,619	1.1%	$ 2,621,262	$ 399,895	$ 400,331	6.55
Greenbriar Phase 2, LLC	280	280	792,578	792,578	24.1	23,081,940	8,898,420	8,907,335	2.59
Subtotal	294	294	$ 828,197	$ 828,197	25.2%	$ 25,703,202	$ 9,298,315	$ 9,307,666	2.76
Undeveloped Property[(9)]									
Greenbriar Phase 2, LLC	19	689	$4,075,870	$1,943,111	59.0%	$ 56,798,060	$21,815,650	$21,843,163	2.60
Anticipated Park Property[(10)]	3	0	$ 210,517	$ 0	0.0%	$ 0	$ 0	$ 1,239	0.00
Total	510	1,177	$5,634,397	$3,291,121	100.0%	$134,605,000	$36,950,000	$36,993,890	3.64

(1) Based on ownership and development status as of the Date of Value.
(2) Based on the expected land uses within each Village as of the Date of Value.
(3) Based on development status as of the Date of Value.
(4) Based on the Appraisal Report.
(5) Allocated based on the Maximum Special Tax levy at buildout.
(6) Includes land-secured overlapping special tax and assessment lien debt as of November 1, 2024 that is applicable to the Taxable Property in Improvement Area No. 2. Total differs from the total in Table 2, which includes overlapping debt on all property in Improvement Area No. 2, but does not include the principal amount of the Bonds. Does not include overlapping general obligation debt. See "— Direct and Overlapping Indebtedness" above.
(7) As of November 30, 2024, Lennar Homes had obtained 218 building permits within Improvement Area No. 2. As of such date, Lennar Homes had completed and conveyed 42 homes to individual homeowners and had 46 homes in escrow. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2 — Home Construction."
(8) Only includes completed model homes as of the Date of Value. Additional model homes were under construction as of such date.
(9) 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. 2 — Infrastructure Development — *Small-Lot Final Map Status*" for the current schedule for recording the remaining small-lot final maps. Includes parcels anticipated to be zoned as Multi-Family Property and Non-Residential Property, which are currently classified as Undeveloped Property and are expected to be classified as Exempt Property once a building permit is issued. The value of such parcels is not included in this table and none of the Special Tax levy expected at buildout is allocated to such parcels.
(10) Such parcels were not appraised in the Appraisal Report and none of Bonds are allocated to such parcels.

Source: California Municipal Statistics; Goodwin Consulting Group, Inc.; Smith & Associates, Inc.

TABLE 5
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 2
VALUE-TO-LIEN STRATIFICATION

Value-to-Lien	*Taxable Parcels*	*Expected Residential Units* [(1)]	*Fiscal Year 2025-26 Maximum Special Tax* [(2)]	*Fiscal Year 2025-26 Maximum Special Tax Revenues at Buildout*	*Percent of Maximum Special Tax Revenues at Buildout*	*Appraised Value* [(3)]	*Allocated CFD No. 2018-03 IA 2 Bonds* [(4)]	*Total Direct and Overlapping Debt Lien* [(5)]	*Average Value-to-Lien*
Greater than 8:1	75	75	$ 173,196	$ 173,196	5.3%	$ 25,755,010	$ 1,944,498	$ 1,946,856	13.23
5:1 to 8:1	133	133	382,236	382,236	11.6	28,969,990	4,291,432	4,295,298	6.74
3:1 to 5:1	89	260	887,908	550,482	16.7	21,433,230	6,180,356	6,188,503	3.46
2:1 to 3:1	205	709	3,300,016	2,185,208	66.4	58,446,770	24,533,714	24,556,000	2.38
Less than 2:1 [(6)]	8	0	891,042	0	0.0	0	0	7,234	0.00
Total	510	1,177	$ 5,634,397	$3,291,121	100.0%	$ 134,605,000	$ 36,950,000	$ 36,993,890	3.64

(1) Based on the expected land uses within each Village as of the Date of Value.
(2) Based on development status as of the Date of Value.
(3) Based on the Appraisal Report.
(4) Allocated based on the Maximum Special Tax levy at buildout.
(5) Includes land-secured overlapping special tax and assessment lien debt as of November 1, 2024 that is applicable to the Taxable Property in Improvement Area No. 2. Total differs from the total in Table 2, which includes overlapping debt on all property in Improvement Area No. 2, but does not include the principal amount of the Bonds. Does not include overlapping general obligation debt. See "— Direct and Overlapping Indebtedness" above.
(6) Includes the three parcels of Anticipated Park Property. Also includes parcels anticipated to be zoned as Multi-Family Property and Non-Residential Property, which are both considered Exempt Property once a building permit is issued.
Source: California Municipal Statistics; Goodwin Consulting Group, Inc.; Appraiser.

Delinquency History

The City has not yet levied the Special Tax within Improvement Area No. 2. As a result, no delinquency history with respect to the Special Tax exists. Fiscal Year 2025-26 will be the first year of the Special Tax levy.

Dispute with Respect to Funding of the Shore Vista Overcrossing

As described under "the caption "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2 — Northlake, the District and Improvement Area No. 2 — *Entitlements and Mitigation Measures —* Transportation Development Impact Fees/Meister Way Overcrossing," the City and the Developer had entered into a Funding Agreement (as defined below) with respect to the funding of certain costs of the Shore Vista Way Overcrossing. In November 2024, the City received a letter from counsel representing the developers (the "North Natomas Developers") of certain property in the North Natomas Basin (located outside of the District) claiming that the City's agreement to loan approximately $6.1 million of development impact fee revenues to the cost of the Shore Vista Way Overcrossing, as set forth in the Funding Agreement, is improper and constitutes a breach of the development agreement between the City and the North Natomas Developers. The letter requests that the City rescind the Funding Agreement or otherwise take action to cure such breach. The City has analyzed the foregoing claims and believes that the loan of the development impact fees to fund the overcrossing is in accordance with applicable law and does not constitute a breach of the City's development agreement with the North Natomas Developers. Nevertheless, if the foregoing claims were to proceed to litigation, there is a possibility that a court could disagree. If the Funding Agreement were rescinded by a court holding that it constituted a breach of the development agreement with the North Natomas Developers, the Developer would still be entitled to develop Northlake. The City, however, would not have a clear path toward the construction of the Shore Vista Way Overcrossing.

DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2

The information in this section about the Developer and Lennar Homes and their respective developments within Improvement Area No. 2 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. 2 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. 2. Neither the Bonds nor the Special Tax represent personal obligations of any property owner within Improvement Area No. 2. 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. 2 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. 2

General. The property in Improvement Area No. 2 is the second and final phase of a new master-planned community being developed by Greenbriar Phase 2, LLC, a Delaware limited liability company (previously defined as the "Developer"), that was initially named "Greenbriar" and has since been 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 has been and continues to be developed 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 (Shore Vista Way (formerly 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 Shore Vista Way will be the responsibility of the Sacramento Regional Transit District and not the City. See "— *Entitlements and Mitigation Measures* — Transportation Development Impact Fees/Meister Way Overcrossing" below for a description of an overcrossing for Shore Vista Way required to be constructed by the Developer for the Northlake project.

Northlake is currently planned to include approximately 2,314 single family homes, approximately 520 multifamily homes and approximately 40,000 square feet of commercial and retail space. Similar to the Westlake development located to the south, the Northlake development includes several acres of man-made lakes with certain homes to be situated on lakefront lots. The District consists of approximately 577 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.

The District is divided into two improvement areas. The first phase of Northlake is generally coterminous with Improvement Area No. 1. Development in Improvement Area No. 1 is planned for 1,137 single-family for-sale homes. Home sales in Improvement Area No. 1 began in approximately January 2021 and as of October 31, 2024, Improvement Area No. 1 was substantially built-out with 1,116 of the 1,137 planned homes conveyed to individual homeowners. The development in Improvement Area No. 1 is being undertaken through an arrangement between affiliates of the Developer and Lennar Homes that is similar to the development arrangement for Improvement Area No. 2 described herein. ***The property in Improvement Area No. 1 is not subject to the levy of the Special Tax and is not security for the Bonds.***

Phase 2 of Northlake is generally coterminous with Improvement Area No. 2. Improvement Area No. 2 consists of approximately 288 acres located to the west of State Highway 99, south of Shore Vista Way (formerly Meister Way), east of Lone Tree Road and north of the Interstate 5 Freeway. Approximately 20 acres located on the northwestern end of Phase 1 of Northlake (non-contiguous to the balance of Improvement Area No. 2) was annexed to Improvement Area No. 2 in March 2024 (referred to herein as Village 14/20).

The development within Improvement Area No. 2 is planned for 1,177 market-rate for-sale homes, a a TK-8 school (which is complete with the first class of students attending in the 2024-25 school year), and multi-family residential and commercial developments. The school site and the multi-family residential and commercial development sites are not expected to be subject to the Special Tax levy. Improvement Area No. 2 is also planned to include three parks totaling approximately 6.4 acres, open space and trails and approximately 21 acres of man-made lakes. The man-made lakes are substantially complete and are located toward the center/western portion of Improvement Area No. 2, with 115 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. 2 therein. As of October 31, 2024, other than the Shore Vista Way Overcrossing improvement described below, such backbone infrastructure was substantially complete and the Developer expects to complete all backbone infrastructure by the end of calendar year 2025 necessary to achieve buildout within Improvement Area No. 2. 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. 2 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 Homes acquires a lot. As of the Date of Value, the Developer has substantially completed the in-tract infrastructure for approximately 488 lots within Improvement Area No. 2, including for the 208 lots that Lennar Homes had acquired as of such date. The Developer expects to substantially complete the in-tract infrastructure for all residential lots by the end of 2026, 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."

Development Agreement and Mitigation Requirements. 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 approximately 2,428 single family homes, approximately 528 multifamily homes and commercial and retail space, subject to compliance with the terms and conditions of the Development Agreement, which in all cases is in excess of the Developer's current plans for development of Northlake.

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 (for both collection and 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 habitat conservation requirements described below, the mitigation measures and fees may be financed with proceeds of the Bonds and any Parity Bonds.

<u>Transportation Development Impact Fees/Shore Vista Way Overcrossing</u>. The Developer is required to pay City Transportation Development Impact Fees ("TDIF") in connection with the development of Northlake. The Development Agreement, as amended by the third amendment thereto, described below, requires that the Developer construct a State Route 99 overcrossing that would connect Shore Vista Way (which bisects Northlake from east to west) to East Commerce Way, located offsite to the east of Northlake (the "Shore Vista Way Overcrossing").

Pursuant to an amendment to the Development Agreement effective in November 2024 (the "Third Amendment"), the Developer is required to either submit a project report with respect to the Shore Vista Way Overcrossing that is approved by the Department of Transportation of the State of California ("Caltrans"), or provide a financial security (e.g. a bond, escrow account or letter of credit) acceptable to the City by March 14, 2025 which covers the full cost of design, permitting, construction, and construction management of the Shore Vista Way Overcrossing. If the Developer fails to meet either of the foregoing conditions, the City will withhold approval of additional final maps for the Northlake project; provided however, that if the Developer notifies the City by March 1, 2025, that it will not meet the deadline, the Developer demonstrates adequate progress toward obtaining a Caltrans-approved project report, and the City agrees that a modification of the deadline is in the best interest of the Northlake project, then the City may agree to approve additional final maps.

The Third Amendment further requires that the Developer submit 95% improvement plans for the Shore Vista Way Overcrossing to the City by November 2025. If the Developer has not already provided the financial security described above, upon the earlier of submission to the City of 95% improvement plans or November 2025, the Developer will be required to submit such financial security. If the Developer fails to timely submit 95% improvement plans or the financial security, the City will withhold approval of additional final maps for the Northlake project; provided however, that if the Developer notifies the City at least 15 days prior to the deadline that it will not meet the deadline, demonstrates adequate progress toward completing the improvement plans and submitting the financial security, and the City agrees that a modification of the deadline is in the best interest of the Northlake project, then the City may agree to approve additional final maps. Pursuant to the Third Amendment, within six months of the approval of the improvement plans with respect to the Shore Vista Way Overcrossing by the City and Caltrans, the Developer is required to commence construction of the Shore Vista Way Overcrossing and diligently pursue construction until completion.

The estimated cost of the Shore Vista Way Overcrossing in 2023 was approximately \$24 million. Pursuant to a funding agreement executed in connection with the Third Amendment (the "Funding Agreement"), the City agreed to allocate approximately \$6.1 million from various development impact fee revenues to the cost of the Shore Vista Way Overcrossing. The Developer expects to finance its share of the costs of the overcrossing from internal funds. Approximately \$10.7 million of the cost of the overcrossing may be financed from proceeds of the Bonds.

See "THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Dispute with Respect to Funding of the Shore Vista Overcrossing" above.

School Mitigation Payments. Other than with respect to 139 proposed lots within Village 14/20 (which was annexed to Improvement Area No. 2 in March 2024), all mitigation payments (i.e. "School Fees") have been paid to the Twin Rivers Unified School District. The Developer expects that approximately \$18.3 million from proceeds of the Bonds may be available to reimburse the Developer for such School Fees.

A school site within Improvement Area No. 2 was sold to the Twin Rivers Unified School District on which there has been constructed a TK-8 school. The school first opened for enrollment for the 2024-25 school year.

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 has constructed and dedicated 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 all three park sites within Improvement Area No. 2 and expects to complete the park sites in Improvement Area No. 2 in approximately November 2025.

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 acres of which are located within Improvement Area No. 1 and 13 acres of which are located within Improvement Area No. 2) 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 was required to fund approximately $7.3 million toward the endowments to pay for the maintenance of the reserves, which amounts have been funded.

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 to 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 $1,880 to $5,450 for residential units and between $66,212 to $88,614 per acre for commercial uses. Such impact fee is subject to an annual escalator. 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. 2 — 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 the Date of Value, aside from the Shore Vista Way Overcrossing, the backbone infrastructure necessary to complete the development within Improvement Area No. 2 was substantially complete. As of such date, aside from the Shore Vista Way Overcrossing, the remaining backbone infrastructure necessary to complete development within Improvement Area No. 2 included landscaping work, walls and fencing and certain water and roadway improvements. In addition, the Developer had commenced initial construction on the three parks within Improvement Area No. 2, however, the ability to obtain building permits within Improvement Area No. 2 is not conditioned on the completion thereof. Lennar Homes commenced obtaining building permits for model homes in June, 2024 and has commenced construction of model and production homes. See "— Home Construction" below.

Through the Date of Value, the Developer has expended approximately $84.9 million on land acquisition costs and approximately $190.6 million on backbone infrastructure and related soft costs for the entire Northlake Project (i.e., Improvement Area No. 1 and Improvement Area No. 2). 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. 2 as of the Date of Value, excluding land acquisition costs. See "— Developer Financing Plan" below.

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STATUS OF IMPROVEMENTS
WITHIN IMPROVEMENT AREA NO. 2
(as of September 25, 2024)

Project Description	*Budgeted Costs*(2)(3)	*Costs Spent Through September 25, 2024*	*Percentage Spent Through September 25, 2024*
Backbone Infrastructure for Improvement Area No. 2			
Grading/Earthwork	$ 9,932,446	$ 9,690,000	97.56%
Sewer	4,672,055	4,667,786	99.91
Drainage	11,997,037	11,993,625	99.97
Water	8,539,118	8,320,123	97.44
Concrete/Roadwork	9,986,512	8,696,375	87.08
Landscaping	4,294,746	342,452	7.97
Walls and Fencing	2,031,067	1,206,737	59.41
Dry Utilities	6,755,523	6,316,502	93.50
Developer Soft Costs	3,652,513	3,070,503	84.07
Developer Fees	1,651,139	1,202,903	72.85
Builder Fees	16,614,317	16,583,817	99.82
Project Soft Costs	4,484,000	3,407,974	76.00
Bonds	1,101,337	1,395,596	126.72
Project Level Contingency	2,283,761	--	0.00
Backbone Infrastructure Subtotal	**$87,995,571**	**$76,894,393**	**87.38%**
Shore Vista Way Overcrossing	**$17,757,659**(1)	**$885,946**	**4.99%**
Amenities for Improvement Area No. 2			
Neighborhood Park	$ 1,152,612	$ 176,732	15.33%
Community Park	883,209	159,165	18.02
Community Park	2,502,770	169,657	6.78
Amenities Subtotal	**$ 4,538,591**	**$ 505,554**	**11.14%**
Total for Improvement Area No. 2:	**$ 110,291,821**	**$ 78,285,893**	**71.0%**

(1) Amount based on estimate as set forth in the Appraisal Report, which includes an 8% cost escalation to 2023 from a 2016 cost estimate. Amount is net of $6,112,239 of the cost of the Shore Vista Way Overcrossing, which may be funded by the City pursuant to the Funding Agreement. See "—Transportation Development Impact Fees/Shore Vista Way Overcrossing" above.
(2) Excludes costs of in-tract infrastructure.
(3) The numbers above differ from, and are less than, the amounts set forth in the Appraisal Report due to a reevaluation of budgeted costs subsequent to September 25, 2024.
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 the Date of Value, the Developer had spent approximately $30.6 million on in-tract infrastructure costs in Improvement Area No. 2. As of the Date of Value, in-tract infrastructure for approximately 488 lots, including those related to the 208 lots that Lennar Homes had acquired as of such date, had been substantially completed. The Developer expects to substantially complete the in-tract infrastructure for all residential lots by the end of 2026, 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 the Date of Value, the Developer expects to spend an additional $41.0 million in in-tract infrastructure costs in Improvement Area No. 2 in order to bring all 1,177 residential lots within Improvement Area No. 2 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 41 acres of man-made lakes have been completed, with 20 acres within Improvement Area No. 1 and 21 acres within Improvement Area No. 2. Such lakes are bordered by pedestrian and bike trails, providing common access to the lakefronts.

Small-Lot Final Map Status. As of December 12, 2024, the Developer had recorded small-lot final maps relating to 698 of the projected 1,177 residential units within Improvement Area No. 2. 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. 2 by the end of 2027. 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. The Villages or portions thereof which do not yet have small-lot final maps recorded are all within recorded large-lot final maps.

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SMALL-LOT FINAL MAP RECORDING STATUS
(as of December 12, 2024)

Village	*Number of Planned Units/ Parcels*	*Recording Date (Estimated Recording Date)*
1A	64	October 2022
1B	40	(April 2025)
2	14	August 2022 (village south)
2	75	(2026/2027)
3	11	August 2022 (village south)
4	68	December 2024
5	61	August 2022 (village south)
6	54	4 (August 2022, village south) – 50 (March 2024)
7	26	August 2022 (village south)
8	6	August 2022 (village south)
8	82	December 2024
9	5	August 2022 (village south)
9	48	(June 2025)
10	1	August 2022 (village south)
10	58	March 2024
11	3	August 2022 (village south)
11	41	(2026/2027)
12	60	December 2024
13	50	(2026/2027)
14	54	(June 2025)
15	29	(2026/2027)
16	34	(2026/2027)
17	46	October 2022
18	59	October 2022
19	49	(August 2025)
14/20	80	May 2024
14/20	59	(May 2025)
Total	**1,177**	

Source: The Developer.

Developer Financing Plan

Joint Venture. As described below under "PROPERTY OWNERSHIP—The Developer," the Developer is a wholly-owned subsidiary of a joint venture between Integral Greenbriar, LLC, an affiliate of Integral Communities, and Len-Land West, LLC, a Delaware limited liability company ("LLW") and a wholly-owned subsidiary of Lennar Homes. Pursuant to the operating agreement of Greenbriar Investor, LLC, the parent entity 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. 2. Pursuant to such operating agreement and subject to certain limitations set forth therein, LLW 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. 2.

The total budgeted backbone and in-tract infrastructure costs and related soft costs for Improvement Area No. 2 is approximately \$184.8 million. Through the Date of Value, the Developer has spent approximately \$112.8 million on such costs. The Developer expects to spend an additional \$31.0 million in backbone infrastructure (including the cost of the Shore Vista Way Overcrossing) and amenity costs within

Improvement Area No. 2. As of such date, the Developer expects to spend an additional $41.0 million in in-tract infrastructure costs in order to bring all 1,177 residential lots within Improvement Area No. 2 to a finished status.

To date, the Developer has financed the costs of the development within Improvement Area No. 2 through internal funds and previously-paid off loans. The Developer expects to finance the balance of the backbone and in-tract infrastructure costs within Improvement Area No. 2 from internal funds (including any capital contributions from LLW) and proceeds of the Bonds.

The following table shows the Developer's estimated budget, as of the Date of Value, to complete the backbone and in-tract infrastructure costs for Improvement Area No. 2.

DEVELOPER BUDGET

	Total Budgeted Costs[(1)]	*Through September 25, 2024*	*Through December 31, 2024*	*2025*	*2026*	*2027*
Sources of Funds						
Developer Internal Funds	$ 137,582,124	$112,798,111	$ 4,479,239	$25,718,999	$ (6,328,282)[(2)]	$ 914,057
Bond Proceeds	47,230,884	-	15,000,000	12,332,834	19,898,050	-
Total	**$ 184,813,008**	**$112,798,111**	**$ 19,479,239**	**$38,051,833**	**$ 13,569,768**	**$ 914,057**
Uses of Funds						
Backbone Infrastructure[(3)]	$ 87,995,571	$ 76,894,393	$ 3,518,483	$ 5,753,024	$ 915,615	$ 914,056
Shore Vista Way Overcrossing[(3)]	15,989,491	885,946	183,074	11,258,263	3,662,207	1
Amenities	4,538,591	505,554	1,209,910	2,823,127	-	-
In-Tract Infrastructure	71,625,416	30,629,055	14,422,682	17,707,722	8,865,957	-
Other	4,663,939	3,883,163	145,090	509,697	125,989	-
Total	**$ 184,813,008**	**$112,798,111**	**$ 19,479,239**	**$38,051,833**	**$ 13,569,768**	**$ 914,057**

(1) Excludes land acquisition costs.
(2) Represents a return of previously advanced funds by the Developer from anticipated proceeds of Parity Bonds.
(3) Cost estimates provided by the Developer and differ from the estimates included in the Appraisal Report due to a post-Date-of-Value reevaluation of the costs.
Source: The Developer.

Notwithstanding the belief of the Developer that it will have sufficient funds to complete its planned development in Improvement Area No. 2, 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. 2 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 May 31, 2023, 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 1,177 lots planned for for-sale residential development within Improvement Area No. 2 in twenty (20) quarterly takedowns (each a "Takedown"), commencing March 2024 and ending December 2028. The number of lots to be acquired in each quarterly Takedown varies, with a high of approximately 80 lots to a low of approximately seven. As of the Date of Value, Lennar Homes had taken down 208 lots consisting of model and production lots.

The due diligence period under the Lennar Homes PSA has expired and Lennar Homes intends to purchase all 1,177 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 Homes 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 Homes PSA with respect to the Affected Lots. Upon termination of the Lennar Homes 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 take down lots from the Developer as shown in the following table. The Lennar Homes PSA may be amended from time-to-time to revise the takedown schedule as a result of, among other factors, the pace of construction and sales activity within the various Villages in Improvement Area No. 2.

Time Period	***Number of Lots to be Taken Down by Quarter Per Lennar Homes PSA***
2024	
Q1 (3-11-24)	76[1]
Q2 (6-11-24)	68[1]
Q3 (9-11-24)	64[1]
Q4 (12-12-24)	88[1]
2024 Total	**296[1]**
2025	
Q1 (3-11-25)	80
Q2 (6-11-25)	80
Q3 (9-11-25)	80
Q4 (12-11-25)	80
2025 Total	**320**
2026	
Q1 (3-11-26)	80
Q2 (6-11-26)	80
Q3 (9-11-26)	80
Q4 (12-11-26)	80
2026 Total	**320**
2027	
Q1 (3-11-27)	62
Q2 (6-11-27)	52
Q3 (9-11-27)	40
Q4 (12-11-27)	30
2027 Total	**184**
2028	
Q1 (3-11-28)	26
Q2 (6-11-28)	20
Q3 (9-11-28)	11
Q4 (12-11-28)	0
2028 Total	**57**
Total	**1,177**

[1] Takedown has occurred.
Source: Lennar Homes.

Home Construction

No assurances can be made that Lennar Homes or any other current or future owner of Taxable Property within Improvement Area No. 2 will have the resources, willingness, and ability to successfully complete development activities on the property within Improvement Area No. 2. 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. 2 to complete development as currently planned.

Development Plan. As described above, all 1,177 lots proposed for residential development are subject to the Lennar Homes PSA to be acquired by Lennar Homes in phases. The 1,177 proposed homes within Improvement Area No. 2 have been organized into Villages for purposes of home development. Lennar Homes currently has eight product lines as further described below, all of which are continuations of Lennar Homes' product lines in Improvement Area No. 1. As of the Date of Value, Lennar Homes has taken down 208 lots from the Developer, 33 of which are planned for model homes and 175 of which are planned for production homes.

Lennar Homes commenced construction of model homes on six of the eight product types planned within Improvement Area No. 2 in June 2024. Lennar Homes opened six product lines for sale in September 2024 and expects to open the two remaining product lines for sale in January 2025.

As of the Date of Value, Lennar Homes had obtained 194 building permits within Improvement Area No. 2, consisting of building permits for 33 model homes (17 completed as of such date and 16 under construction) and 161 production homes (nine completed as of such date and 152 under construction). Lennar Homes anticipates completing all model homes by the end of January 2025. 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.

As of November 30, 2024, Lennar Homes had obtained 218 building permits within Improvement Area No. 2. As of such date, Lennar Homes had completed and conveyed 42 homes to individual homeowners and had 46 homes in escrow. Lennar Homes currently expects to complete and convey all 1,177 planned homes within Improvement Area No. 2 to individual homeowners by the fourth quarter of 2028.

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. 2. As shown in the table below, 115 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 Average Base Sales Prices*
Shor	1 and 2	193	1,774 – 2,190	2,788	0	$580,240
Lakelet	4, 5 and 11	173	2,114 – 2,362	3,690	0	$629,657
Watersyde	3, 6 and 8	153	2,307 – 2,968	4,000	28	$691,190
Wavmor	14 through 17	163	2,134 – 2,786	4,500	19	$662,990
Crestvue	7, 9 and 10	138	1,797 – 3,178	4,675	15	$689,590
Bleau	12 and 13	110	2,150 – 3,180	5,000	40	$761,823
Drifton	18 and 19	108	2,282 – 3,425	5,500	13	$745,657
Waters Edge	14/20	139	1,454 – 1,907	3,690	0	$538,740
	Totals	**1,177**			**115**	

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. 2 through internally generated funds. Lennar Homes estimates that as of October 31, 2024 it remains to incur approximately $445 million in land acquisition, homebuilding, builder fees, marketing, and sales costs to complete its development in Improvement Area No. 2. Lennar Homes expects to use home sales revenues and internal funding to complete its development in Improvement Area No. 2. Lennar Homes believes that it will have sufficient funds available to complete its planned development in Improvement Area No. 2 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. 2. 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. 2 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. 2.

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. 2 is owned by the Developer. All of such property owned by the Developer within Improvement Area No. 2 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 LLW. See "—*Integral Communities*" and "—Lennar Homes of California" below. Greenbriar Investor, LLC ("Investor") is the parent entity of the Developer. LLW 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, by that certain Second Amendment to Operating Agreement of the Company dated as of June 21, 2023 and that certain Third Amendment to Operating Agreement of Greenbriar Investor, LLC dated as of September 25, 2024 (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. 2 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 for 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 (2,686 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

General. Lennar Homes has acquired 208 lots within Improvement Area No. 2 and is under contract to acquire the remaining lots owned by the Developer planned for residential development in Improvement Area No. 2. As previously defined in this Official Statement, "Lennar Homes" refers to Lennar Homes of California, LLC, a California limited liability company. Lennar Homes is based in Irvine, California, and has been in the business of developing residential real estate communities in California since 1996. Lennar Homes is wholly-owned by U.S. Home, LLC, a Delaware limited liability company ("U.S. Home"). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida ("Lennar Corporation"). Founded in 1954, Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. Lennar Corporation's Class A and Class B common stock are listed on the New York Stock Exchange under the symbols "LEN" and "LEN.B." respectively. Lennar Corporation is one of the largest homebuilders in the United States based on home sales revenues and net earnings, and operates under a number of brand names, including Lennar Homes and U.S. Home. Lennar Corporation primarily develops residential communities both within the Lennar Corporation family of builders and through consolidated and unconsolidated partnerships in which Lennar Corporation maintains an interest.

Lennar Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, files reports, proxy statements, and other information, including financial statements, with the Securities and Exchange Commission (the "SEC"). Such filings, particularly Lennar Corporation's 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 filings can also be accessed over the internet at the SEC's website at www.sec.gov.

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*.

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. 2 to pay the Special Tax 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. 2. 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. 2, 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; (iii) natural disasters (including, without limitation, earthquakes, fires and floods), which may result in uninsured losses; and (iv) high rate of inflation, rising interest rates and other economic trends that adversely affects consumers, whether cyclical or resulting from geopolitical events.

No assurance can be given that the Developer, Lennar Homes, any future developers or any future homeowners within Improvement Area No. 2 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 November 30, 2024, there were 42 homes closed to individual homeowners and the balance of the property within Improvement Area No. 2 was 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. 2 will be primarily owned by the Developer and Lennar Homes. See "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2" and "PROPERTY OWNERSHIP" above.

Failure of the Developer, Lennar Homes or any future developers within Improvement Area No. 2, 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 the Developer, Lennar Homes or any future developers within Improvement Area No. 2, or their successors, will complete the remaining intended construction and development in Improvement Area No. 2. See "— Failure to Develop Properties."

The City expects to levy the Special Tax on Developed Property, Final Map Property, and Undeveloped Property within Improvement Area No. 2 beginning in Fiscal Year 2025-26, which as of the date of this Official Statement, is owned by individual homeowners, the Developer and Lennar Homes. In the event that the Developer and/or Lennar Homes fail to complete the intended construction and development in Improvement Area No. 2, the Special Tax will continue to be levied on Final Map Property and Undeveloped Property owned by the Developer and/or Lennar Homes. No assurance can be given that the Developer, Lennar Homes or any future developers or individual homeowners that purchase property within Improvement Area No. 2 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. 2 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. 2." 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. 2 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. 2 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. 2 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. 2 to pay the Special Tax when due.

There can be no assurance that land development within Improvement Area No. 2 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. 2 would cause the property values within Improvement Area No. 2 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. 2 to pay the Special Tax when due.

The City expects to levy the Special Tax on Developed Property, Final Map Property, and Undeveloped Property, beginning in Fiscal Year 2025-26 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. 2 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. 2 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."

Limited Obligations

The Bonds are not payable from the general funds of the City. Except with respect to the Net Special Tax Revenues, neither the full 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 Net Special Tax Revenues and other amounts pledged under the Indenture.

Insufficiency of Special Tax

Under the Second Amended Rate and Method, the annual amount of Special Tax to be levied on Taxable Property in Improvement Area No. 2 will generally be based on the land use category of such parcels. See APPENDIX A — "SECOND AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" and "SOURCES OF PAYMENT FOR THE BONDS — Special Tax — *Second Amended 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. 2 in any fiscal year at a rate in excess of the maximum amounts permitted under the Second Amended 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. 2 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. 2 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. 2, 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. 2 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 Second Amended 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 Second Amended Rate and Method). See APPENDIX A — "SECOND AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." If for any reason property within Improvement Area No. 2 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. 2. 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. 2 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. 2 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.

Impact of Economic Conditions on the Development in the District

Certain events and factors which negatively affect the regional, State and national economies could have an adverse effect on the pace at which the current or future developers in Improvement Area No. 2 can complete the remaining infrastructure and future homes, and demand by, and the ability of individuals to purchase homes within Improvement Area No. 2. Such events and factors could include rising inflation and interest rates, persistent supply chain issues, global market instability caused by geopolitical events or political instability. Any adverse impact of the foregoing and other economic factors on the projects in Improvement Area No. 2 and the real estate market in general cannot be predicted.

Increasing Mortgage Interest Rates

Increases in mortgage interest rates could have a negative impact on the estimated absorption rates of the planned for-sale residential units in Improvement Area No. 2 described herein. With respect to entry-level households (which likely includes the market for the projects in Improvement Area No. 2), increased mortgage interest rates may adversely impact the affordability of homes and may increase mortgage payment levels for owning a lower-priced home relative to renting a residence, thereby making purchasing less attractive. With respect to move-up households, higher mortgage interest rates may impact the desire of current homeowners to move from their present home due to the fact that their present home likely has a relatively low mortgage interest rate. In addition, in such instances, a new home would likely have a higher interest rate on a new mortgage loan as well as a higher purchase price and property taxes. Such considerations may decrease the desire for move-up households to purchase a new home. The foregoing factors could reduce demand for and/or the ability to achieve the sales prices of the planned for-sale homes within Improvement Area No. 2 as described herein.

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 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.

The County's policy is that any new taxing entity or special assessment district that includes its levy on the County tax roll is qualified to be under the County's Teeter Plan. Fiscal Year 2025-26 will be the first year of the Special Tax levy and it is expected that Improvement Area No. 2 will be included in the County's Teeter Plan when the Special Tax is levied. Thus, if Improvement Area No. 2 is included, 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. 2 would eliminate such protection from delinquencies in the payment of the Special Tax. See "SOURCES OF PAYMENT FOR THE BONDS — Teeter Plan."

Natural Disasters

The market value and habitability of the property within Improvement Area No. 2 can be adversely affected by a variety of factors that cause damage to 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). Such events may become more frequent or extreme as a result of climate change. Certain commentators have observed that the increased intensity of recent climatic and weather events which have occurred in various parts of the world are likely caused by climate change. There can be no assurance that current methods will be successful in protecting the property in the District from such events.

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. 2 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. 2 — 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. In December 2020 and January 2023, significant rainstorms caused flooding in certain parts of the County. The area within the Natomas Basin (including Improvement Area No. 2) did not experience flooding and was not impacted by the flooding which occurred in other parts of the County. 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. 2).

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. 2 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. 2, 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. 2 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. 2.

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. 2 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. 2 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. 2 in the future. See "THE DISTRICT AND IMPROVEMENT AREA NO. 2 — 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. 2, the listing of endangered species or the determination that habitat for endangered or threatened species exists within Improvement Area No. 2, or other similar situations.

Prospective purchasers of the Bonds should not assume that the land and improvements within Improvement Area No. 2 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. 2, 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-1 — "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 Taxable Property within Improvement Area No. 2 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. 2 is subject to taxes and assessments imposed by other public agencies also having jurisdiction over the land within Improvement Area No. 2. See "THE DISTRICT AND

IMPROVEMENT AREA NO. 2 — 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. 2. In addition, the landowners within Improvement Area No. 2 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. 2 described herein. See "SOURCES OF PAYMENT FOR THE BONDS" and "THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Direct and Overlapping Indebtedness" 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. 2 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

Under provisions of the Act, the Special Tax, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, will be billed to the properties within Improvement Area No. 2 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.

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. 2 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. 2, 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. 2 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 property* 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. 2 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, Inc. ("Glasply")*. 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* property 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 issued a ruling in *Horizon Capital Investments, LLC v. City of Sacramento et al*. (Case No. 34-2017-80002661) which as described below, 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. 2, 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. 2. 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). The elections held in Improvement Area No. 2 had less than 12 registered voters at the time of the election to authorize the Special Tax. 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. 2. 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. 2 approved the Special Tax to be levied in accordance with the Second Amended Rate and Method on March 5, 2024. 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 Second Amended 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. 2.

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 relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, and other attacks on computers and other sensitive digital networks and systems. No assurances can be given that the City's security and operational control measures will guard against all cyber threats and attacks. The results of any attack on the City's computer and information-technology systems could adversely affect the City's operations and damage its digital networks and systems, and potential losses from such attacks, as well as the costs of defending against future attacks, could be substantial. 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. 2 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 March 31 of each year. The first Annual Report that will be due on March 31, 2025 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. 2, 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, 2025, 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. 2 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. 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. It is expected that individuals with Lennar Homes will be responsible for preparing and filing the Developer Reports and event notices required by the Lennar Homes' Property Owner Continuing Disclosure Certificate. Lennar Homes has advised the City that, other than as disclosed in this paragraph, 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. However, (i) in connection with the $16,780,000 California Municipal Finance Authority Special Tax Revenue Bonds BOLD Program Series 2020B, Lennar Homes inadvertently failed to file the initial semi-annual report by the due date of May 1, 2021, but filed a curative report on May 21, 2021; and (ii) in connection with the $5,795,000 City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021B, Lennar Homes inadvertently failed to file the initial annual report by the due date of April 1, 2022, but filed a curative report on September 21, 2022.

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. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Tax 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 Tax 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 LLP, 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

Fieldman, Rolapp & Associates, Inc. (the "Municipal Advisor") has acted as Municipal Advisor to the City in conjunction with the issuance of the Bonds. The Municipal Advisor has assisted in matters related to the planning, structuring, execution, and delivery of the Bonds. The Municipal Advisor will receive compensation non-contingent upon the sale and delivery of the Bonds. The Municipal Advisor has not audited, authenticated, or otherwise independently verified the information set forth in this Official Statement, or any other related information available, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty, or other representation with respect to the accuracy or completeness of this Official Statement, or any other matter related to this Official Statement.

NO RATING

The City has not made and does not contemplate applying 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 $37,777,389.91, being $36,950,000.00 aggregate principal amount thereof, plus original issue premium of $1,161,455.95 and less Underwriter's discount of $334,066.04. 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.

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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

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APPENDIX A

**IMPROVEMENT AREA NO. 2 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)**

**SECOND 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. 2 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. 2, 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. 2, 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. 2.
- 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. 2.
- 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. 2.

- Costs to the City of issuing Bonds through Improvement Area No. 2 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. 2.

"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 Taxable Non-Residential 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. 2, 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 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, Taxable Welfare Exemption 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, Taxable Welfare Exemption Property, and Taxable Public Property.

"Exempt Non-Residential Property" means any Assessor's Parcel of Non-Residential Property within the areas identified in Attachment 4 as exempt non-residential parcels. Notwithstanding the foregoing, if such property is developed as Single Family Residential Property, the exemption will no longer apply, and the City will determine the appropriate Maximum Special Tax for the Residential Units constructed on the 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.
- Welfare Exemption Property, other than Taxable Welfare Exemption Property.
- Multi-Family Property, other than Taxable Multi-Family Property.
- Exempt Non-Residential 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. 2 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. 2 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, Taxable Welfare Exemption 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. 2.

"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. 2 that is owned in fee or by easement by a Homeowners Association, not including any such property that is located directly under a residential structure.

"Homeowners Association" means one or more homeowners association (including any master or sub-associations) that provide services to, and collect dues, fees, or charges from, owners of property within Improvement Area No. 2.

"Improvement Area No. 2" means Improvement Area No. 2 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. 2 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. 2 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.

"Non-Residential Property" means, in any Fiscal Year, all Assessor's Parcels of Developed Property within Improvement Area No. 2 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. 2 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 formation 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 Second 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, Taxable Welfare Exemption 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 Non-Residential Property" means any Assessor's Parcel of Non-Residential Property that is not Exempt Non-Residential Property, as determined by the Administrator.

"Taxable Property" means all property within Improvement Area No. 2 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.

"Taxable Welfare Exemption Property" means in any Fiscal Year after the First Bond Sale, any Assessor's Parcel of Welfare Exemption Property that satisfies all three of the following conditions: (i) the Assessor's Parcel had not been Welfare Exemption Property on the date of issuance of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D herein), the Assessor's Parcel was not anticipated to be Welfare Exemption Property based on the Expected Land Uses, as determined by the Administrator; and (iii) if the Assessor's Parcel were to be exempt from the Special Tax because it has become Welfare Exemption 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 2, 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, Taxable Welfare Exemption Property, and Taxable Public Property.

"Village" means a specific geographic area within Improvement Area No. 2 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.

"Welfare Exemption Property" means, in any Fiscal Year, any Assessor's Parcels in Improvement Area No. 2 that have received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code and for which such welfare exemption is still in place.

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 Welfare Exemption Property, Taxable Public Property, or Exempt Property; (3) for Developed Property, whether an Assessor's Parcel is Single Family Residential Property or Non-Residential 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. 2 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 2021-22)*
Single Family Residential Property	
Village 1	$2,134 per Residential Unit or SFD Lot
Village 2	$2,134 per Residential Unit or SFD Lot
Village 3	$2,767 per Residential Unit or SFD Lot
Village 4	$2,430 per Residential Unit or SFD Lot
Village 5	$2,430 per Residential Unit or SFD Lot
Village 6	$2,767 per Residential Unit or SFD Lot
Village 7	$3,020 per Residential Unit or SFD Lot
Village 8	$2,767 per Residential Unit or SFD Lot
Village 9	$3,020 per Residential Unit or SFD Lot
Village 10	$3,020 per Residential Unit or SFD Lot
Village 11	$2,430 per Residential Unit or SFD Lot
Village 12	$3,069 per Residential Unit or SFD Lot
Village 13	$3,069 per Residential Unit or SFD Lot
Village 14	$2,665 per Residential Unit or SFD Lot
Village 15	$2,665 per Residential Unit or SFD Lot
Village 16	$2,665 per Residential Unit or SFD Lot
Village 17	$2,665 per Residential Unit or SFD Lot
Village 18	$3,346 per Residential Unit or SFD Lot
Village 19	$3,346 per Residential Unit or SFD Lot
Phase 1–Village 14	$1,689 per Residential Unit or SFD Lot
Taxable Non-Residential Property	$29,884 per Acre

*** On July 1, 2022, 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, Taxable Welfare Exemption Property, and Taxable Public Property

The Maximum Special Tax for Undeveloped Property, Anticipated Park/School Site Property, Taxable Multi-Family Property, Taxable HOA Property, Taxable Welfare Exemption Property, and Taxable Public Property is $29,884 per Acre for Fiscal Year 2021-22, which amount shall increase on July 1, 2022 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. 2 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. 2 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.

3. Conversion of an Assessor's Parcel of Public Property to Private Use

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, the Special Tax will be levied Proportionately on Taxable Welfare Exemption Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable Welfare Exemption 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 HOA Property up to 100% of the Maximum Special Tax for each Assessor's Parcel of Taxable HOA Property.

Step 8. If additional revenue is needed after Step 7 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. 2.

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, Taxable Non-Residential Property, Taxable Welfare Exemption 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) $51 million in 2021 dollars, increased 2% annually on each July 1 beginning July 1, 2022; 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. 2 and to treat all owners of Taxable Property within Improvement Area No. 2 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. 2 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 F.

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

EXPECTED LAND USES AND EXPECTED MAXIMUM SPECIAL TAX REVENUES

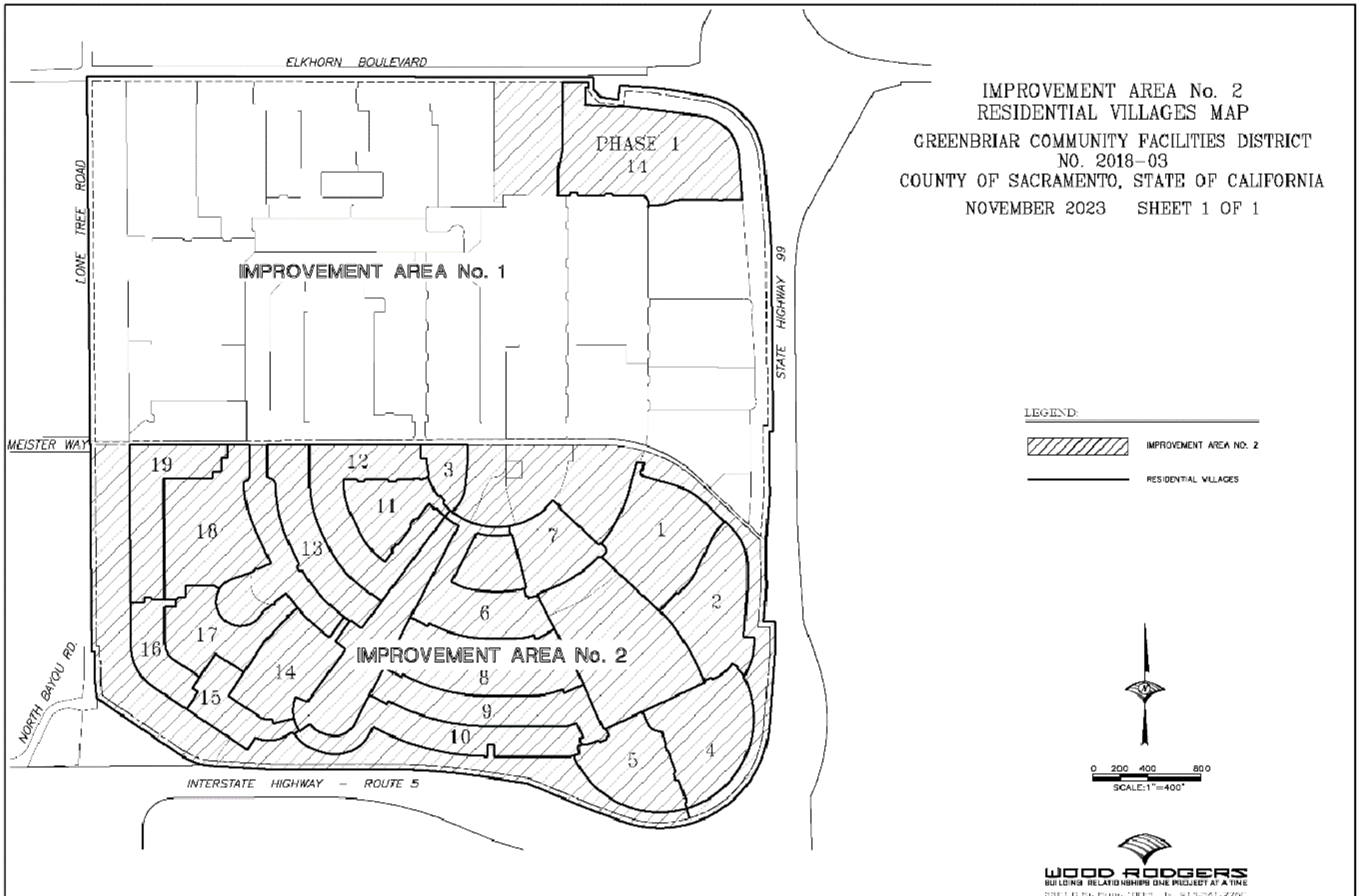
Village	Expected Land Uses	Base Special Tax FY 2021-22 /1	Expected Maximum Special Tax Revenues FY 2021-22 /1
Village 1	104 Residential Units	$2,134 per Residential Unit	$221,936
Village 2	89 Residential Units	$2,134 per Residential Unit	$189,926
Village 3	11 Residential Units	$2,767 per Residential Unit	$30,437
Village 4	68 Residential Units	$2,430 per Residential Unit	$165,240
Village 5	61 Residential Units	$2,430 per Residential Unit	$148,230
Village 6	54 Residential Units	$2,767 per Residential Unit	$149,418
Village 7	26 Residential Units	$3,020 per Residential Unit	$78,520
Village 8	88 Residential Units	$2,767 per Residential Unit	$243,496
Village 9	53 Residential Units	$3,020 per Residential Unit	$160,060
Village 10	59 Residential Units	$3,020 per Residential Unit	$178,180
Village 11	44 Residential Units	$2,430 per Residential Unit	$106,920
Village 12	60 Residential Units	$3,069 per Residential Unit	$184,140
Village 13	50 Residential Units	$3,069 per Residential Unit	$153,450
Village 14	54 Residential Units	$2,665 per Residential Unit	$143,910
Village 15	31 Residential Units	$2,665 per Residential Unit	$82,615
Village 16	34 Residential Units	$2,665 per Residential Unit	$90,610
Village 17	44 Residential Units	$2,665 per Residential Unit	$117,260
Village 18	59 Residential Units	$3,346 per Residential Unit	$197,414
Village 19	49 Residential Units	$3,346 per Residential Unit	$163,954
Phase 1 – Village 14	139 Residential Units	$1,689 per Residential Unit	$234,771
Total	**1,177 Residential Units**	**N/A**	**$3,040,487**

/1 On July 1, 2022 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. 2 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

IDENTIFICATION OF VILLAGES


IMPROVEMENT AREA No. 2
RESIDENTIAL VILLAGES MAP
GREENBRIAR COMMUNITY FACILITIES DISTRICT
NO. 2018-03
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
NOVEMBER 2023 SHEET 1 OF 1
ELKHORN BOULEVARD
LONE TREE ROAD
STATE HIGHWAY 99
MEISTER WAY
NORTH BAYOU RD.
INTERSTATE HIGHWAY – ROUTE 5
PHASE 1
14
IMPROVEMENT AREA No. 1
IMPROVEMENT AREA No. 2
1
2
3
4
5
6
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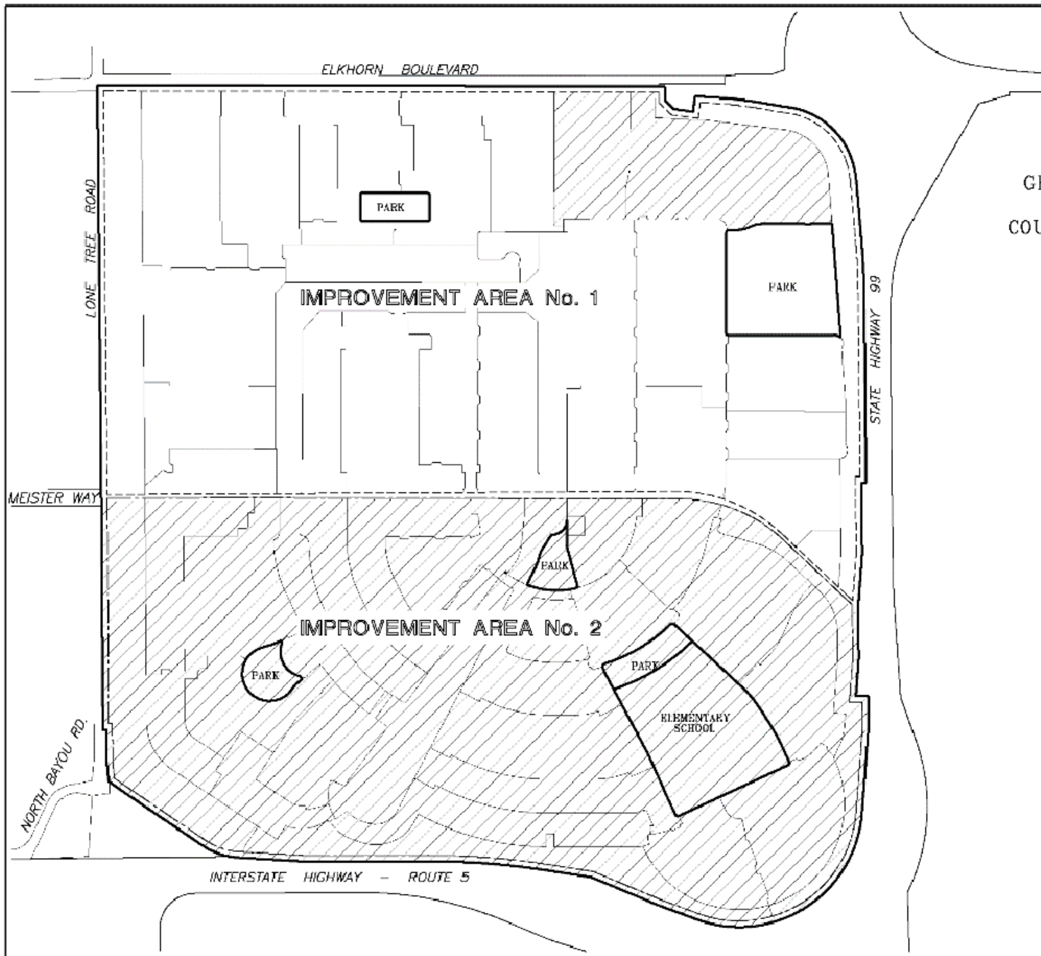
11
12
13
14
15
16
17
18
19
LEGEND:
IMPROVEMENT AREA NO. 2
RESIDENTIAL VILLAGES
0 200 400 800
SCALE: 1"=400'
WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

ATTACHMENT 3

**IMPROVEMENT AREA NO. 2 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)**

IDENTIFICATION OF ANTICIPATED PARK/SCHOOL SITE PROPERTY



IMPROVEMENT AREA No. 2
SCHOOLS AND PARKS MAP

GREENBRIAR COMMUNITY FACILITIES DISTRICT
NO. 2018-03
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
NOVEMBER 2023 SHEET 1 OF 1

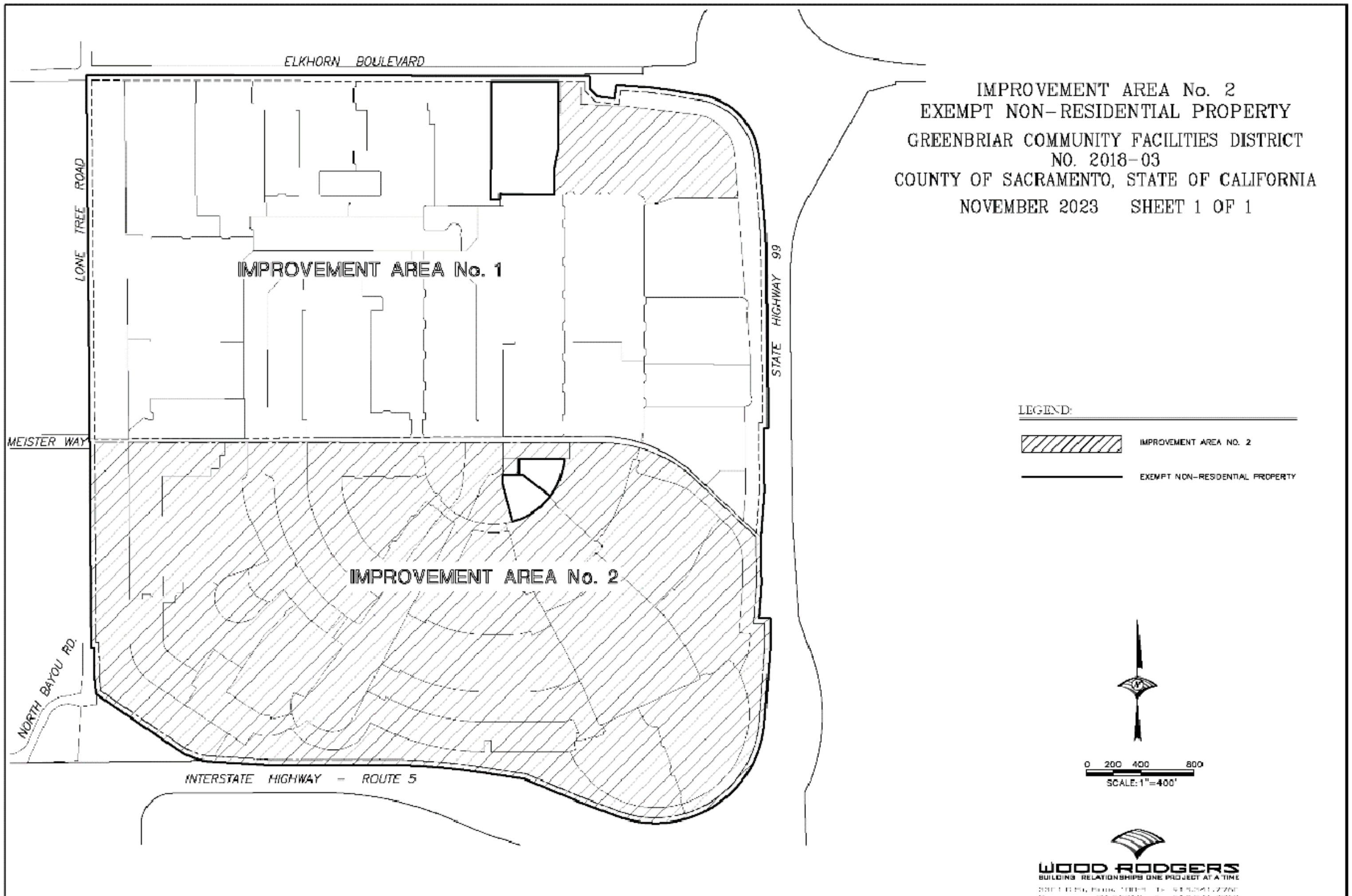
0 200 400 800
SCALE:1"=400'

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

ATTACHMENT 4

IMPROVEMENT AREA NO. 2 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

IDENTIFICATION OF EXEMPT NON-RESIDENTIAL PROPERTY


IMPROVEMENT AREA No. 2
EXEMPT NON-RESIDENTIAL PROPERTY
GREENBRIAR COMMUNITY FACILITIES DISTRICT
NO. 2018-03
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
NOVEMBER 2023 SHEET 1 OF 1
ELKHORN BOULEVARD
LONE TREE ROAD
STATE HIGHWAY 99
MEISTER WAY
NORTH BAYOU RD.
INTERSTATE HIGHWAY – ROUTE 5
IMPROVEMENT AREA No. 1
IMPROVEMENT AREA No. 2
LEGEND:
IMPROVEMENT AREA NO. 2
EXEMPT NON-RESIDENTIAL PROPERTY
0 200 400 800
SCALE: 1"=400'
WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

APPENDIX B-1

APPRAISAL REPORT

SMITH & ASSOCIATES

AN APPRAISAL REPORT OF

Greenbriar Community Facilities District No. 2018-03
Improvement Area #2
NWQ of Interstate 5 and State Highway 99
Sacramento, California 95835

Bay Area/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

November 12, 2024

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 #2
NWQ of Interstate 5 and State Highway 99
Sacramento, CA 95835

Dear Mr. Sinclair:

This appraisal report for Greenbriar Community Facilities District No. 2018-3, Improvement Area #2 (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 northwest quadrant of Interstate 5 and State Highway 99 in the Natomas community of the City of Sacramento. This project area encompasses a total land area of approximately 296.00 gross acres generally allocated among 127.1 acres identified for the development of 1,177 residential lots, 9.2 acres identified for the development of 331 multi-family residential units with the balance for commercial uses and non-revenue generating parcels.

According to the Scope of Work, this analysis includes only the 127.1 acres for development of 1,177 residential lots. Values are not identified for the multi-family residential components or the commercial components. In addition, non-revenue generating land uses are identified in this analysis, but no contributing value is assigned.

The revenue generating parcels for this project are comprised of 1,177 residential lots under the ownership identified as Greenbriar Phase 2, LLC and Lennar Homes of California, LLC. Site improvements and vertical improvements were underway as of the effective date of valuation. This includes 17 completed model homes under the Lennar ownership. The focal point of this project reflects the approximate 21.00 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.

Bay Area/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

Proposed lots for this project range in lot size with minimum sizes at 2,788 square feet (41’ x 68’) to 5,500 square feet (55’ x 100’). The following table summarizes these lots based on their lot size and project reference.

PROJECT	DIMENSIONS	LOT SIZE (SF)	# LOTS	VILLAGES
SHOR	41' x 68'	2,788	193	1, 2
LAKELET	41' x 90'	3,690	173	4, 5, 11
WATERSYDE	50' x 80'	4,000	153	3, 6, 8
WAVMOR	45' x 100'	4,500	163	14, 15, 16, 17
CRESTVUE	55' x 85'	4,675	138	7, 9, 10
BLEAU	50' x 100'	5,000	110	12, 13
DRIFTON	55' x 110'	5,500	108	18, 19
V14/20	41' x 90'	3,690	139	14/20
PROJECT			**1,177**	

It is clearly noted that the developer has recently incorporated a village into this district (IA-2) which is located in the Phase 1 portion of this project. In that the Phase 2 portion of this project already includes Village 14, references to the project area (located in Phase 1) is noted as Village 14/20 throughout this report.

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. However, since the building permit has been issued for this component, no restrictions are applicable to the subject property.

Non-revenue generating land uses for this project are excluded from valuation. In addition, the multi-family projects, as well as the regional shopping center site, and the community commercial site are not included as part of this scope of work. While no specific value is assigned 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 September 25, 2024, the effective date of valuation, my opinion of the cumulative, or aggregate value of the appraised properties, is as follows.

ENTITY	AGGREGATE MARKET VALUE
Hypothetical Market Value Greenbriar Phase 2, LLC 969 Lots	**$79,880,000**
Hypothetical Market Value Lennar Homes of California, LLC 208 Lots/Homes **(A)**	**$54,725,000**
Aggregate, or Cumulative, Value of Appraised Properties	**$134,605,000**

(A) This component comprised of finished lots, as well as 17 completed model homes, 9 production homes with final permits, as well as permits and fees paid on their remaining lots as of the effective date of valuation.

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 estimate of market value, by ownership, accounts for the impact of the proposed lien of the special taxes 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
State Certified General Real Estate Appraiser
California AG014187, Exp. 04/11/2025

SUBJECT PHOTOGRAPHS

Village 14/20 (Nearly Completed Models)

Village 14/20 Lots

Village 14/20 (Homes Under Construction)

Village 14/20 (Homes Under Construction)

Village 14/20

Village 14/20

SUBJECT PHOTOGRAPHS


Subject Project


Subject Project


Lots under Construction


Lots Under Construction


Completed Model Complex


Homes Under Construction

SUBJECT PHOTOGRAPHS

Homes Under Construction

Homes Under Construction

Northlake Elementary School

Northlake Elementary School

Southern End of Phase 2

Finished Lots

SUBJECT PHOTOGRAPHS

Northlake Elementary School

Homes Under Construction

Lots Under Construction

Lots Under Construction

Lots Under Construction

Lots Under Construction

Project Aerial of Phase 2 (Depicts project prior to Construction)

View of Village 14/20 Under Construction

View of Entire Northlake Community (Phase 1 and Phase 2)

TABLE OF CONTENTS

SUMMARY OF SALIENT FACTS

Property Type:	**Greenbriar Community Facilities District No. 2018-03, Improvement Area #2**
Property Address/Location:	The subject property is generally located along the NWQ of Interstate 5 and State Highway 99. It lies south of Elkhorn Boulevard, east of Lone Tree Road (Private Road) and south of the proposed Shore Vista Way. It is in the City of Sacramento and Zip Code 95835.
APN/Legal Description:	Refer to the Identification of the Subject Property Section of this report.

Site Description:

The subject property is generally located along the northwest quadrant of Interstate 5 and State Highway 99 in the Natomas community of the City of Sacramento. This project area encompasses a total land area of approximately 296.00 gross acres generally allocated among 127.1 acres identified for the development of 1,177 residential lots, 9.2 acres identified for the development of 331 multi-family residential units with the balance for commercial uses and non-revenue generating parcels.

According to the Scope of Work, this analysis includes only the 127.1 acres for development of 1,177 residential lots. Values are not identified for the multi-family residential components or the commercial components. In addition, non-revenue generating land uses are identified in this analysis, but no contributing values are assigned.

The revenue generating parcels for this project are comprised of 1,177 residential lots under the ownership identified as Greenbriar Phase 2, LLC and Lennar Homes of California. Site improvements and vertical improvements were underway as of the effective date of valuation. This includes 17 completed model homes under the Lennar ownership. The focal point of this project reflects the approximate 21.00 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 5,500 square feet (55' x 100'). The following table summarizes these lots based on their lot size and project reference.

SUMMARY OF SALIENT FACTS (Continued)

PROJECT	DIMENSIONS	LOT SIZE (SF)	# LOTS	VILLAGES
SHOR	41' x 68'	2,788	193	1, 2
LAKELET	41' x 90'	3,690	173	4, 5, 11
WATERSYDE	50' x 80'	4,000	153	3, 6, 8
WAVMOR	45' x 100'	4,500	163	14, 15, 16, 17
CRESTVUE	55' x 85'	4,675	138	7, 9, 10
BLEAU	50' x 100'	5,000	110	12, 13
DRIFTON	55' x 110'	5,500	108	18, 19
V14/20	41' x 90'	3,690	139	14/20
PROJECT			**1,177**	

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. However, since the building permit has been issued for this component, no restrictions are applicable to the subject property.

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.

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.

SUMMARY OF SALIENT FACTS (Continued)

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: September 25, 2024

VALUE CONCLUSION:

ENTITY	AGGREGATE MARKET VALUE
Hypothetical Market Value Greenbriar Phase 2, LLC 969 Lots	**$79,880,000**
Hypothetical Market Value Lennar Homes of California, LLC 208 Lots/Homes **(A)**	**$54,725,000**
Aggregate, or Cumulative, Value of Appraised Properties	**$134,605,000**

(A) This component comprised of finished lots, as well as 17 completed model homes, 9 production homes with final permits, as well as permits and fees paid on their remaining lots as of the effective date of valuation.

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 estimate of market value, by ownership, accounts for the impact of the proposed lien of the special taxes securing the bonds.

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 will receive reimbursement from Greenbriar Community Facilities District No. 2018-03, Improvement Area #2 Bond Proceeds in the amount not to exceed $30,257,802 related to school fees. 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. This appraisal assumes completion of the remaining flood protection projects, as stated in the ULOP report (included in the addenda of this report), within the timelines stipulated within the ULOP report and that no suspension of development approvals will be necessary. Alternatively, if deadlines are not met, the City will seek and be granted legislative extensions by the Central Valley Flood Protection Board and development will continue for the subject 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 #2 had just been sold and the properties were encumbered by the first series CFD Bonds supported by Special Taxes as described herein. The estimate of market value, by ownership, accounts for the impact of the proposed lien of the special taxes securing the bonds.

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 #2. It is generally located along the NWQ of Interstate 5 and State Highway 99. It lies south of Elkhorn Boulevard, east of Lone Tree Road (Private Road) and south of the proposed Shore Vista Way. It is in the City of Sacramento and Zip Code 95835. An illustrative map of these properties is as follows.

The subject encompasses a total land area of approximately 296.02 gross acres. This includes properties beyond the scope of this assignment as the subject property is comprised of 127.1 net acres identified for the development of 1,177 residential lots. 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 prepared by First American Title Company, dated June 14, 2024.

It is noted that this description includes only the components which comprise the 1,177 residential lots. The other land uses within this district are summarized in the Site Description of this report.

Descriptions for the twenty (20) residential villages are identified as follows.

VILLAGE	APN	LEGAL	FINAL MAP	REFERENCE
Village 1	201-1540-001..011	Lots 38..48	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1540-026..061	Lots 1..6, 22..50	Greenbriar Phase 2, Village 1A	Recorded 10-14-2022, Book 442, Page 15
	201-1600-001..017	Lots 7..21, 51..53	Greenbriar Phase 2, Village 1A	Recorded 10-14-2022, Book 442, Page 15
	201-1510-045	Lot 3 Remainder	4.39 AC	40 Lots
Village 2	201-1540-012..025	Lots 49..62	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1510-033	Lot 4 Remainder	8.8 AC	75 Lots
Village 3	201-1520-001..011	Lots 1..11	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
Village 4	201-1510-044	Lot 5 Remainder	9.73 AC	68 Lots
Village 5	201-1550-001..003	Lots 63..65	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1590-001..058	Lots 1..58	Greenbriar Phase 2, Village 5	Recorded 8-1-2022, Book 440, Page 2
Village 6	201-1550-016..019	Lots 78..81	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1640-001..050	Lots 1..50	Greenbriar Phase 2, Village 6	Recorded 3-15-2024, Book 454, Page 4
Village 7	201-1530-001..026	Lots 12..37	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
Village 8	201-1550-010..015	Lots 72..77	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1510-037	Lot 9 Remainder	11.2 AC	82 Lots
Village 9	201-1550-004..009	Lots 66..71	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1510-046	Lot 10 Remainder	7.67 AC	47 Lots
Village 10	201-1550-020..035	Lots 26..41	Greenbriar Phase 2, Village 10	Recorded 3-1-2024, Book 454, Page 3
	201-1630-001..042, 044	Lots 1..25, 42..58, 11A	Greenbriar Phase 2, Village 10	Recorded 3-1-2024, Book 454, Page 3
Village 11	201-1520-012..014	Lots 82..84	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1510-040	Lot 12 Remainder	5.4 AC	41 Lots
Village 12	201-1510-041	Lot 13 Remainder	12.23 AC	60 Lots
Village 13	201-1510-014	Lot 14	8.93 AC	50 Lots
Village 14	201-1510-016	Lot 16	8.95 AC	54 Lots
Village 15	201-1510-042	Lot 18	4.59 AC	31 Lots
Village 16	201-1510-017	Lot 17	5.05 AC	34 Lots
Village 17	201-1570-001..046	Lots 1..46	Greenbriar Phase 2, Village 17 (Includes 2 lots in Village 15)	Recorded 10-14-2022, Book 442, Page 16
Village 18	201-1580-001..059	Lots 1..59	Greenbriar Phase 2, Village 18	Recorded 10-14-2022, Book 443, Page 1
Village 19	201-1510-043	Lot 21	9.18 AC	49 Lots
Village 14/20	201-0300-179	Lots 1..80	Greenbriar Phase 1, Village 14A	Recorded 5-6-2024, Book 455, Page 2
	(Portion)	Lot X	8.785 AC	59 Lots

The revenue generating parcels for this project are comprised of 1,177 residential lots under the ownership identified as Greenbriar Phase 2, LLC, and Lennar Homes of California, LLC. Site improvements and vertical improvements were underway as of the effective date of valuation. This includes 17 completed model homes under the Lennar ownership. The focal point of this project reflects the approximate 21.00 acre, man-made lake toward the center of this project.

The legal description was identified in the Preliminary Title Report prepared by First American Title Company, dated June 14, 2024. 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.

SCOPE OF WORK

This appraisal report is prepared in conjunction with the 2024 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 values are reconciled, and opinions of value are identified for each village are noted. Values are then allocated per ownership including the 208 lots owned by Lennar Homes of California, LLC, as well as the remaining 969 lots owned by Greenbriar Phase 2, LLC. The overall value for the 969 lots are developed through discounted cash flow (DCF Model). The revenues for the remaining lots are developed, and utilized in conjunction with agents of production, including remaining site development costs, as well as other expenses in a discounted cash flow to develop the bulk value for 969 residential lots held by Greenbriar Phase 2, LLC.

7. Review the report for content and compliance with 2024 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 CFR, Part 34, Subpart C-Appraisals, 34.42(h)"

OWNERSHIP AND HISTORY OF THE PROPERTY

Title to the subject property is vested in two ownership, as of the effective date of valuation.

Greenbriar Phase 2 LLC, a Delaware limited liability company holds title to 969 lots in this project. Recent activity includes the transfer of Village 14/20 from The Greenbriar Project Owner, LLC, a Delaware limited liability company to the ownership noted above on May 31, 2024 (Document # 20240531-0851). There was no consideration for this transaction as it was between related parties. This transfer included APN 201-0300-179, as well as a portion of APNs 201-1490-037 and 201-0300-187. The latter two parcels were included as part of the transfer which were used for the creation of the final map for this project, which was recorded May 6, 2024 in Book 455 of Maps, at Page 2.

Lennar Homes of California, LLC, a California limited liability company holds title to 208 lots as of the effective date of valuation. This was completed on three acquisitions including 76 lots acquired on March 13, 2024 (Doc #20240313-0581), 68 lots acquired on June 13, 2024 (Doc #20240613-0278), and 64 lots acquired on September 12, 2024 (Doc# 20240912-0721). Information for these transactions are noted as follows.

The first takedown (76 Finished Lots) sold at a reported price (based on documentary transfer tax at $17,916.80) at $16,288,000 ($214,316/lot), which included the following properties.

LEGAL	APNs
Lots 1..4, 7..29, 34..53, 72..84 Greenbriar Phase 2, Village South 60 Finished Lots	201-1520-001..004, 007..014 201-1530-001..018, 023..026 201-1540-001..016 201-1550-010..019
Lots 19, 20, 45..58 Greenbriar Phase 2, Village 5 16 Finished Lots	201-1590-019, 020, 201-1590-045..058

The second takedown (68 Finished Lots) sold at a reported price (based on documentary transfer tax at $16,401.55) at $14,910,500 ($219,272/lot), which included the following properties.

LEGAL	APNs
Lots 54..62, 66..71 Greenbriar Phase 2, Village South 15 Finished Lots	201-1540-017..025 201-1550-004..009
Lots 21..25, 42..44 Greenbriar Phase 2, Village 5 8 Finished Lots	201-1590-021..025 201-1590-042..044
Lots 1..4, 15, 16, 40..50 Greenbriar Phase 2, Village 6 17 Finished Lots	201-1640-001..004, 201-1640-015, 016, 201-1640-040..050
Lots 30..36 Greenbriar Phase 2, Village 10 7 Finished Lots	201-1550-024..030
Lots 29..45, 75..78 Greenbriar Phase 1, Village 14A 21 Finished Lots	TBD (Village 14/20)

The third takedown (64 Finished Lots) sold at a reported price (based on documentary transfer tax at $16,199.70) at $14,727,000 ($230,109/lot), which included the following properties.

LEGAL	APNs
Lots 30..33 Greenbriar Phase 2, Village South 4 Finished Lots	201-1530-019..022
Lots 1..12 Greenbriar Phase 2, Village 1A 12 Finished Lots	201-1540-026..031 201-1600-001..006
Lots 26..32, 37..41 Greenbriar Phase 2, Village 5 12 Finished Lots	201-1590-026..032 201-1590-037..041
Lots 5..8, 17..21, 35..39 Greenbriar Phase 2, Village 6 14 Finished Lots	201-1640-005..008 201-1640-017..021 201-1640-035..039
Lots 26..29, 37..40 Greenbriar Phase 2, Village 10 8 Finished Lots	201-1550-020..023 201-1550-031..034
Lots 17..28, 46, 47 Greenbriar Phase 1, Village 14A 14 Finished Lots	TBD (Village 14/20)

These lots were part of a purchase and sales agreement for all 1,177 lots (including Village 14/20) between Integral Communities (Greenbriar Phase 2, LLC) and Lennar with quarterly takedowns on lots through March 2028. A copy of this document was reviewed by the appraiser. An affiliate of Lennar, Len-Land West, LLC, owns some interest in the developer of this project (Integral Communities operating as Greenbriar Phase 2, 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.

Upon review of Sacramento County public records, there have been no other sale or transfer of ownership that has occurred within the past three years and no other offerings or contracts encumber the individual project areas.

Note: Individual assessor parcel numbers were not available for Greenbriar Phase 1, Village 14A. The map was not available from the Sacramento County Assessor's Office as of the date of this report. References to this project were derived from the final map, which recorded May 6, 2024 in Book 456 of Maps at Page Z (Doc# 20240506-0301).

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 included an automatic train system and a new central terminal building and concourse which is more than 670,000 square feet.

Furthermore, a new $1.3 billion expansion project recently commenced which will include construction of a $140 million pedestrian walkway that will connect Terminal B to Concourse B. Additional projects include expansion to both Terminal A and Concourse B, which will add gates and amenities, a new Terminal B parking garage; and a consolidated ground transportation center that will centralize taxi, rideshare, and off-site shuttle providers into a single area that is walkable from both terminals.

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 declining population since the 2020 census showing 2,397,382 residents. The 2024 estimates are identified at 2,402,031, representing a slight increase of 0.2%. This includes increased population of 6,786 residents in the past year. 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	2010 (CENSUS)	2020 (CENSUS)	2023 POPULATION (ESTIMATES)	2024 POPULATION (ESTIMATES)	% CHANGE 2023-2024
Yolo	200,848	216,403	220,454	221,666	0.5%
El Dorado	181,058	191,185	188,067	188,583	0.3%
Placer	348,432	404,739	410,085	412,844	0.7%
Sacramento	1,418,788	1,585,055	1,576,639	1,578,938	0.1%
Total Region	**2,149,126**	**2,397,382**	**2,395,245**	**2,402,031**	**0.3%**
State of California	37,253,956	39,538,223	39,161,058	39,128,162	0.2%

Source: State of California Department of Finance

Total population in the region increased in the past year, which follows two years of slightly decreasing population. It has now surpassed levels observed in the 2020 census.

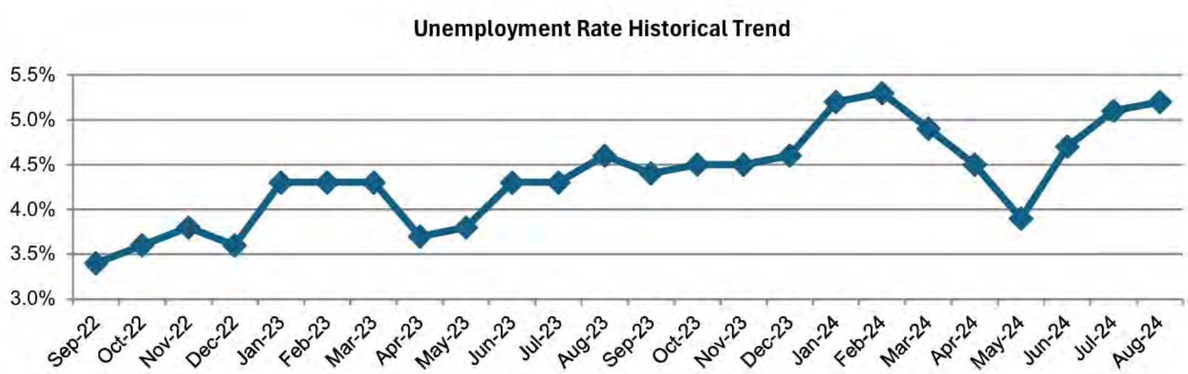
Local Economy/Job Formation

The unemployment rate in the Sacramento-Roseville-Arden-Arcade MSA was 5.2 percent in August 2024, up from a revised 5.1 percent in July 2024, and above the year-ago estimate of 4.6 percent. This compares with an unadjusted unemployment rate of 5.9 percent for California and 4.4 percent for the nation during the same period. The unemployment rate was 4.8 percent in El Dorado County, 4.6 percent in Placer County, 5.3 percent in Sacramento County, and 5.4 percent in Yolo County. The total labor force for the region is currently identified at 1,142,500 workers, with 1,084,300 currently employed. The following table illustrates historic employment for the entire region since 2000. It is noted that these numbers vary slightly compared to the previous numbers as they are not seasonally adjusted.

YEAR	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	RATE
2024 YTD	1,146,500	1,087,100	59,400	5.2%
2023	1,132,100	1,080,000	52,100	4.6%
2022	1,124,500	1,082,500	42,000	3.7%
2021	1,102,400	1,055,000	47,400	4.3%
2020	1,096,900	1,010,500	86,400	7.9%
2019	1,104,600	1,069,600	35,000	3.2%
2018	1,111,000	1,071,600	39,300	3.5%
2017	1,088,700	1,037,900	50,800	4.7%
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. Information through August 2024.

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 August 2024, the total civilian employment was identified at 1,087,100 jobs. Between March 2020 and April 2020, total job losses were approximately 153,000 jobs. Since this time, jobs were re-absorbed back into the workforce.

Housing

The Sacramento housing market is stabilizing after periods of an inflationary environment and rising interest rates in the past two years. With interest rates remaining flat in the past 9-12 months, home prices started to increase. With recent reductions in interest rates, pricing will likely increase. 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 AUG 2022	MEDIAN PRICE AUG 2023	MEDIAN PRICE AUG 2024	%Δ 22-24	%Δ 23-24
Yolo	$631,000	$622,500	$620,960	-1.6%	-0.2%
El Dorado	$627,000	$657,000	$650,000	3.7%	-1.1%
Placer	$649,000	$669,000	$675,000	4.0%	0.9%
Sacramento	$535,000	$535,000	$559,000	4.5%	4.5%
CALIFORNIA	**$834,740**	**$859,670**	**$888,740**	**6.5%**	**3.4%**

Home prices in the Sacramento Region have mostly improved since August 2022. Changes over the past 12 months reflect changes in pricing from (1.1%) to 4.5%. This information is showing increasing pricing at higher overall interest rates than compared to 2022 and into 2023.

Monthly changes in pricing over the past year for these counties, as well as California on an overall basis as derived from the California Association of Realtors are noted below. Home prices are shown in terms of median price.

MON-YR.	CA	EL DORADO	PLACER	SACRAMENTO	YOLO
July-23	$832,340	$650,000	$660,000	$547,000	$625,000
August-23	$859,800	$657,000	$669,000	$535,000	$622,500
September-23	$843,340	$685,000	$665,000	$545,000	$608,640
October-23	$840,360	$660,000	$685,000	$550,000	$629,900
November-23	$822,200	$650,000	$659,000	$522,290	$620,000
December-23	$819,740	$660,000	$633,020	$535,000	$630,000
January-24	$788,940	$650,000	$620,000	$515,000	$600,360
February-24	$806,490	$647,500	$650,000	$530,000	$918,940
March-24	$854,490	$677,000	$659,000	$530,000	$635,830
April-24	$904,910	$757,000	$671,740	$548,580	$615,000
May-24	$908,040	$699,000	$675,000	$555,000	$653,980
June-24	$900,720	$709,000	$685,000	$560,000	$649,500
July-24	$886,560	$695,000	$670,000	$560,000	$610,000
August-24	$888,740	$650,000	$675,000	$559,000	$620,960

Pricing characteristics are noted above since August 2023 Overall pricing dropped in the latter half of 2023, but indicators for 2024 show increasing pricing.

Current levels of inventory are stable. The following table shows the total number of homes sold in each county according to Metrolist since 2018. Home prices are shown in terms of median price.

COUNTY	2018	2019	2020	2021	2022	2023	2024	ACTIVE*
Sacramento	19,112	18,410	18,155	19,344	15,142	11,317	8,729	2,143
Placer	6,174	6,213	6,805	7,006	5,615	4,618	3,661	1,032
El Dorado	2,815	2,616	3,381	3,329	2,502	1,893	1,446	670
Yolo	1,757	1,783	1,799	2,076	1,589	1,298	1,039	278
Totals	**29,858**	**29,022**	**30,140**	**31,755**	**24,848**	**19,126**	**14,875**	**4,123**
COUNTY	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**ACTIVE**
Sacramento	$354,500	$366,975	$410,000	$480,304	$520,000	$510,000	$530,000	$575,000
Placer	$470,000	$489,500	$520,000	$625,000	$669,447	$642,375	$650,000	$721,450
El Dorado	$497,500	$495,000	$525,000	$621,000	$650,000	$630,000	$659,000	$732,500
Yolo	$429,000	$449,000	$475,000	$550,000	$600,000	$599,000	$614,173	$649,500
MEDIAN SF	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**ACTIVE**
Sacramento	1,523	1,542	1,561	1,539	1,532	1,557	1,575	1,683
Placer	2,000	2,004	2,021	2,020	2,010	2,040	1,996	2,244
El Dorado	2,048	2,085	2,088	2,096	2,034	2,050	2,022	2,200
Yolo	1,590	1,640	1,685	1,607	1,633	1,726	1,710	1,902
MEDIAN $/SF	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**ACTIVE**
Sacramento	$232.76	$237.99	$262.65	$312.09	$334.67	$327.55	$333.60	$332.25
Placer	$235.00	$244.26	$257.30	$309.41	$342.72	$314.89	$342.98	$342.66
El Dorado	$242.92	$237.41	$251.44	$296.28	$324.71	$307.32	$326.70	$333.99
Yolo	$269.81	$273.78	$281.90	$342.25	$364.49	$347.05	$356.61	$363.20

Source: Metrolist, *Active & 2024 information processed as of September 25, 2024

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	2023 PRICING	2024 PRICING	% CHANGE	ACTIVE INVENTORY	SALES RATE/ TOTAL INVENTORY
Sacramento	$510,000	$530,000	3.9%	2,143	998/Mo. – 2.1 Months
Placer	$642,375	$650,000	1.2%	1,032	418/Mo. – 2.5 Months
El Dorado	$630,000	$659,000	4.6%	670	156/Mo. – 4.1 Months
Yolo	$596,050	$614,173	1.6%	278	119/Mo. – 2.3 Months
Totals				**4,123**	**1,700/Mo. – 2.4 Months**

Source: Metrolist,*Active information processed as of September 25, 2024

The median home price is trending upward in most counties. Sacramento County is 3.9% above the annualized average for 2023. Inventory levels in the resale market are stable with 4,123 homes on the market as of September 25, 2024, representing approximately 2.4 months of inventory.

The average price of a new home ranges from $513,560 (Yuba County) to $930,555 (El Dorado County) in the Sacramento region. According to the Gregory Group (New Housing Trends), 2nd Quarter 2024, the historic average pricing for the Sacramento region is identified on the following table. It is clearly noted that this level of pricing is based on gross pricing, prior to incentives.

COUNTY	2Q 2022	2Q 2023	2Q 2024	%Δ 22-24	%Δ 23-24
El Dorado County	$925,316	$986,100	$930,555	0.6%	-5.6%
Placer County	$731,952	$755,823	$805,069	10.0%	6.5%
Sacramento County	$734,765	$690,152	$686,964	-6.5%	-0.5%
Sutter County	$462,262	$579,565	$606,209	31.1%	4.6%
Yolo County	$671,035	$649,916	$675,377	0.6%	3.9%
Yuba County	$516,926	$488,575	$513,560	-0.7%	5.1%
REGIONWIDE	**$725,889**	**$710,853**	**$724,717**	**-0.2%**	**2.0%**

Pricing changes from 2022 to 2024 (2nd Quarter), as well as changes over the past year are identified on the table above. This information shows that pricing has decreased in the entire region by 0.2% since the 2nd Quarter of 2022. Year-over-year regionwide changes increased by 2.0%. This shows pricing is nearing levels experienced in 2nd quarter 2022, when interest rates were lower. Information from Sutter County is influenced by the lack of residential projects.

There were between 7,790 and 8,099 sales identified in the region from 2020 to 2021. The new home market escalated during Covid-19 and low interest rates. These levels dropped in 2022 to 5,568 sales due to rising inflation and increases in interest rates. Home buyers adjusted to these interest rates and 2023 produced 7,019 total sales. Sales for 2024 are identified at 4,363 sales based on total sales through the first half of 2024. These elements are identified as follows.

COUNTY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
El Dorado County	183	351	559	637	328	259	417	358	228	271	161
Placer County	1,048	1,503	1,643	1,866	1,676	1,592	2,300	2,958	2,170	2,571	1,336
Sacramento County	1,258	1,793	2,327	2,540	2,674	3,220	3,885	3,859	2,557	3,351	2,219
Sutter County	8	13	27	92	109	92	452	102	53	33	36
Yolo County	169	199	409	464	278	505	312	432	196	434	342
Yuba County	73	127	122	54	169	328	424	390	364	359	269
REGIONWIDE	**2,739**	**3,986**	**5,087**	**5,653**	**5,234**	**5,996**	**7,790**	**8,099**	**5,568**	**7,019**	**4,363**

Source: The Gregory Group, 2nd Quarter 2024

The subject property is located in the Sacramento County market area. New home sales dropped 33.7% in 2022 as compared to levels identified in 2021. Total sales in 2023 were 31.1% above levels in 2022 and in 2024, 2,219 new homes were sold in Sacramento County. This is approximately 66.2% of the total sales noted in 2023, however, 2024 information is based on the first two quarters. By way of comparison, 1,690 new homes were sold in the first half of 2023, and year-to-date sales are 31.3% higher in 2024.

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. Recently, it was announced that the Oakland A's will play the 2025 season in Sutter Health Park in West Sacramento. 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.

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. Currently, economic conditions are stable after being influenced by the inflationary environment.

Inflation was at a 40-year high in 2022, and rising interest rates are the main vehicle used to combat rising inflation in all sectors. This impacted the housing market with slower levels of sales and pricing starting to reverse course after two years of high levels of appreciation. While new home sales are showing higher levels of pricing, the rising interest rates will compress affordability ratios and pricing will have to adjust to levels to stimulate sales. Recently, rates were lowered in September 2024.

According to the most recent meeting September 18, 2024 by the Federal Reserve, recent indicators suggest that economic activity has continued to expand at a solid pace. Job gains have slowed, and the unemployment rate has moved up but remains low. Inflation has made further progress toward the Committee's 2 percent long-term objective but remains somewhat elevated.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. The Committee has gained greater confidence that inflation is moving sustainably toward 2 percent, and judges that the risks to achieving its employment and inflation goals are roughly in balance. The economic outlook is uncertain, and the Committee is attentive to the risks to both sides of its dual mandate.

In light of the progress on inflation and the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/2 percentage point to 4-3/4 to 5 percent. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent long-term objective.

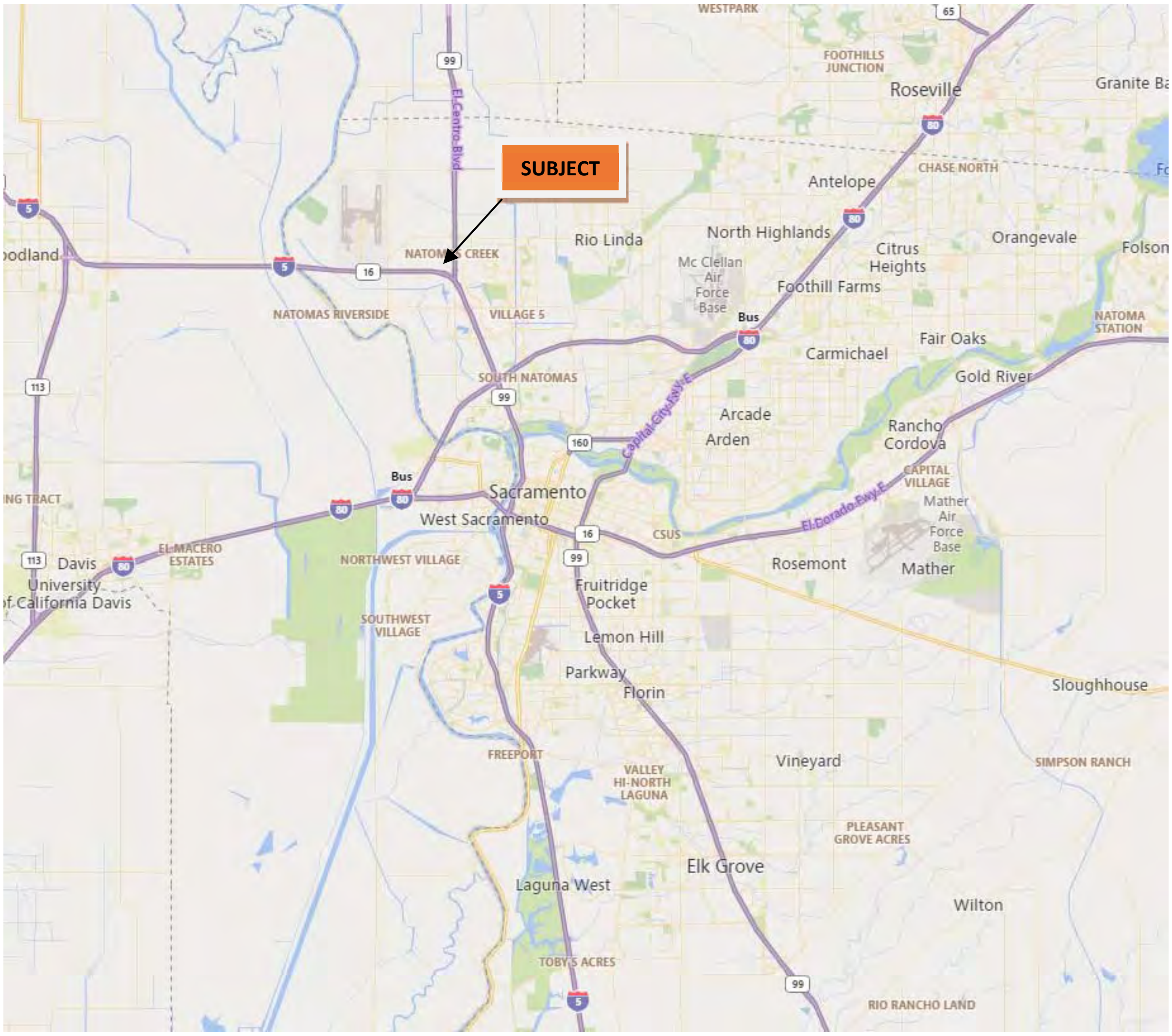
In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

As relates to housing, higher interest rates increase the cost of housing by making the mortgage payment greater than at lower interest rates. The Federal Reserve has determined that it needs to act to stem the rise of inflation and has increased interest rates identified as follows.

DATE	FEDERAL FUNDS EFFECTIVE RATE
January 1, 2022	0.08%
April 1, 2022	0.33%
July 1, 2022	1.68%
October 1, 2022	3.08%
January 1, 2023	4.33%
April 1, 2023	4.83%
July 1, 2023	5.12%
October 1, 2023	5.33%
January 1, 2024	5.33%
April 1, 2024	5.33%
July 1, 2024	5.33%

Interest rates have remained stable in the past twelve months. In the recent September meeting, the Federal Funds Rate was lowered to reflect 4.75% to 5.00%. Currently, new homes are selling with builder incentives, in which the builder buys down the interest rate for the first few years, then the rate adjusts to market. Buyers are purchasing homes with these concessions in the anticipation of refinancing their mortgages when rates are lower. Still, recent reductions in the Federal Funds rate will likely flow to the housing market with lower interest rates and having positive impact on demand.

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 Highway 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 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 Walmart. The recent completion of a freeway offramp serving this facility further enhances the overall desirability of this location. Development provides demand generators for the subject property based on the overall location with the addition of jobs to the region. Most recently, a proposal for a new 4-story, 85-room, Best Western Plus hotel was submitted to the City of Sacramento along the SWC of Metro Air Parkway and Elkhorn Boulevard.

Additionally, Sacramento Regional Transit (SacRT) has proposed a light rail project to connect the existing Green Line rail that starts in Downtown Sacramento and runs north to the River District with the Natomas Communities, and the Sacramento International Airport. It is noted that details on timing, funding, and final design, and locations for the Green Line stations in the Natomas area have not been confirmed and may change. Initial design renderings for the Green Line are as follows.

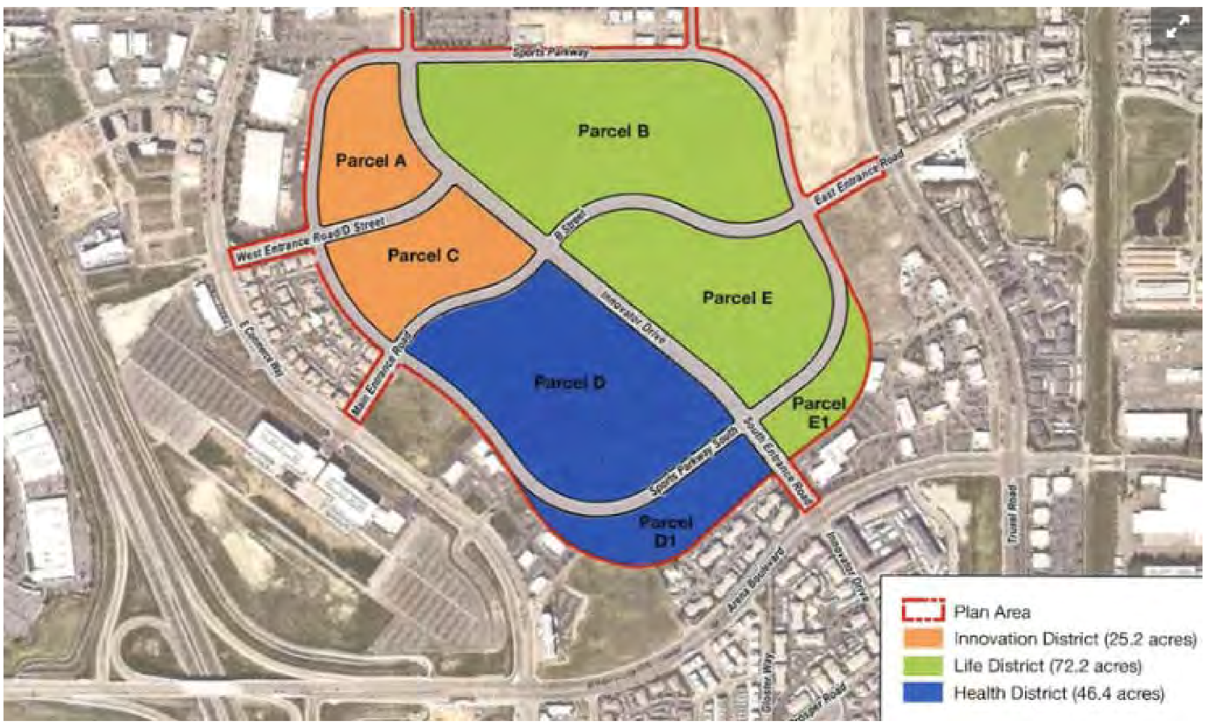
North Natomas is a major employment center for the Sacramento region with multiple office and light industrial employment centers. The majority of North Natomas jobs are either in office or industrial sectors. Northgate Industrial Park, located in the south portion of the Panhandle, provides light industrial 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 areas 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. 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 new jobs. Recently, this space has been placed on the market and offered for sub-lease including more than 500,000 square feet, as well as an 18,000 square foot facility for child care.

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. Recent movement on this facility noted sale of this facility to Argent Development comprised of approximately 183 acres.



The entire project, identified as Innovation Park, is identified for infrastructure work within the next year. The first phase includes the proposed development to replace the Sleep Train Area with a new 14-story, 400-bed California Northstate University hospital and medical campus with later phases comprising high-density residential, office, mixed-use, and residential development. Innovation Park is entitled for 2,500 residential units, as well as office and lab space and supporting retail uses. Initial renderings of this facility include the following.

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 examined. 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	1,135	$420,000	1,849	$227.15	6.3%	$429,104	1,915	$224.08	7.5%
2021	1,229	$519,000	1,811	$286.58	26.2%	$522,302	1,904	$274.32	22.4%
2022	923	$555,000	1,786	$310.75	8.4%	$561,405	1,873	$299.74	9.3%
2023	622	$522,000	1,764	$291.12	-6.3%	$536,346	1,855	$297.85	-0.6%
2024	462	$535,000	1,761	$300.42	3.2%	$542,812	1,832	$306.09	2.8%
Active	106	$532,450	1,715	$311.32		$554,242	1,854	$312.20	

Source: Metrolist. YTD information as of September 25, 2024.

Residential values have escalated in the immediate area. This is measured through price per square foot characteristics. 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 increased from 3.4% to 13.5%, per annum since this time through the end of 2020. Average prices increased 3.5% to 14.2% over the same time frame. However, the market escalated again in 2021 with median pricing showing 26.2% year-over-year increases and average pricing showing 8.4% year-over-year increases.

Pricing dropped in 2022 with rising interest rates. The median price per square foot dropped 6.3%, whereas the average price per square foot dropped 0.6%. Year-to-date indicators for 2024 shows increased pricing in both sectors with both median and average pricing near 2022 levels.

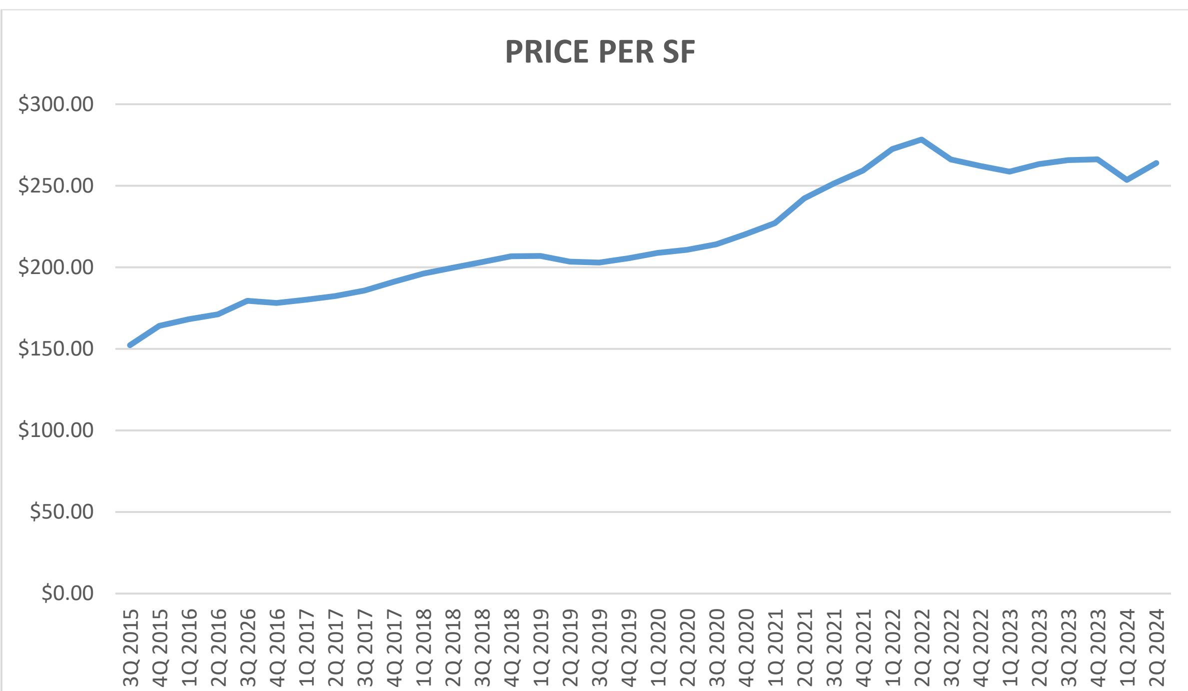
Monthly sales totals for 2023 and 2024 for Zip Codes 95834 and 95835 are noted as follows. It is based on the past 12 months.

MONTH	#	MEDIAN PRICE	MEDIAN SF	MEDIAN $/SF	% CHANGE	AVG. PRICE	AVG. SF	AVG. $/SF	% CHANGE
Oct. 23	56	$546,000	1,815	$291.84	--	$529,383	1,821	$299.43	--
Nov. 23	32	$520,000	1,817	$299.96	2.8%	$547,118	1,831	$303.58	1.4%
Dec. 23	36	$527,500	1,681	$293.31	-2.2%	$511,339	1,809	$293.50	-3.3%
Jan. 24	40	$512,500	1,804	$282.97	-3.5%	$506,136	1,824	$283.43	-3.4%
Feb. 24	43	$545,000	1,845	$299.11	5.7%	$548,209	1,850	$306.01	8.0%
Mar. 24	44	$544,000	1,740	$300.31	0.4%	$535,475	1,807	$302.11	-1.3%
Apr. 24	48	$529,750	1,722	$293.52	-2.3%	$550,926	1,857	$308.87	2.2%
May 24	63	$540,000	1,717	$304.00	3.6%	$551,747	1,853	$307.46	-0.5%
June 24	57	$545,000	1,823	$303.48	-0.2%	$552,226	1,877	$302.30	-1.7%
July 24	50	$525,000	1,676	$306.42	1.0%	$523,804	1,715	$316.35	4.6%
Aug. 24	68	$552,000	1,750	$310.26	1.3%	$550,242	1,710	$314.26	-0.7%
Sept.-24	47	$550,000	1,804	$298.19	-3.9%	$561,636	1,925	$303.40	-3.5%
Active	106	$532,450	1,715	$311.32		$554,242	1,854	$312.20	

Source: Metrolist. YTD information as of September 25, 2024.

September 2024 indicators tend to point to a price per square foot of approximately $298 to $303. The current inventory of homes on the market is 106 homes, which reflects 2.0 months of existing supply (the pace of sales to liquidate current inventory) based on the 2024 rate of sales.

In addition, the North Natomas area includes 10 new home developments. According to information compiled by The Gregory Group (2Q 2024), these projects demonstrate an average net price of $647,884 with the average square footage identified at 2,455 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	Unoffered 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 2026	14	3,382	1,892	$339,602	$179.49	123	71	1103	2.7/Mo.	3.2/Mo.
4Q 2016	15	3,333	1,913	$340,802	$178.15	156	127	1174	3.2/Mo.	4.1/Mo.
1Q 2017	16	3,511	1,935	$348,587	$180.15	211	86	1084	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	1054	4.0/Mo.	3.4/Mo.
2Q 2020	18	3,038	1,898	$400,034	$210.77	170	132	1044	2.9/Mo.	3.3/Mo.
3Q 2020	17	3,096	1,866	$399,525	$214.11	260	55	955	4.1/Mo.	4.0/Mo.
4Q 2020	13	3,050	1,837	$404,813	$220.37	179	55	888	4.2/Mo.	4.1/Mo.
1Q 2021	20	3,825	2,184	$496,069	$227.14	281	45	1848	4.3/Mo.	4.7/Mo.
2Q 2021	19	3,927	2,231	$540,511	$242.27	237	33	1633	3.8/Mo.	4.1/Mo.
3Q 2021	18	3,983	2,252	$565,987	$251.33	195	22	1449	3.3/Mo.	3.8/Mo.
4Q 2021	17	4,065	2,300	$596,465	$259.33	90	26	1263	3.3/Mo.	3.7/Mo.
1Q 2022	16	4,065	2,365	$644,454	$272.50	222	49	1018	3.9/Mo.	4.3/Mo.
2Q 2022	16	4,065	2,365	$658,450	$278.41	138	65	831	3.7/Mo.	2.6/Mo.
3Q 2022	16	4,065	2,365	$629,226	$266.06	64	74	759	3.4/Mo.	1.2/Mo.
4Q 2022	16	4,065	2,365	$620,025	$262.17	55	90	690	2.9/Mo.	2.5/Mo.
1Q 2023	15	4,250	2,396	$619,787	$258.68	173	535	72	3.8/Mo.	2.4/Mo.
2Q 2023	14	4,250	2,433	$640,611	$263.30	159	378	55	3.8/Mo.	2.7/Mo.
3Q 2023	13	4,250	2,482	$659,527	$265.72	109	290	34	2.8/Mo.	3.1/Mo.
4Q 2023	12	4,250	2,519	$670,421	$266.15	100	282	29	2.8/Mo.	3.8/Mo.
1Q 2024	10	3,911	2,508	$636,019	$253.60	71	23	1,163	2.8/Mo.	2.2/Mo.
2Q 2024	9	3,921	2,455	$647,884	$263.90	63	26	1,236	3.1/Mo.	2.2/Mo.

The Natomas submarket has re-emerged as a primary housing area of the Sacramento region. Net pricing dropped in 3Q 2022 as the result of average incentives at $21,172 per project, however pricing in 4Q 2023 increased to an average net price of $670,421. This dropped slightly in Q1 2024. In addition, inventory levels increased in the past quarter as the subject property (Phase 2 – Northlake) were included in the individual projects.

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%	113	189.4%
TOTALS	**1,018**	**2,540**	**40.1%**	**4,673**	**21.8%**
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%
4Q 2020	179	1,239	14.4%	2,368	7.6%
TOTALS	**835**	**3,885**	**21.5%**	**7,790**	**10.7%**
1Q 2021	281	1,173	24.0%	2,676	10.5%
2Q 2021	237	1,015	23.3%	2,143	11.1%
3Q 2021	195	747	26.1%	1,473	13.2%
4Q 2021	181	924	19.6%	1,807	10.0%
TOTALS	**894**	**3,859**	**23.2%**	**8,099**	**11.0%**
1Q 2022	222	1,164	19.1%	2,356	9.4%
2Q 2022	138	744	18.5%	1,580	8.7%
3Q 2022	64	296	21.6%	792	8.1%
4Q 2022	55	366	15.0%	823	6.7%
TOTALS	**479**	**2,570**	**18.6%**	**5,551**	**8.6%**
1Q 2023	173	745	23.2%	1,782	9.7%
2Q 2023	159	945	16.8%	1,910	8.3%
3Q 2023	109	867	12.6%	1,929	5.7%
4Q 2023	100	794	12.6%	1,398	7.2%
TOTALS	**541**	**3,351**	**16.1%**	**7,019**	**7.7%**
1Q 2024	71	1,220	5.8%	2,355	3.0%
2Q 2024	63	999	6.3%	2,008	3.1%

The Natomas sub-market has shown annualized sales between 479 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. Sales for 2021 show 894 total sales, which dropped in 2022 to 479 sales. Information thorough 2024 shows 134 sales. However, this is primarily due to the sales of most homes in Northlake Phase 1. This portion of the project generally north of the subject is nearing build out, as well as the entire Natomas sub-market with the exception of Panhandle. It is noted that the master developer renamed the entire community Northlake, whereas final map references still identify the project as Greenbriar.

Construction has commenced in Northlake Phase 2 (Subject Property). This is synonymous with the subject property identified as Greenbriar Phase 2. Model homes are completed for 17 units and vertical improvements are under construction for the 208 lots now owned by Lennar Homes of California, LLC.

Sales in the Northlake project are following suit. Initial homes for Northlake (Greenbriar Improvement Area 1) which include 1,137 homes commenced offering sales in January 2021. Through 2Q 2024, 1,098 homes sold in the project, which equates to an average absorption of 3.2 sales per month, per project (8 total). The following table summarizes sales activity in this community. Current pricing is reported as of the effective date of valuation.

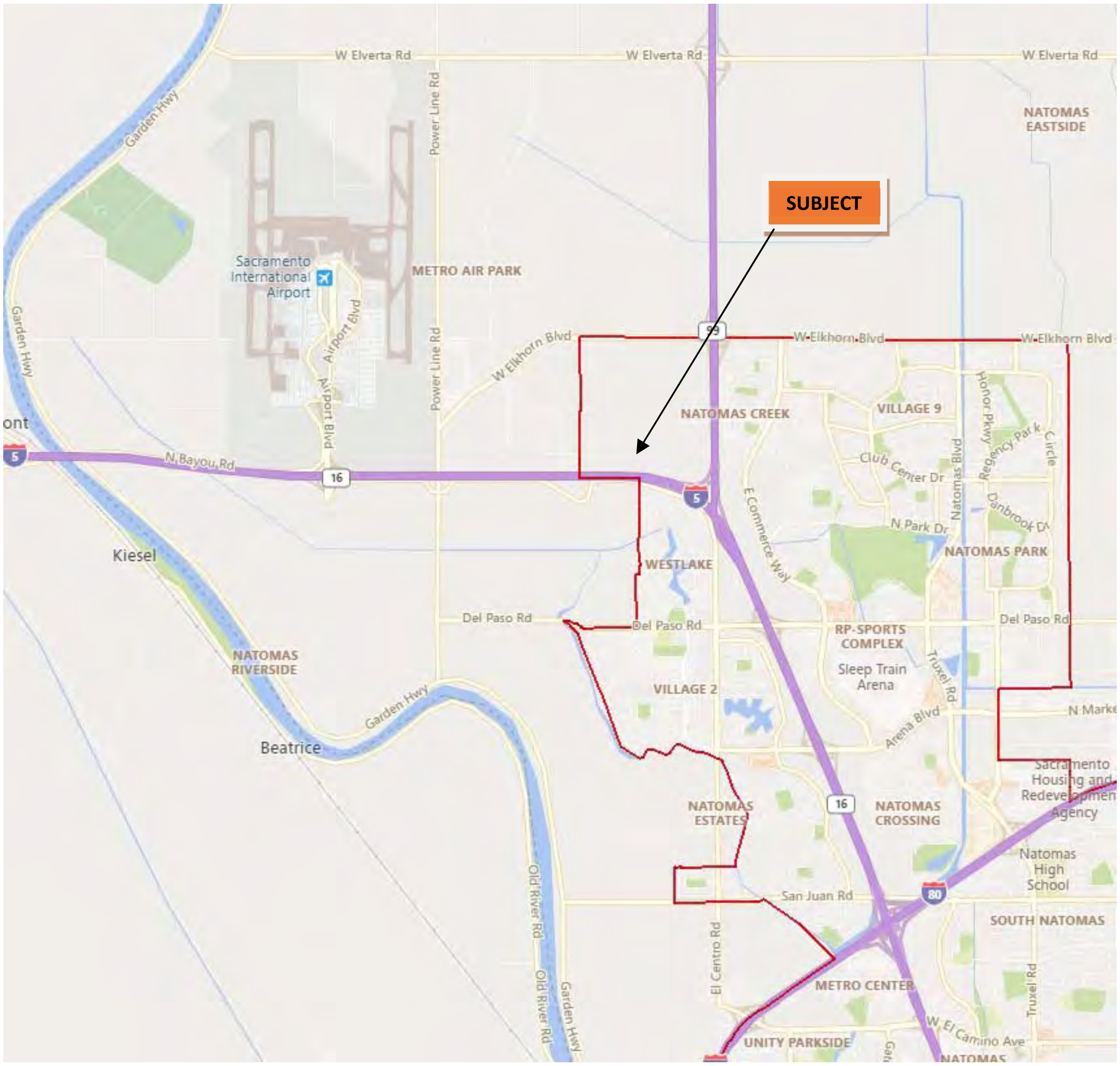
PROJECT	LOT SIZE (SF)	PLAN SIZE (SF)	BASE PRICE	TOTAL PLANNED	TOTAL SOLD	INVENTORY	AVERAGE
Alta	3,403 SF	2,632-3,940	Sold Out	116	116	0	5.5/Mo.
Bleau	5,000 SF	2,150-3,460	$647,990 - $842,990	348	191	157	4.1/Mo.
Crestvue	4,675 SF	1,797-3,178	$598,990 - $745,990	235	99	136	2.2/Mo.
Drifton	5,500 SF	2,282-3,425	$681,990 - $806,990	236	131	105	3.0/Mo.
Lakelet	3,690 SF	2,114-2,360	$603,990 - $627,990	307	138	169	3.1/Mo.
Shor	2,788 SF	1,774-2,190	$540,990 - $598,990	337	143	194	3.2/Mo.
Watersyde	4,000 SF	2,307-2,968	$635,990 - $719,990	276	129	147	2.9/Mo.
Wavmor	4,500 SF	2,134-2,786	$640,990 - $690,990	320	148	172	3.3/Mo.
V14/20	3,690 SF	1,454-1,907	$516,000 - $566,000	139	3	136	N.A
TOTALS				**2,314**	**1,098**	**1,216**	

Overall pricing of homes in this project ranges from $516,000 to $842,990. All of these projects are well received, which bodes well for the subject lots as they will reflect a continuation of these existing projects. Concession levels identified for this project are based on standing inventory homes.

Another amenity in the region is the current construction of Northlake TK-8 school located in the Phase 2 project area. This facility at 3651 Oyster Point Way opened in August 2024. The school is slated to open one class per grade level, depending on community response, for the inaugural 2024-2025 school year. As housing progresses, additional classrooms will be opened each year thereafter.

Conclusion

Overall, the immediate area is carefully planned to facilitate long term growth. The development of Metro Air Park, as well as other proposed projects provide demand generators for housing. Future development with Innovation Park and continued residential development in Northlake and future development in the "panhandle" provide a positive outlook for the region.



SITE DESCRIPTION

Location

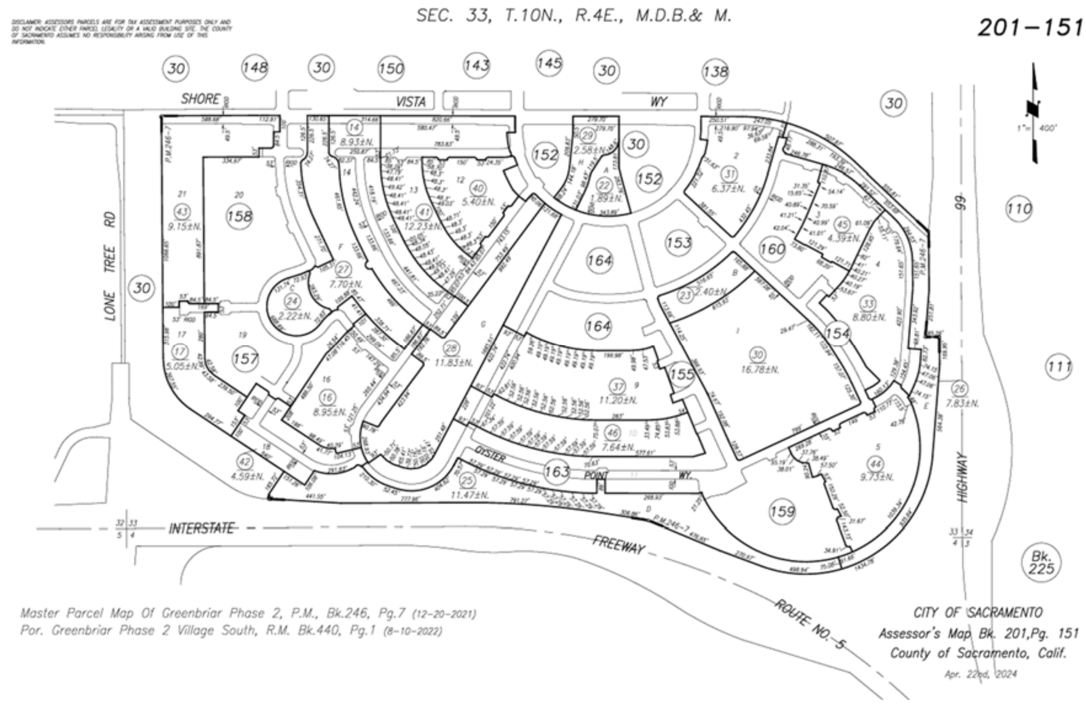
The subject properties reflect the parcels identified within the Greenbriar Community Facilities District No 2018-3, Improvement Area #2. It is generally located along the northwest quadrant of Interstate 5 and State Highway 99. The overall boundary map is identified as follows.

APN/Legal Description

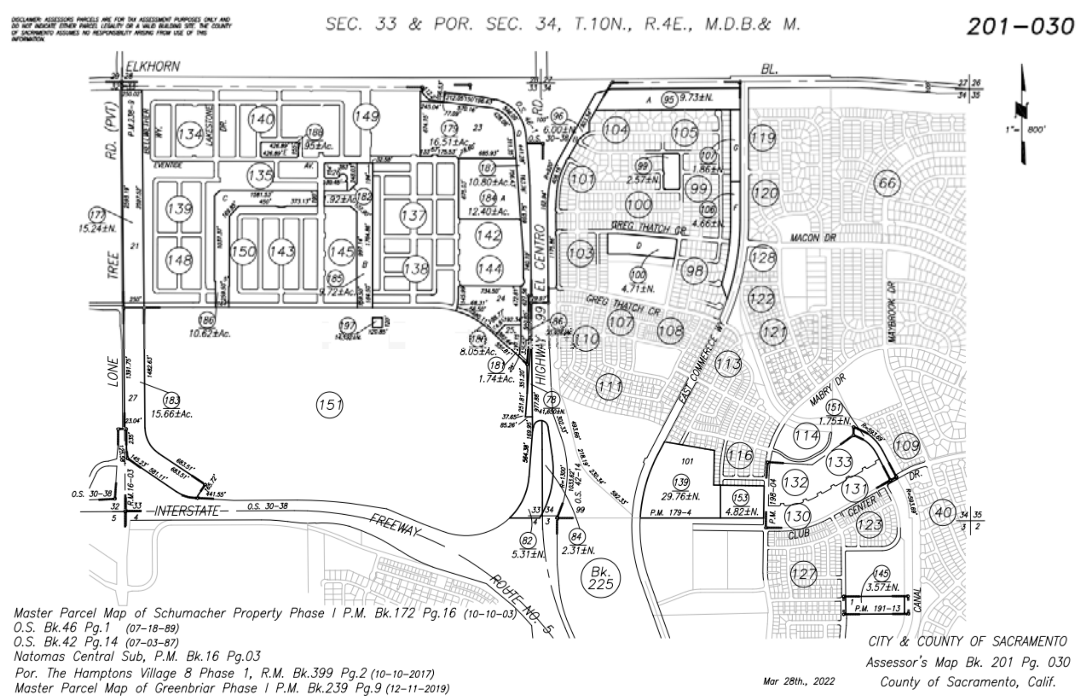
The subject properties are identified by the Sacramento County Assessor as numerous parcels. The overall descriptions are based on those identified from the Assessor's office, as well as review of the Preliminary Title Report prepared by First American Title Company, dated June 14, 2024. The total parcels identified in this project area are summarized as follows.

VILLAGE	APN	LEGAL	FINAL MAP	REFERENCE
Village 1	201-1540-001..011	Lots 38..48	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1540-026..061	Lots 1..6, 22..50	Greenbriar Phase 2, Village 1A	Recorded 10-14-2022, Book 442, Page 15
	201-1600-001..017	Lots 7..21, 51..53	Greenbriar Phase 2, Village 1A	Recorded 10-14-2022, Book 442, Page 15
	201-1510-045	Lot 3 Remainder	4.39 AC	40 Lots
Village 2	201-1540-012..025	Lots 49..62	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1510-033	Lot 4 Remainder	8.8 AC	75 Lots
Village 3	201-1520-001..011	Lots 1..11	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
Village 4	201-1510-044	Lot 5 Remainder	9.73 AC	68 Lots
Village 5	201-1550-001..003	Lots 63..65	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1590-001..058	Lots 1..58	Greenbriar Phase 2, Village 5	Recorded 8-1-2022, Book 440, Page 2
Village 6	201-1550-016..019	Lots 78..81	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1640-001..050	Lots 1..50	Greenbriar Phase 2, Village 6	Recorded 3-15-2024, Book 454, Page 4
Village 7	201-1530-001..026	Lots 12..37	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
Village 8	201-1550-010..015	Lots 72..77	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1510-037	Lot 9 Remainder	11.2 AC	82 Lots
Village 9	201-1550-004..009	Lots 66..71	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1510-046	Lot 10 Remainder	7.67 AC	47 Lots
Village 10	201-1550-020..035	Lots 26..41	Greenbriar Phase 2, Village 10	Recorded 3-1-2024, Book 454, Page 3
	201-1630-001..042, 044	Lots 1..25, 42..58, 11A	Greenbriar Phase 2, Village 10	Recorded 3-1-2024, Book 454, Page 3
Village 11	201-1520-012..014	Lots 82..84	Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
	201-1510-040	Lot 12 Remainder	5.4 AC	41 Lots
Village 12	201-1510-041	Lot 13 Remainder	12.23 AC	60 Lots
Village 13	201-1510-014	Lot 14	8.93 AC	50 Lots
Village 14	201-1510-016	Lot 16	8.95 AC	54 Lots
Village 15	201-1510-042	Lot 18	4.59 AC	31 Lots
Village 16	201-1510-017	Lot 17	5.05 AC	34 Lots
Village 17	201-1570-001..046	Lots 1..46	Greenbriar Phase 2, Village 17 (Includes 2 lots in Village 15)	Recorded 10-14-2022, Book 442, Page 16
Village 18	201-1580-001..059	Lots 1..59	Greenbriar Phase 2, Village 18	Recorded 10-14-2022, Book 443, Page 1
Village 19	201-1510-043	Lot 21	9.18 AC	49 Lots
Village 14/20	201-0300-179	Lots 1..80	Greenbriar Phase 1, Village 14A	Recorded 5-6-2024, Book 455, Page 2
	(Portion)	Lot X	8.785 AC	59 Lots

The current assessor's parcel maps are noted as follows.



It is noted that this map is the most recent available from the Sacramento County Assessor's Office. Parcel numbers are identified for the projects with final maps, although not depicted on the map above, as well as remainder parcels for each village. The final maps are identified in the individual descriptions for each village.



This description includes all of the parcels within the boundaries of the Greenbriar Community Facilities District No 2018-03, Improvement Area #2, as depicted on the prior page. Residential Components of this project include the following.

Phase 1

LOT NO./ VILLAGE NO.	GENERAL PLAN/ ZONING DESIGNATION	USE		ACRES GROSS	ACRES NET	UNITS	NET DENSITY
1	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(50' x 100')	4.6	3.0	23	7.7
2A	SNLD/R-1(PUD)	SINGLE FAMILY RES.	(60' x 110')	9.1	7.4	45	6.1
2B	SNLD/R-1(PUD)	SINGLE FAMILY RES.	(60' x 110')	15.8	12.1	71	5.9
3A	SNMD/R-1(PUD)	SINGLE FAMILY RES.	(55' x 100')	11.6	8.7	63	7.2
3B	SNMD/R-1(PUD)	SINGLE FAMILY RES.	(55' x 100')	14.4	9.8	73	7.4
4A	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(50' x 100')	5.0	3.7	30	8.1
4B	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(50' x 100')	9.5	6.1	49	8.0
5A	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(45' x 100')	11.5	7.7	70	9.1
5B	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(45' x 100')	5.8	4.1	34	8.3
5C	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(45' x 100')	8.5	5.9	53	9.0
6	SNMD/R-1-A(PUD)	SINGLE FAMILY RES.	(50' x 85')	10.7	7.5	67	8.9
7A	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(55' x 85')	11.5	7.7	60	7.8
7B	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(55' x 85')	7.2	5.2	42	8.1
8	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(41' x 90')	15.6	8.7	87	10.0
9	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(41' x 90')	9.1	5.3	51	9.6
10A	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(41' x 68')	8.9	5.8	85	14.7
10B	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(41' x 68')	5.7	3.5	51	14.6
11	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(50'x80'/100')	11.7	6.8	64	9.4
12A	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(50' x 100')	13.0	9.4	77	8.2
12B	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(50' x 100')	6.9	5.1	42	8.2
14	SNMD/R-1A(PUD)	SINGLE FAMILY RES.	(41' x 90')	19.7	14.7	139	9.5
SUBTOTAL				**215.8**	**148.2**	**1,276**	**8.6**

Village 14 is the only village from the Phase 1 portion of this project identified as part of Greenbriar Community Facilities District No 2018-03, Improvement Area #2

Phase 2

LOT NO./ VILLAGE NO.	GENERAL PLAN/ ZONING DESIGNATION	USE		ACRES(G)	ACRES(N)	UNITS	NET DENSITY
1	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(41' x 68')	12.4	7.4	104	14.1
2	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(41' x 68')	10.7	7.0	89	12.7
3	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(50' x 80')	2.0	1.4	11	7.9
4	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(41' x 90')	11.6	6.8	68	10.0
5	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(41' x 90')	8.6	6.2	61	9.8
6	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(50' x 80')	9.5	5.7	54	9.5
7	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(55' x 85')	6.4	3.3	26	7.9
8	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(50' x 80')	13.0	8.8	88	10.0
9	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(55' x 85')	9.3	6.3	53	8.4
10	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(55' x 85')	10.1	7.0	59	8.4
11	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(41' x 90')	6.2	4.6	44	9.6
12	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(50' x 100')	10.8	7.3	60	8.2
13	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(50' x 100')	8.2	6.1	50	8.2
14	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(45' x 100')	8.9	6.2	54	8.7
15	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(45' x 100')	5.3	3.7	31	8.4
16	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(45' x 100')	5.0	3.7	34	9.2
17	SNMD/R-1A(PUD)	SINGLE FAMILY RESIDENTIAL	(45' x 100')	8.1	5.6	44	7.9
18	SNMD/R-1(PUD)	SINGLE FAMILY RESIDENTIAL	(55' x 100')	12.2	8.7	59	6.8
19	SNMD/R-1(PUD)	SINGLE FAMILY RESIDENTIAL	(55' x 100')	8.3	6.6	49	7.4
SUBTOTAL				**166.6**	**112.4**	**1,038**	**9.2**

The table noted above excludes information for Village 14.20 which is depicted on the prior table.

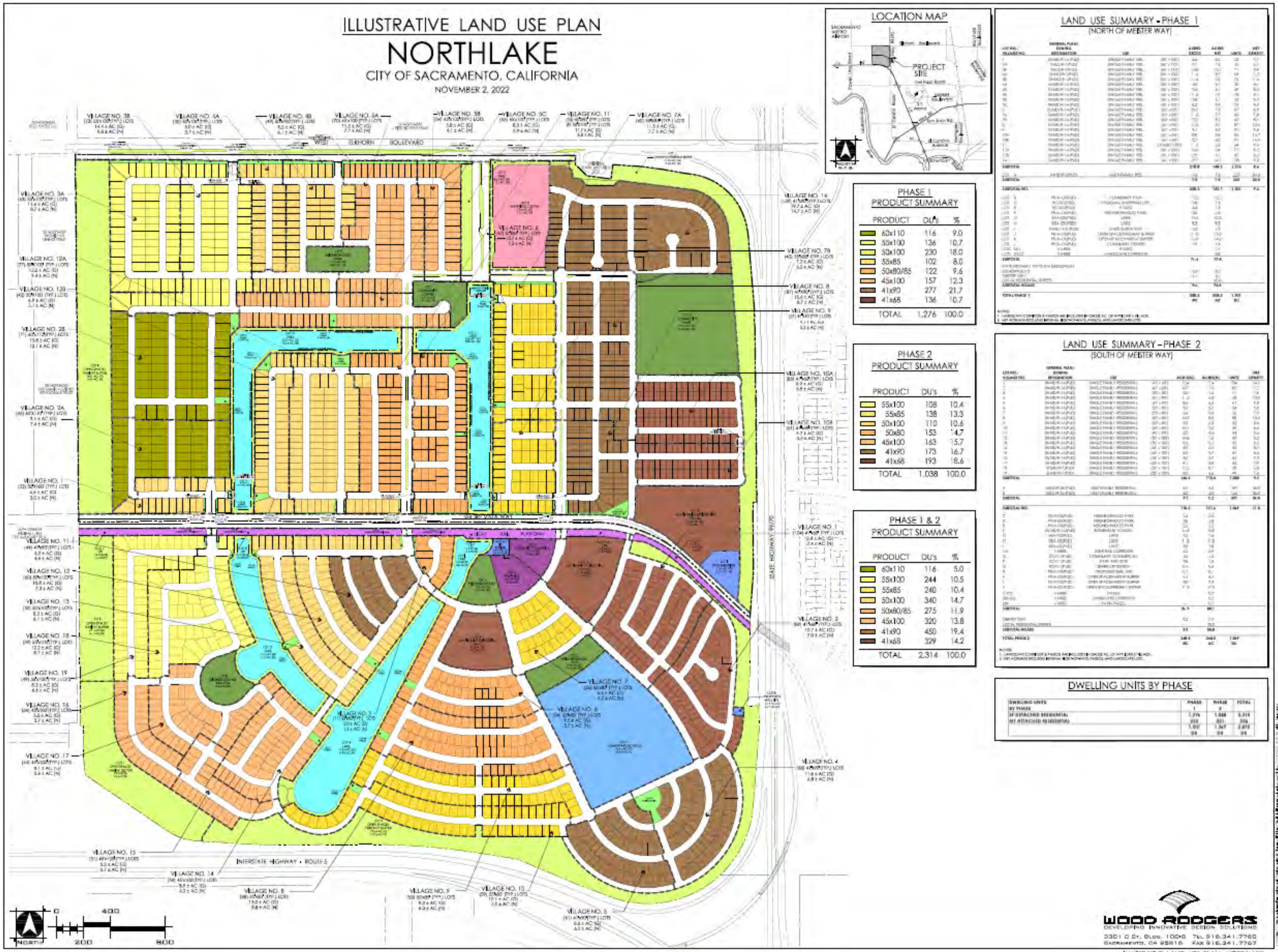
PROJECT	DIMENSIONS	MINIMUM LOT SIZE (SF)	VILLAGE	# LOTS	LAKE FRONT LOTS	% OF TOTAL
SHOR	41' x 68'	2,788	1	104	0	0%
	41' x 68'	2,788	2	89	0	0%
TOTALS - SHOR - 2,788 SF (41' x 68')				**193**	**0**	**0%**
LAKELET	41' x 90'	3,690	4	68	0	0%
	41' x 90'	3,690	5	61	0	0%
	41' x 90'	3,690	11	44	0	0%
TOTALS - LAKELET - 3,690 SF (41' x 90')				**173**	**0**	**0%**
WATERSYDE	50' x 80'	4,000	3	11	7	64%
	50' x 80'	4,000	6	54	14	26%
	50' x 80'	4,000	8	88	7	8%
TOTALS - WATERSYDE - 4,000 (50' x 80')				**153**	**28**	**18.3%**
WAVMOR	45' x 100'	4,500	14	54	16	30%
	45' x 100'	4,500	15	31	0	0%
	45' x 100'	4,500	16	34	0	0%
	45' x 100'	4,500	17	44	3	7%
TOTALS - WAVMORE - 4,500 SF (45' x 100')				**163**	**19**	**11.7%**
CRESTVUE	55' x 85'	4,675	7	26	0	0%
	55' x 85'	4,675	9	53	5	9%
	55' x 85'	4,675	10	59	10	17%
TOTALS - CRESTVUE - 4,675 SF (55' x 85')				**138**	**15**	**10.9%**
BLEAU	50' x 100'	5,000	12	60	14	23%
	50' x 100'	5,000	13	50	26	52%
TOTALS - BLEAU - 5,000 SF (50' x 100')				**110**	**40**	**36.4%**
DRIFTON	55' x 100'	5,500	18	59	13	22%
	55' x 100'	5,500	19	49	0	0%
TOTALS - DRIFTON - 5,500 SF (55' x 100')				**108**	**13**	**12.0%**
V14/20 PRODUCT LINE	41' x 90'	3,690	14/20	139	0	0%
TOTALS - V14/20 - 3,360 SF (41' x 90')				**139**	**0**	**0.0%**
PROJECT TOTALS				**1,177**	**115**	**9.8%**

The following table shows the remaining land uses identified within the boundaries of this district.

VILLAGE/LOT #	LAND AREA (Net)	CURRENT APN	USE
2	5.2 AC	201-1510-002	187-Unit Multi-Family Site
15	4.0 AC	201-1510-015	144-Unit Multi-Family Site
B	2.4 AC	201-1510-023	Neighborhood Park
A	1.89 AC	201-1510-022	Neighborhood Park
C	2.2 AC	201-1510-024	Neighborhood Park
I	16.78 AC	201-1510-030	Elementary School Site
F	7.7 AC	201-1510-027	Man-Made Lake
G	11.83 AC	201-1510-028	Man-Made Lake
H	1.8 AC	201-1510-029	Man-Made Lake
J-N	5.9 AC	Portion of Small Lot Final Maps	Light Rail Corridor
O	1.5 AC	Por. of 201-1510-001	Community Commercial
P	1.8 AC	Por. of 201-1510-001	Park and Ride Lot
Q	0.4 AC	201-0300-197	Sewer Lift Station
R	0.1 AC	Por. of 201-1510-026	Proposed Well Site
S	6.1 AC	Por. of 201-0300-183	Open Space/Habitat Buffer
T	9.0 AC	Por. of 201-0300-183	Open Space/Habitat Buffer
U	17.5 AC	Por. of 201-1510-025	Open Space/Habitat Buffer
V-CC	0.7 AC	Portion of Small Lot Final Maps	Paseo
DD-GG	0.2 AC	Portion of Small Lot Final Maps	Landscape Corridor
HH	0.7 AC	Portion of Small Lot Final Maps	Park/Paseo
D/Phase 1	7.5	Por. Of 201-1490-037	Shopping Center

While they are identified within the boundaries of this district, they are not revenue generating lots and not part of the subject collateral. All of the properties noted in the prior table are located in the Phase 2 portion of this project.

An overall map illustrating these components is as follows.


ILLUSTRATIVE LAND USE PLAN
NORTHLAKE
CITY OF SACRAMENTO, CALIFORNIA
NOVEMBER 2, 2022
LOCATION MAP
PROJECT SITE
LAND USE SUMMARY - PHASE 1
(NORTH OF MEISTER WAY)
LAND USE SUMMARY - PHASE 2
(SOUTH OF MEISTER WAY)
DWELLING UNITS BY PHASE
PHASE 1 PRODUCT SUMMARY
PRODUCT DU's %
60x110 116 9.0
55x100 136 10.7
50x100 230 18.0
55x85 102 8.0
50x80/85 122 9.6
45x100 157 12.3
41x90 277 21.7
41x68 136 10.7
TOTAL 1,276 100.0
PHASE 2 PRODUCT SUMMARY
PRODUCT DU's %
55x100 108 10.4
55x85 138 13.3
50x100 110 10.6
50x80 153 14.7
45x100 163 15.7
41x90 173 16.7
41x68 193 18.6
TOTAL 1,038 100.0
PHASE 1 & 2 PRODUCT SUMMARY
PRODUCT DU's %
60x110 116 5.0
55x100 244 10.5
55x85 240 10.4
50x100 340 14.7
50x80/85 275 11.9
45x100 320 13.8
41x90 450 19.4
41x68 329 14.2
TOTAL 2,314 100.0
ELKHORN BOULEVARD
STATE HIGHWAY 99/70
INTERSTATE HIGHWAY - ROUTE 5
WOOD RODGERS
ILLUSTRATIVE LAND USE PLAN • NORTHLAKE

Lot Size (AC)

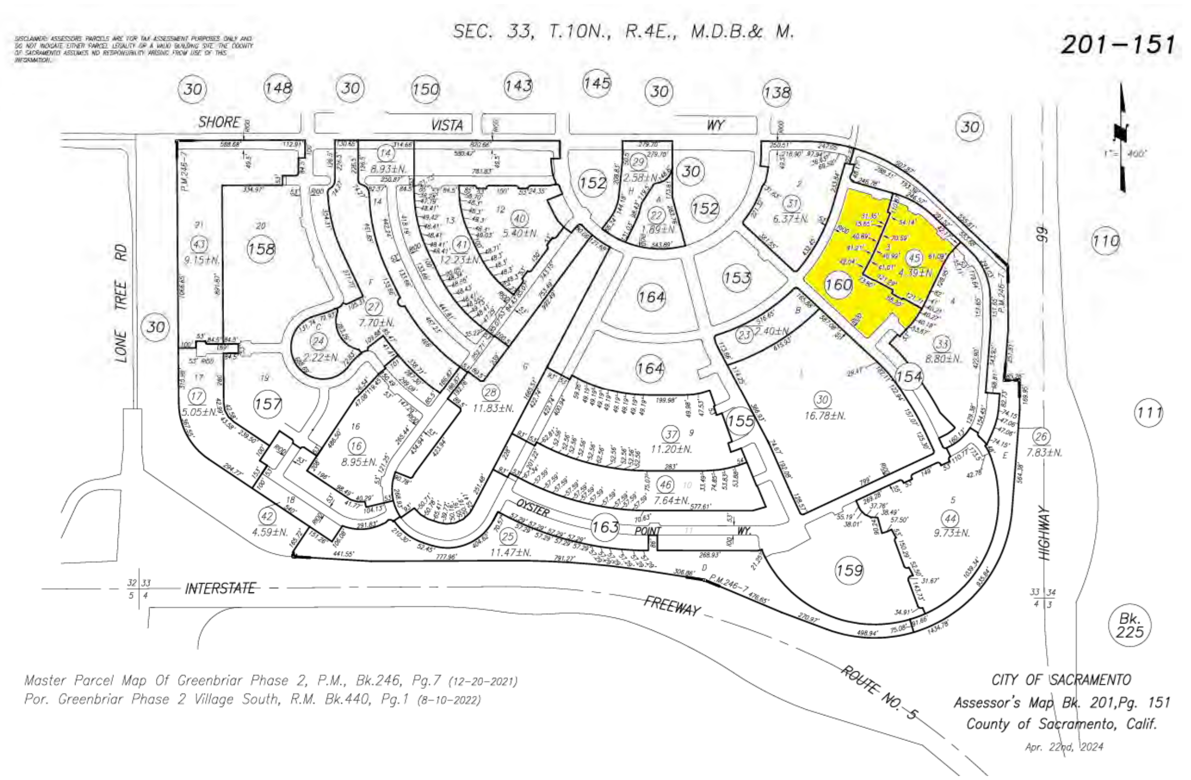
The total acreage for the district is identified at approximately 296.00 gross acres. This includes 127.1 net acres identified for the development of 1,177 residential lots, 9.2 net acres for the multi-family components (beyond scope), 88.1 acres for the non-revenue generating parcels, and 58.8 acres for roadways and local residential streets.

This project is identified for the development of twenty (20) residential villages which comprise the 1,177 residential lots.

Proposed Development

The land uses for this project are allocated based on the minimum lot size. This project is ultimately identified for development of 1,177 residential lots allocated among the parcels described in prior sections. This section of the report identifies the individual villages.

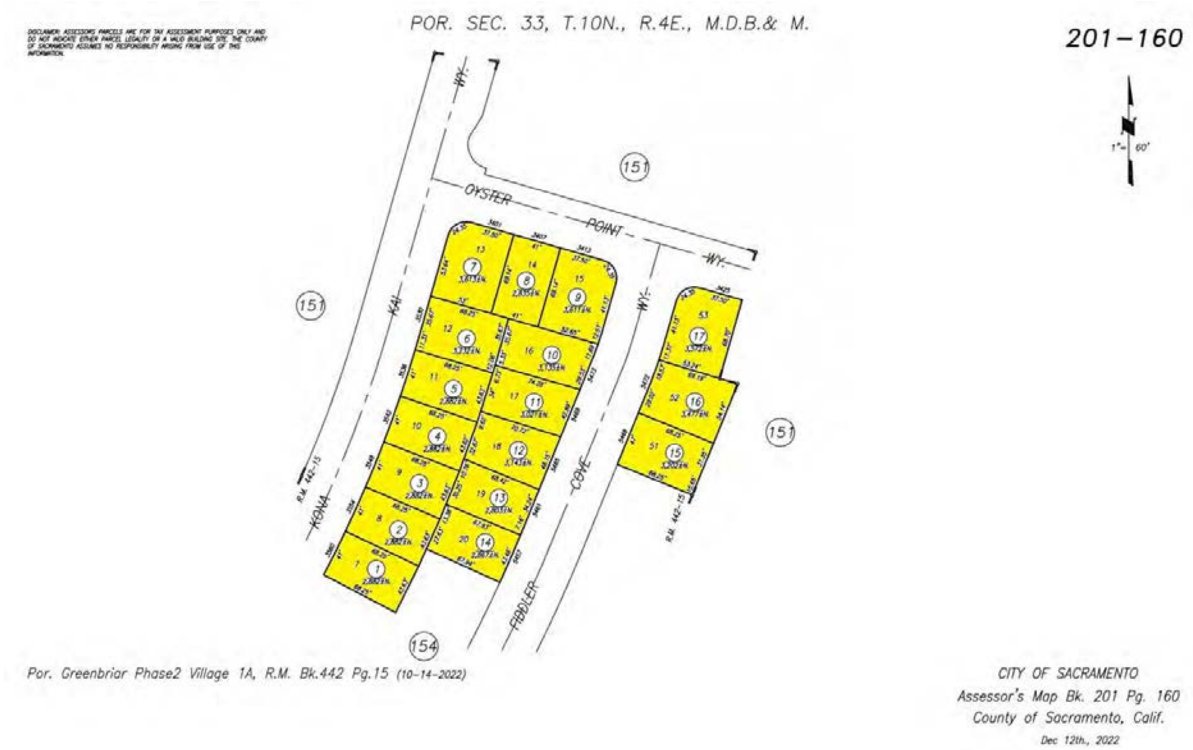
Village 1: The most current Sacramento County Assessor's Parcel Map shows Village 1 as parcels 201-1510-045, 201-1540-026..061, and 201-1600-001…017. It is illustrated as follows.



Since the initial recordation of this master parcel map, the developer of this project has recorded small lot final maps including both Greenbriar Phase 2, Village South, as well as Greenbriar Phase 2, Village 1A. Based upon review of these maps, the overall legal description for Village 1, as of the effective date of valuation is identified as follows.

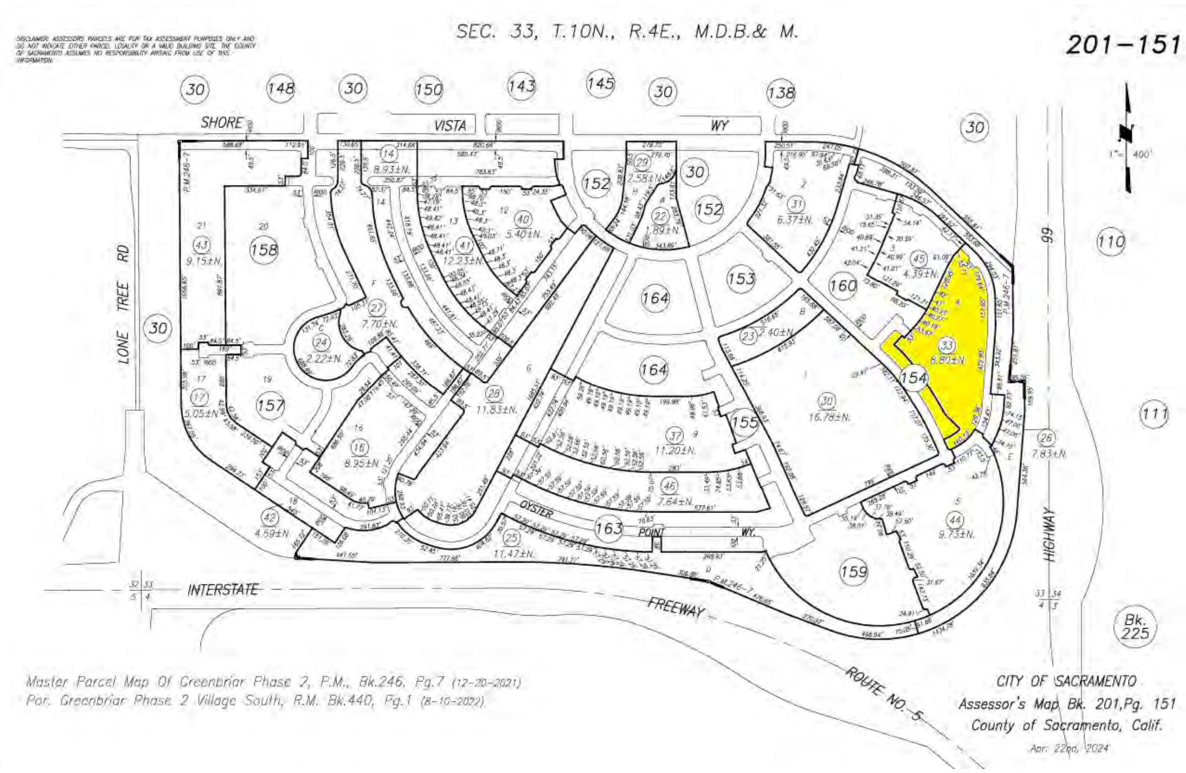
APN	LEGAL DESCRIPTION	USE
201-1540-001..011	Lots 38..48 of Greenbriar Phase 2, Village South, recorded 8-1-2022 In Book 440 of Maps, Page 1	11 Final Map Lots
201-1600-001..017 201-1540-026..061	Lots 1..53 of Greenbriar Phase 2, Village 1A, recorded 10-14-2022 In Book 442 of Maps, Page 15.	53 Final Map Lots
201-1510-045	Lot 3 Remainder	4.39 AC for 40 Lots

The allocation of Village 1 includes 64 lots with final map approval and 40 lots with large-lot, tentative map approval as of the effective date of valuation.



Village 1 comprises 104 lots identified for development of the SHOR product line. It is comprised of a net land area of 7.4 AC, showing a density of 14.1 du/ac. Lots represent a typical size of 2,788 SF (41' x 68'). There are no lots with lake frontage for this product line.

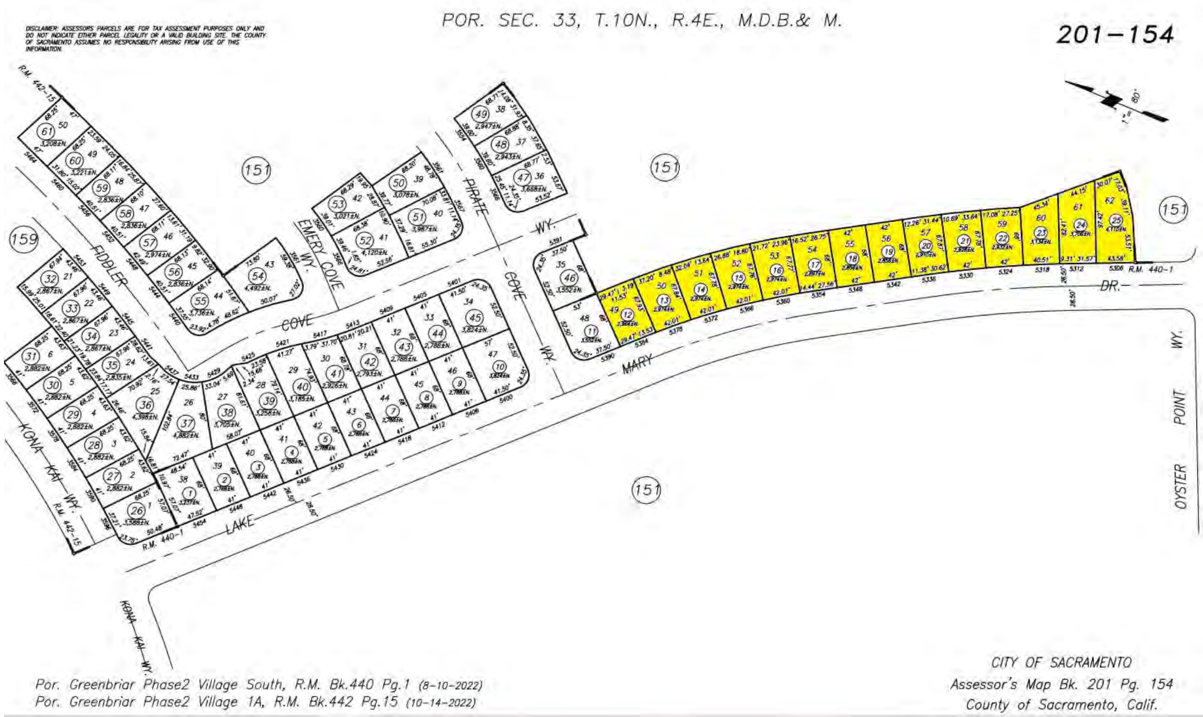
Village 2: The most current Sacramento County Assessor's Parcel Map shows Village 2 as parcels 201-1510-033, and 201-1540-012..025. It is illustrated as follows.



Since the initial recordation of this master parcel map, the developer of this project has recorded small lot final maps including both Greenbriar Phase 2, Village South. Based upon review of these maps, the overall legal description for Village 2, as of the effective date of valuation is identified as follows.

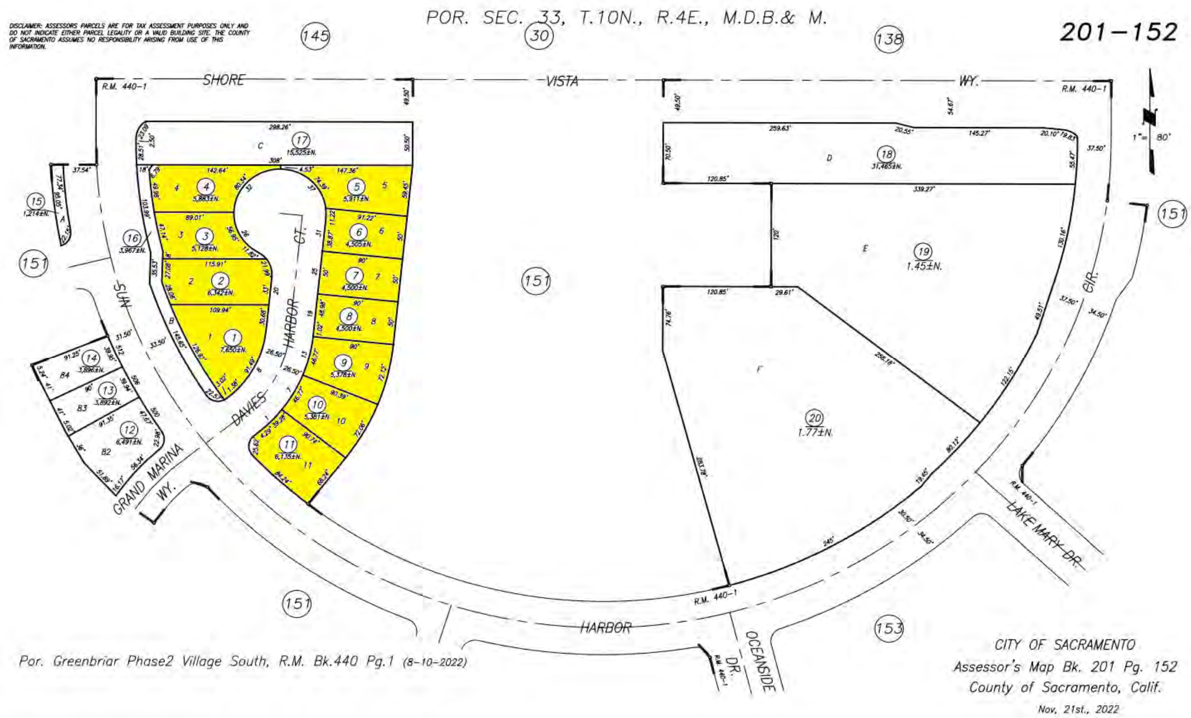
APN	LEGAL DESCRIPTION	USE
201-1540-012..025	Lots 49..62 of Greenbriar Phase 2, Village South, recorded 8-1-2022 In Book 440 of Maps, Page 1	14 Final Map Lots
201-1510-033	Lot 4 Remainder	8.8 AC for 75 Lots

The allocation of Village 2 includes 14 lots with final map approval and 75 lots with large-lot, tentative map approval as of the effective date of valuation.



Village 2 comprises 89 lots identified for development of the SHOR product line. It is comprised of a net land area of 7.0 AC, showing a density of 12.7 du/ac. Lots represent a typical size of 2,788 SF (41' x 68'). There are no lots with lake frontage for this product line.

Village 3: The most current Sacramento County Assessor's Parcel Map shows Village 3 as parcels 201-1520-001..011. It is illustrated as follows.



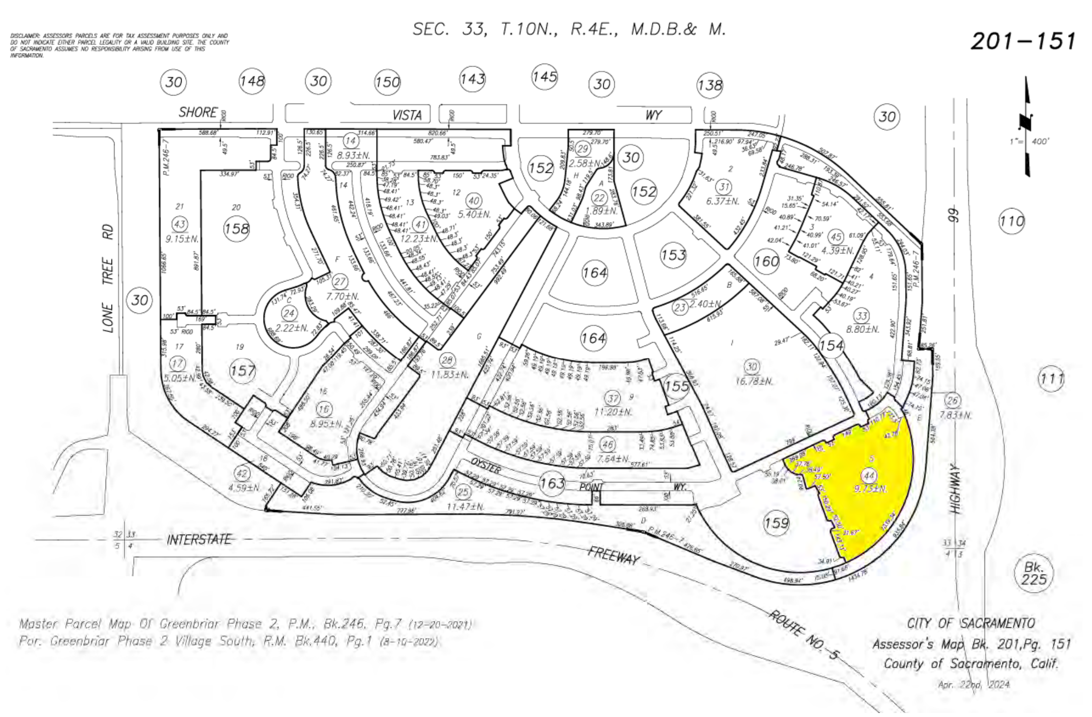
Based upon review of these maps, the overall legal description for Village 3, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1520-001..011	Lots 1..11 of Greenbriar Phase 2, Village South, recorded 8-1-2022 In Book 440 of Maps, Page 1	11 Final Map Lots

The allocation of Village 3 includes 11 lots with final map approval as of the effective date of valuation.

Village 3 comprises 11 lots identified for development of the WATERSYDE product line. It is comprised of a net land area of 1.4 AC, showing a density of 7.9 du/ac. Lots represent a typical size of 4,000 SF (50' x 80'). There are 7 lots with lake frontage for this product line.

Village 4: The most current Sacramento County Assessor's Parcel Map shows Village 4 as parcel 201-1510-044. It is illustrated as follows.



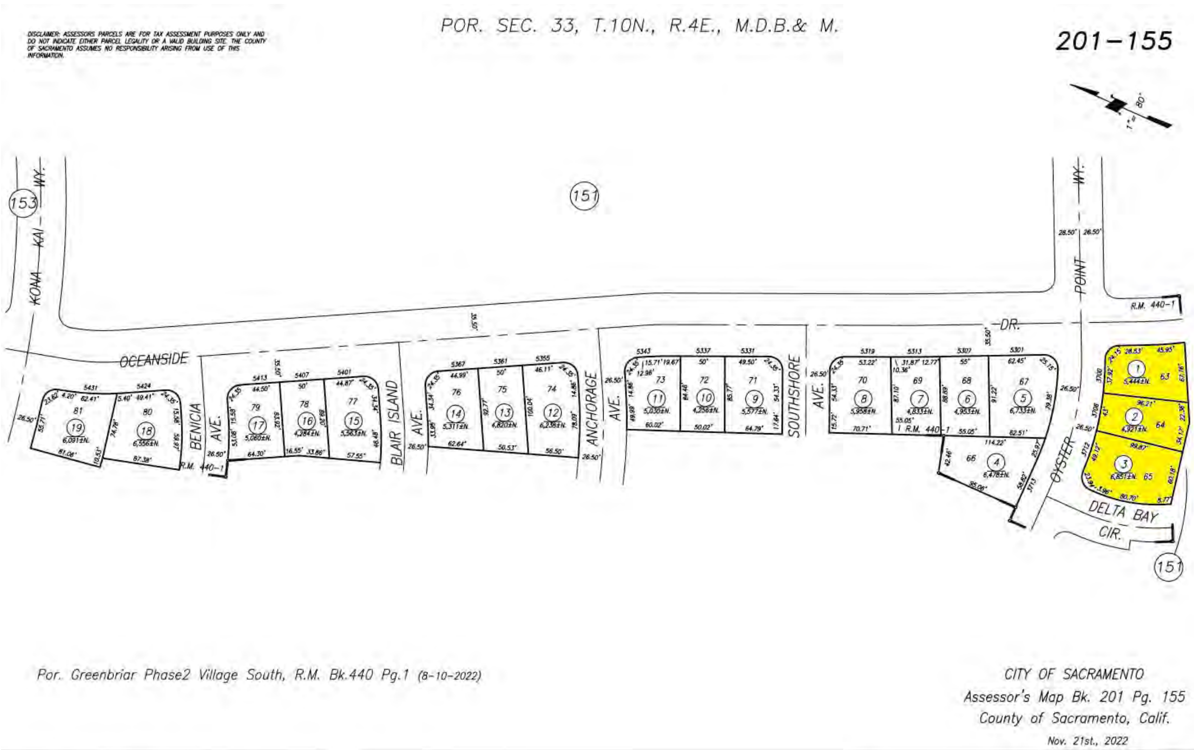
Since the initial recordation of this master parcel map, the developer of this project has recorded small lot final maps including both Greenbriar Phase 2, Village South. The recordation of this map changed the overall parcel number for this project to 201-1510-044. As such, this project is identified as follows.

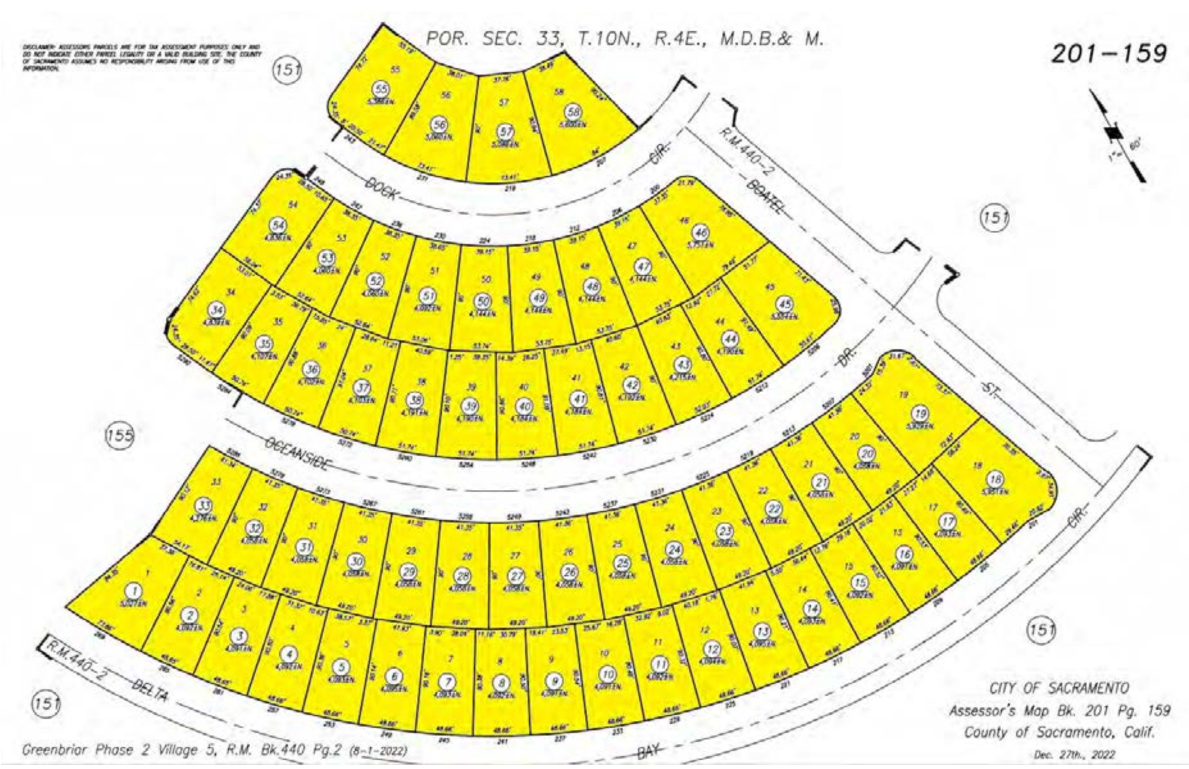
APN	LEGAL DESCRIPTION	USE
201-1510-044	Lot 5 Remainder	9.73 AC for 68 Lots

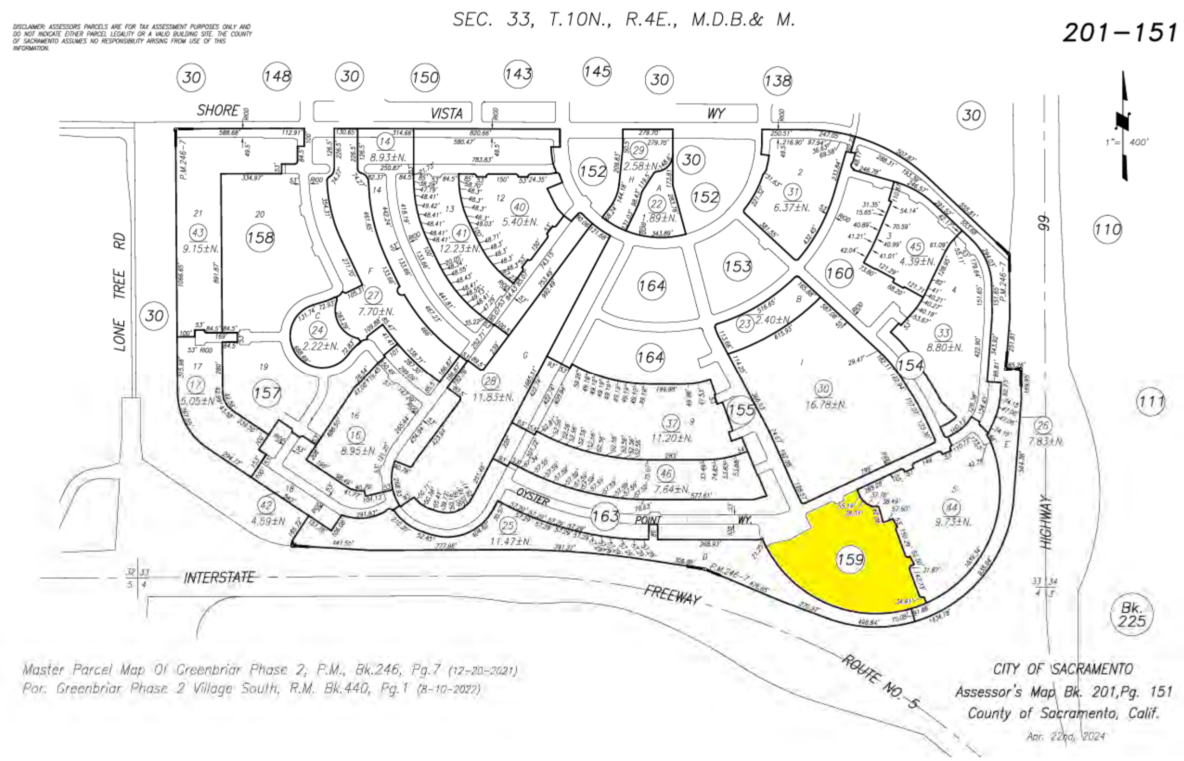
The allocation of Village 4 includes 68 lots with final map approval as of the effective date of valuation.

Village 4 comprises 68 lots identified for development of the LAKELET product line. It is comprised of a net land area of 6.8 AC, showing a density of 10.0 du/ac. Lots represent a typical size of 3,690 SF (41' x 90'). There are no lots with lake frontage for this product line. It is noted that this larger land area includes 0.7 AC of land for a Paseo Park.

Village 5: The most current Sacramento County Assessor's Parcel Map shows Village 5 as parcels 201-1550-001..003 and 201-1590-001..058. It is illustrated as follows.







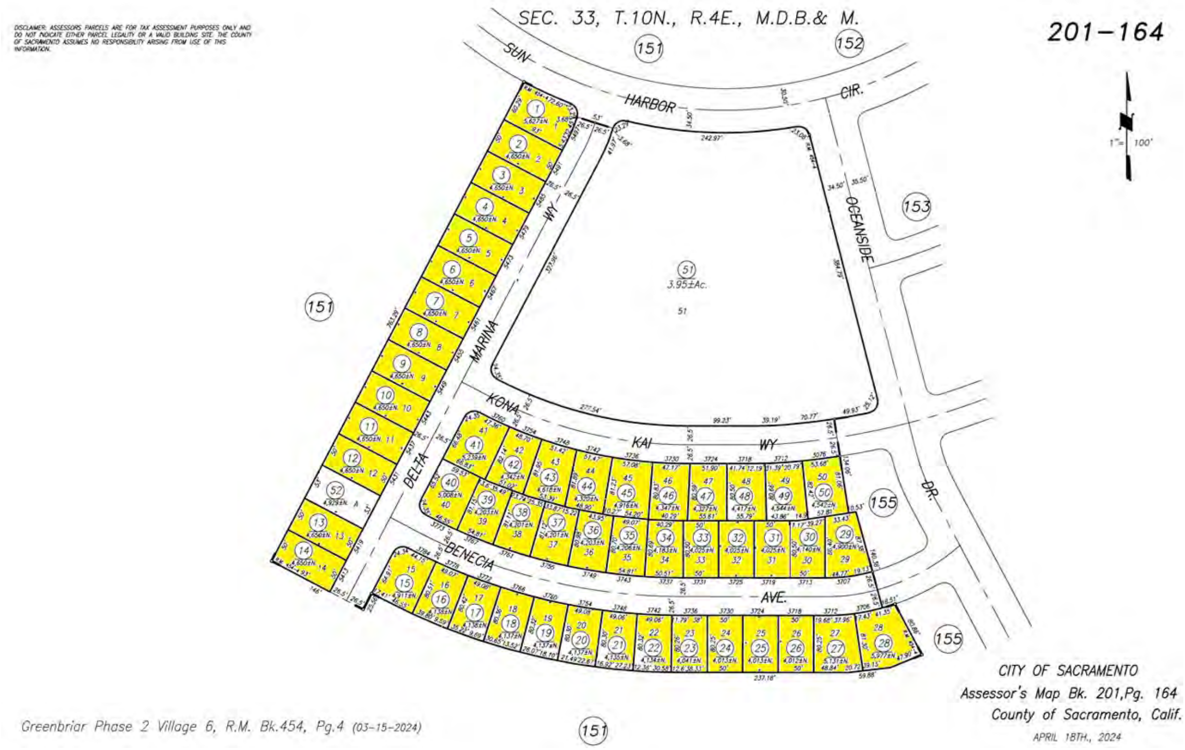
Based upon review of these maps, the overall legal description for Village 5, as of the effective date of valuation is identified as follows.

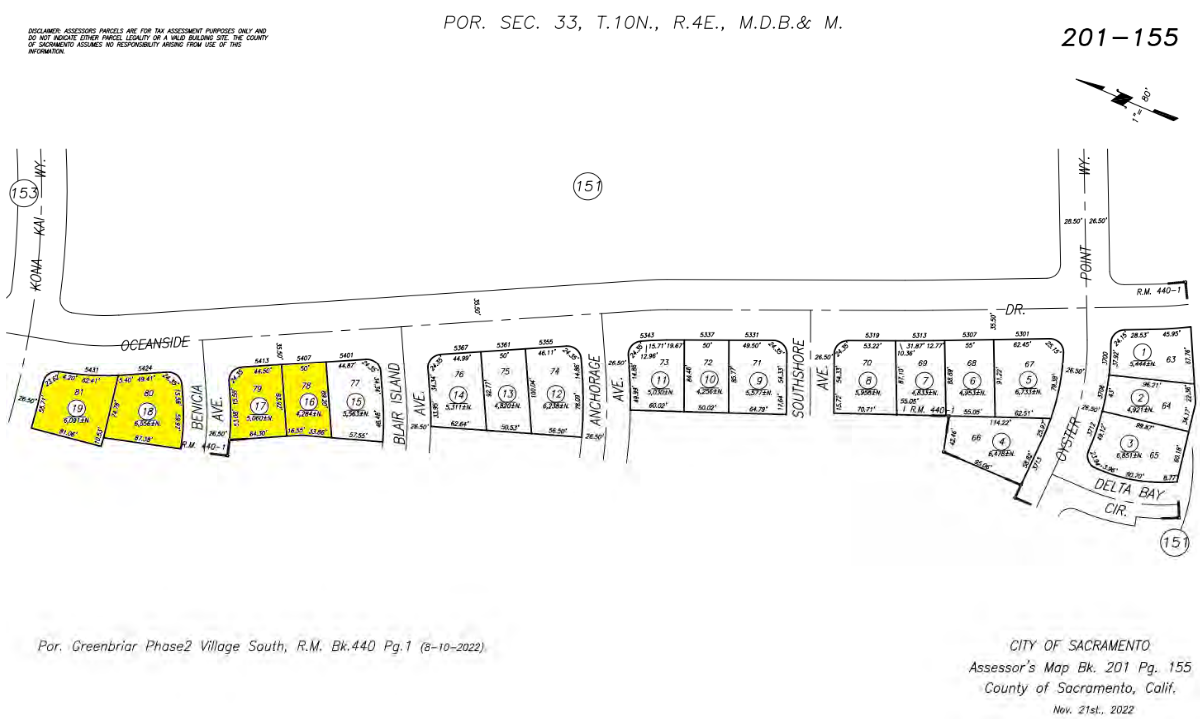
APN	LEGAL DESCRIPTION	USE
201-1550-001..003	Lots 63..65 of Greenbriar Phase 2, Village South, recorded 8-1-2022 In Book 440 of Maps, Page 1	3 Final Map Lots
201-1590-001..058	Lots 1..58 of Greenbriar Phase 2, Village 5, recorded 8-1-2022 In Book 440 of Maps, Page 2	58 Final Map Lots

The allocation of Village 5 includes 61 lots with final map approval as of the effective date of valuation.

Village 5 comprises 61 lots identified for development of the LAKELET product line. It is comprised of a net land area of 6.2 AC, showing a density of 9.8 du/ac. Lots represent a typical size of 3,690 SF (41' x 90'). There are no lots with lake frontage for this product line.

Village 6: The most current Sacramento County Assessor's Parcel Map shows Village 5 as parcels 201-1550-016..019, and 201-1640-001..050. It is illustrated as follows.





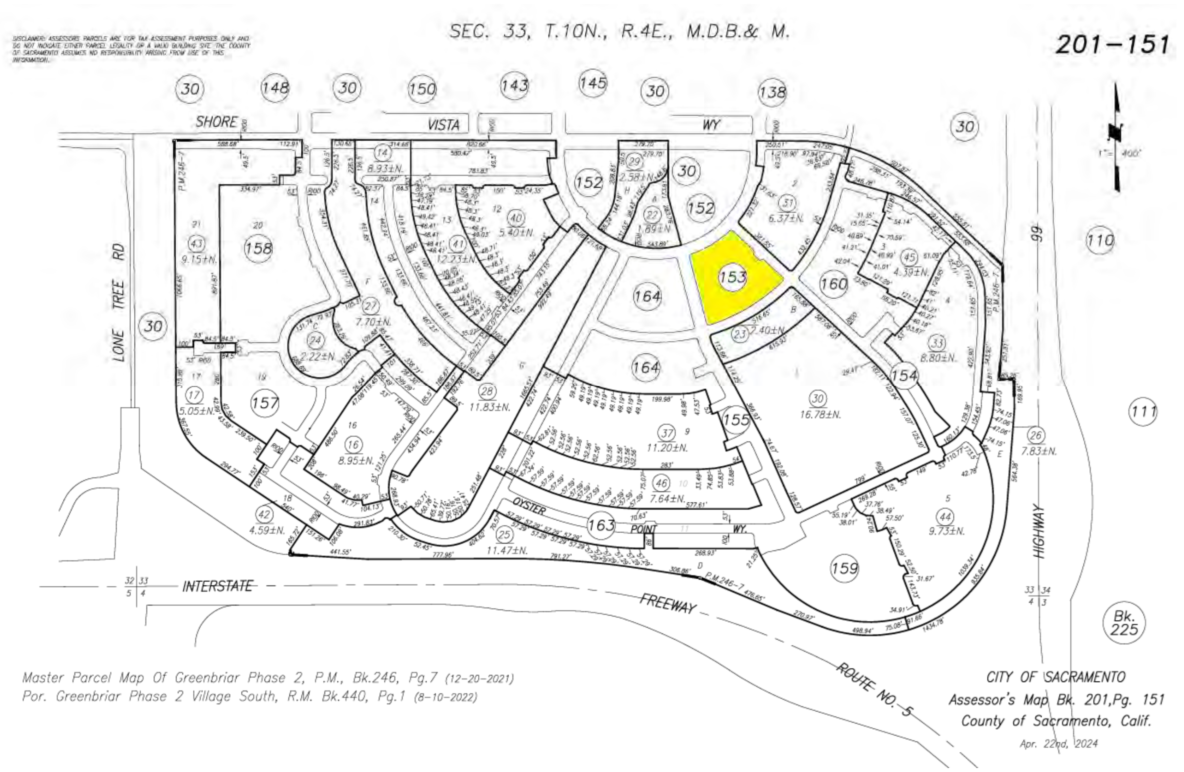
Based upon review of these maps, the overall legal description for Village 6, as of the effective date of valuation is identified as follows.

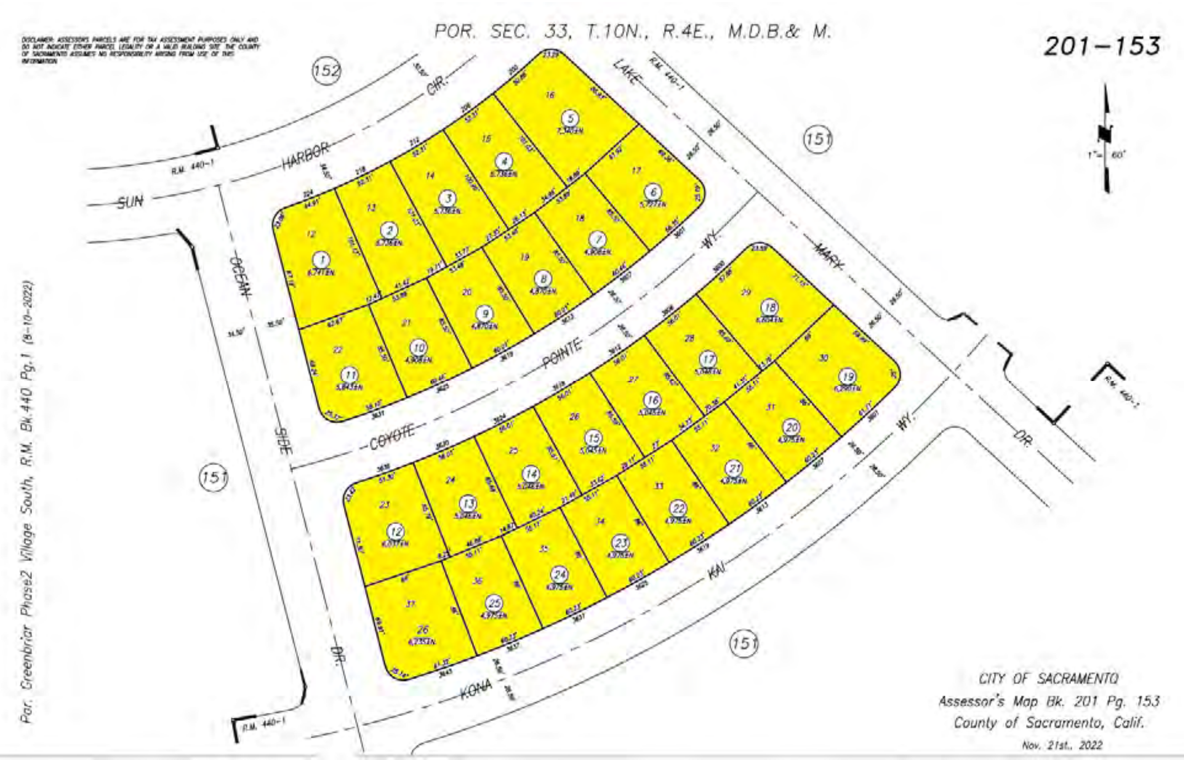
APN	LEGAL DESCRIPTION	USE
201-1550-016..019	Lots 78..81 of Greenbriar Phase 2, Village South, recorded 8-1-2022 In Book 440 of Maps, Page 1	4 Final Map Lots
201-1640-001..050	Lots 1..50 of Greenbriar Phase 2, Village 6, recoded 3-15-2024 In Book 454 of Maps, Page 4	50 Final Map Lots

The allocation of Village 6 includes 54 lots with final map approval as of the effective date of valuation.

Village 6 comprises 54 lots identified for development of the WATERSYDE product line. It is comprised of a net land area of 5.7 AC, showing a density of 9.5 du/ac. Lots represent a typical size of 4,000 SF (50' x 80'). There are 14 lots with lake frontage for this product line.

Village 7: The most current Sacramento County Assessor's Parcel Map shows Village 7 as parcels 201-1530-001..026. It is illustrated as follows.





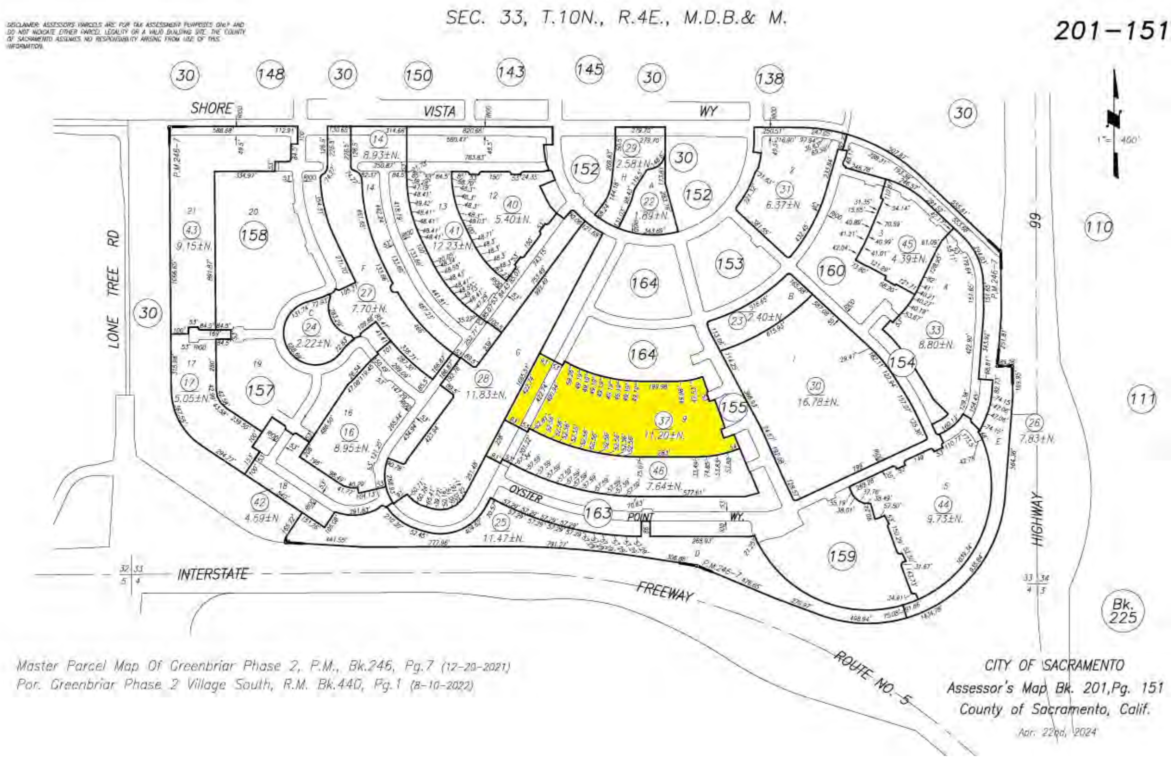
Based upon review of these maps, the overall legal description for Village 7, as of the effective date of valuation is identified as follows.

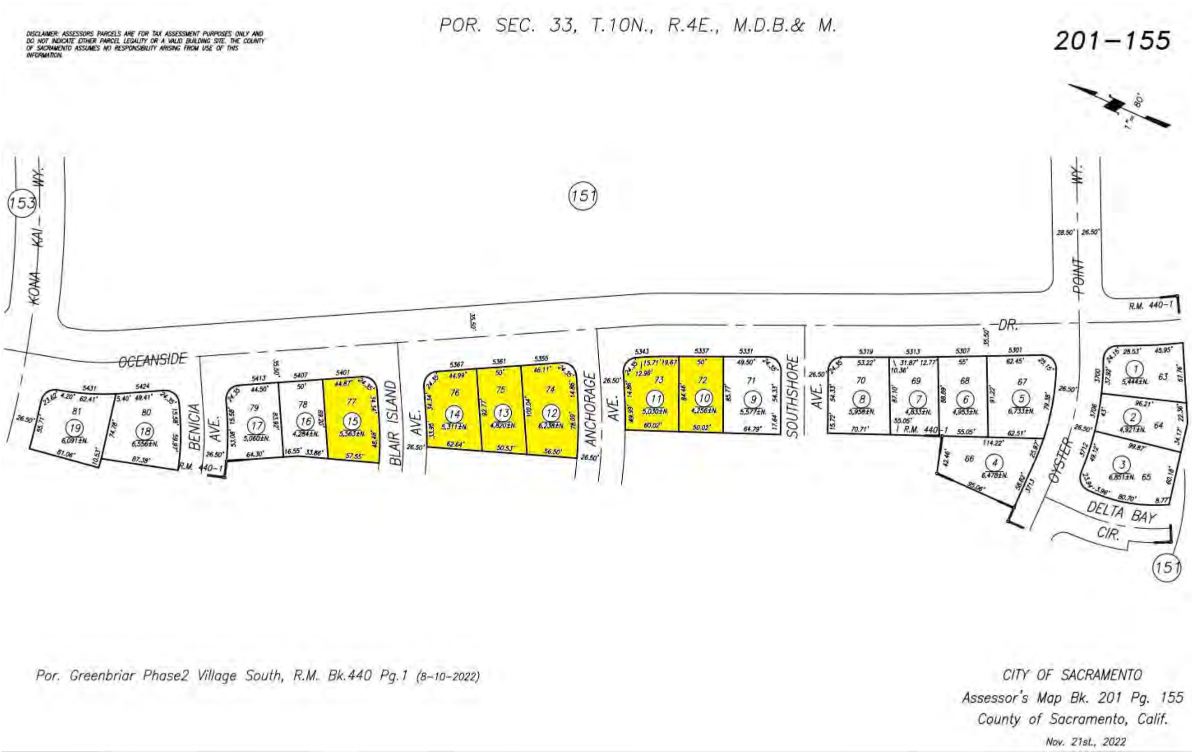
APN	LEGAL DESCRIPTION	USE
201-1530-001..026	Lots 12..37 of Greenbriar Phase 2, Village South, recorded 8-1-2022 In Book 440 of Maps, Page 1	26 Final Map Lots

The allocation of Village 7 includes 26 lots with final map approval as of the effective date of valuation.

Village 7 comprises 26 lots identified for development of the CRESTVUE product line. It is comprised of a net land area of 3.3 AC, showing a density of 7.9 du/ac. Lots represent a typical size of 4,675 SF (55' x 85'). There are no lots with lake frontage for this product line.

Village 8: The most current Sacramento County Assessor's Parcel Map shows Village 8 as parcels 201-1510-037, and 201-1550-010..015. It is illustrated as follows.





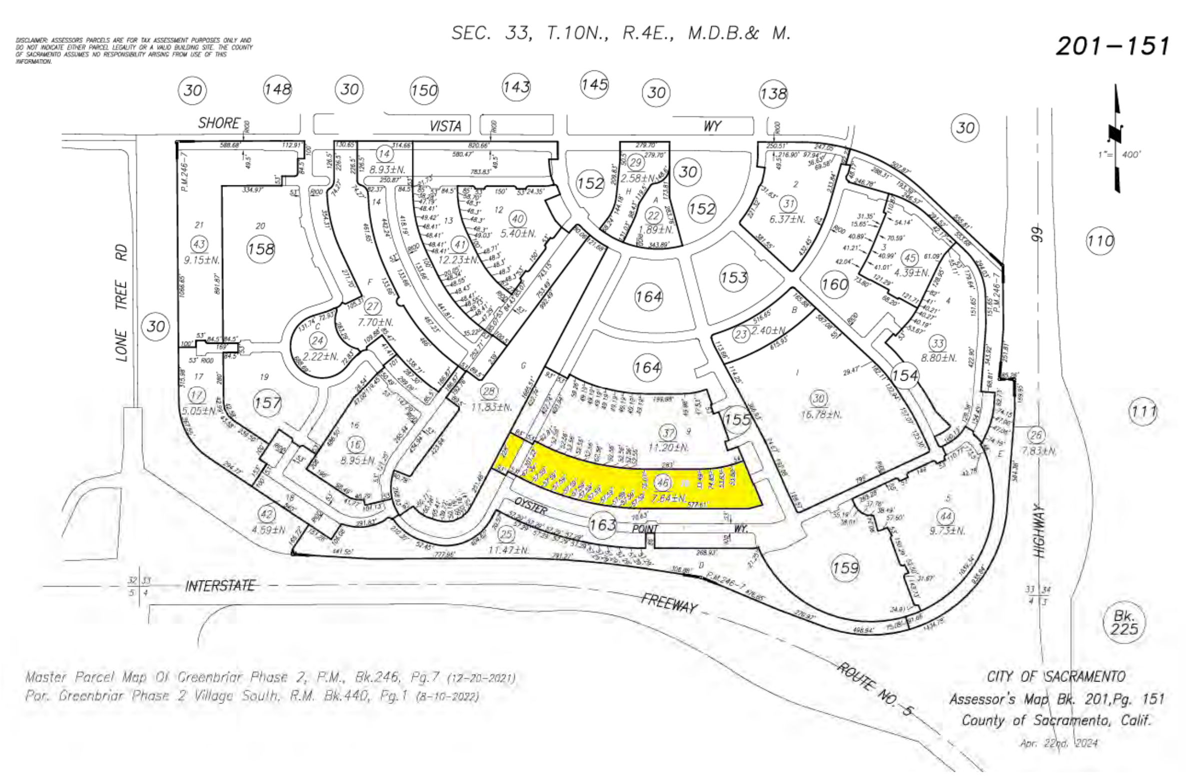
Based upon review of these maps, the overall legal description for Village 8, as of the effective date of valuation is identified as follows.

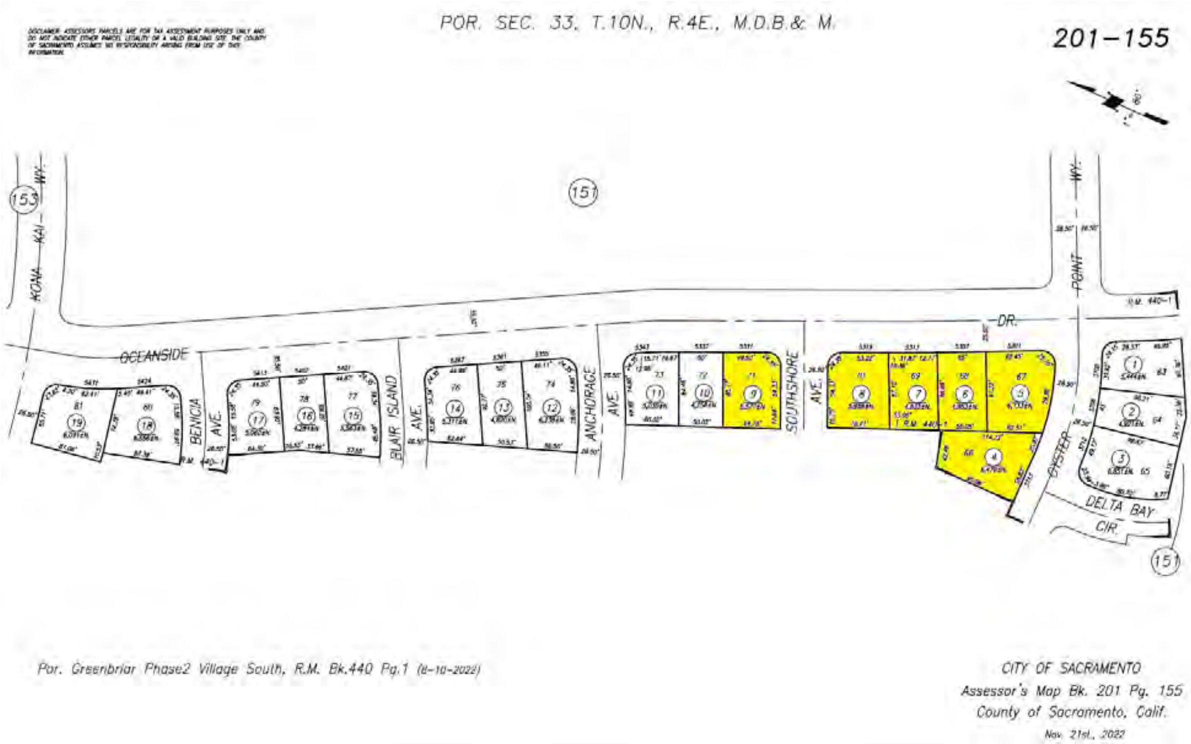
APN	LEGAL DESCRIPTION	USE
201-1550-010..015	Lots 72..77 of Greenbriar Phase 2, Village South, recorded 8-1-2022 In Book 440 of Maps, Page 1	6 Final Map Lots
201-1510-037	Lot 9 Remainder	11.2 AC for 82 Lots

The allocation of Village 8 includes 6 lots with final map approval and 82 lots with large-lot, tentative map approval as of the effective date of valuation.

Village 8 comprises 88 lots identified for development of the WATERSYDE product line. It is comprised of a net land area of 8.8 AC, showing a density of 10.0 du/ac. Lots represent a typical size of 4,000 SF (50' x 80'). There are 7 lots with lake frontage for this product line.

Village 9: The most current Sacramento County Assessor's Parcel Map shows Village 9 as parcels 201-1510-046, and 201-1550-004..009. It is illustrated as follows.





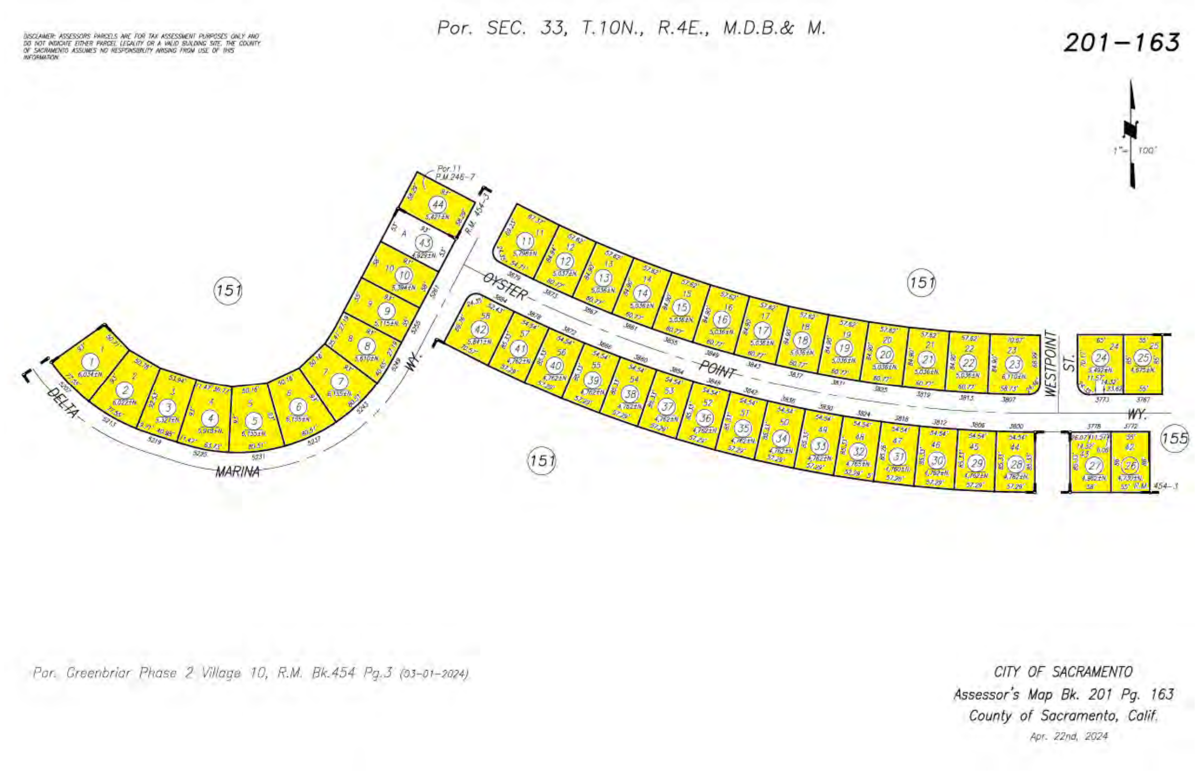
Based upon review of these maps, the overall legal description for Village 9, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1550-004..009	Lots 66..71 of Greenbriar Phase 2, Village South, recorded 8-1-2022 In Book 440 of Maps, Page 1	6 Final Map Lots
201-1510-038	Lot 10 Remainder	7.67 AC for 47 Lots

The allocation of Village 9 includes 6 lots with final map approval and 47 lots with large-lot, tentative map approval as of the effective date of valuation.

Village 9 comprises 53 lots identified for development of the CRESTVUE product line. It is comprised of a net land area of 6.3 AC, showing a density of 8.4 du/ac. Lots represent a typical size of 4,675 SF (55' x 85'). There are 5 lots with lake frontage for this product line.

Village 10: The most current Sacramento County Assessor's Parcel Map shows Village 10 as parcel 201-1510-039. It is illustrated as follows.



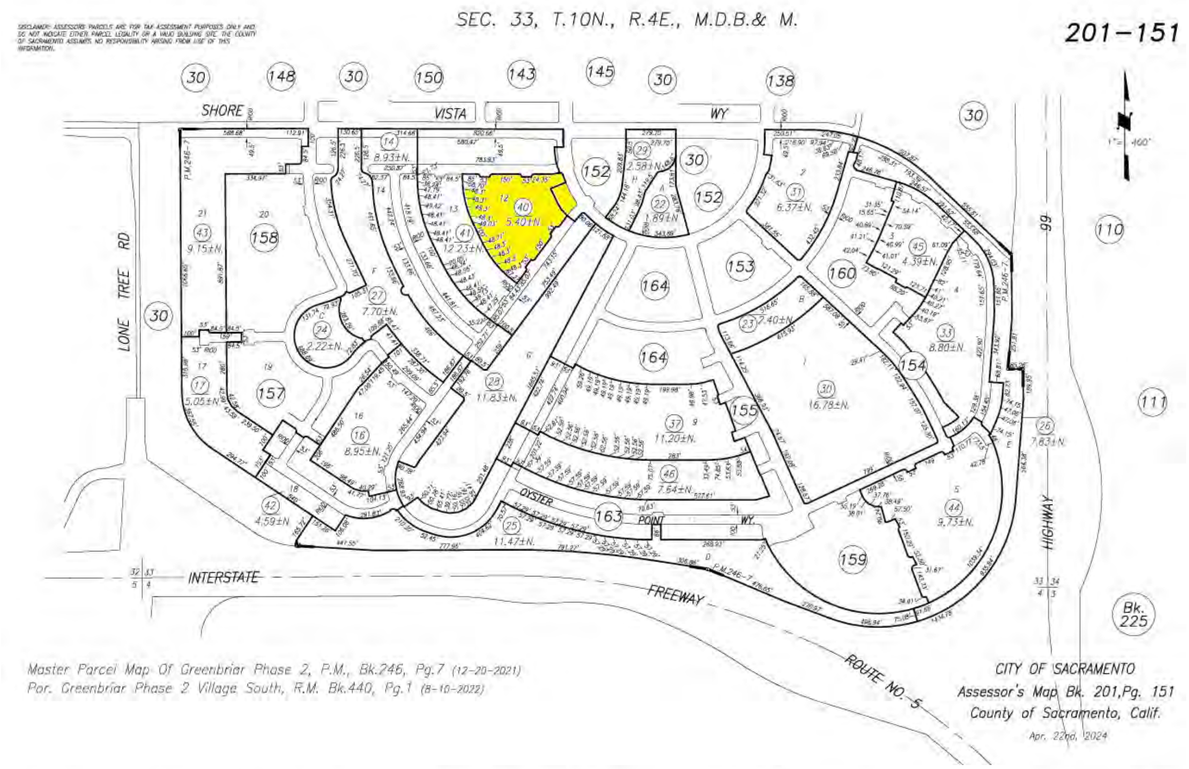
Based upon review of these maps, the overall legal description for Village 10, as of the effective date of valuation is identified as follows.

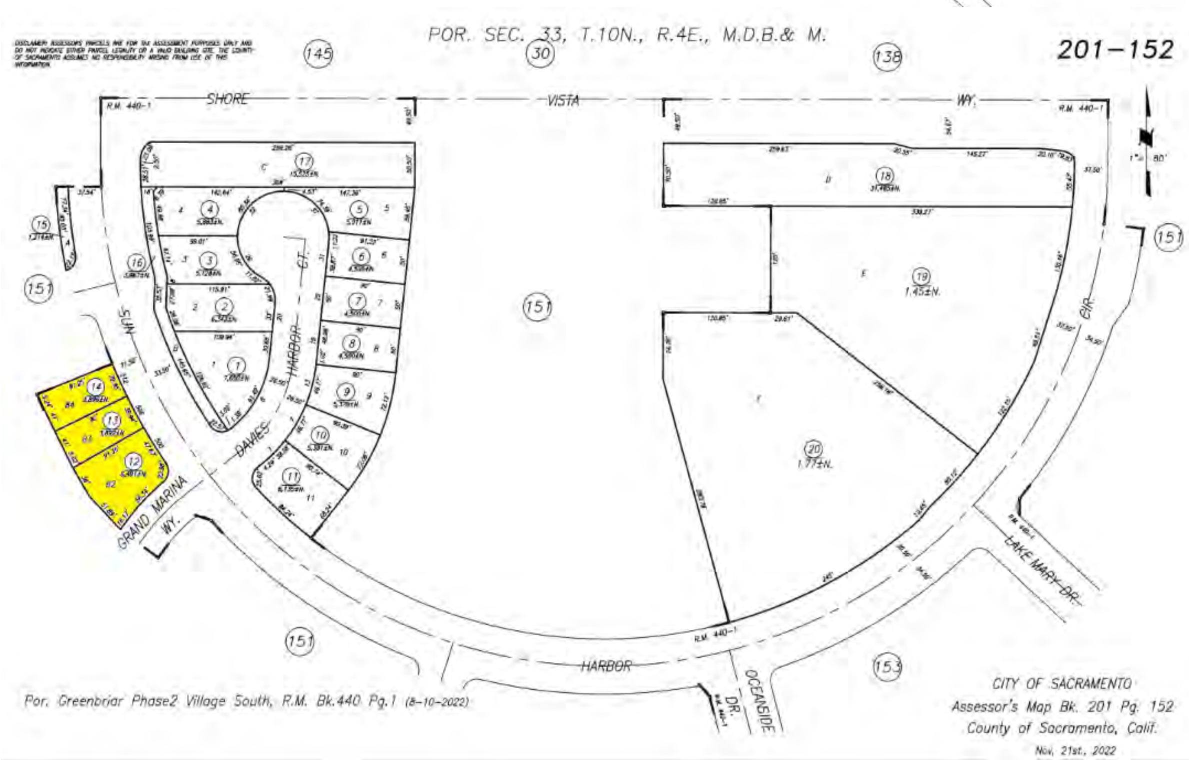
APN	LEGAL DESCRIPTION	USE
201-1550-020..035	Lots 26..41 of Greenbriar Phase 2, Village 10, recorded 3-1-2024 In Book 454 of Maps, Page 3	16 Final Map Lots
201-1630-001..042, 044	Lots 1..25, 42..58, 11A of Greenbriar Phase 2, Village 10, recorded 3-1-2024 In Book 454 of Maps, Page 3	43 Final Map Lots

The allocation of Village 10 includes 59 lots with final map approval as of the effective date of valuation.

Village 10 comprises 59 lots identified for development of the CRESTVUE product line. It is comprised of a net land area of 7.0 AC, showing a density of 8.4 du/ac. Lots represent a typical size of 4,675 SF (55' x 85'). There are 10 lots with lake frontage for this product line. It is noted that this includes APN 201-1630-044, which was recorded as a portion of Lot 11. It is identified as Lot 11A.

Village 11: The most current Sacramento County Assessor's Parcel Map shows Village 11 as parcel 201-1510-040, and 201-1520-012..014. It is illustrated as follows.





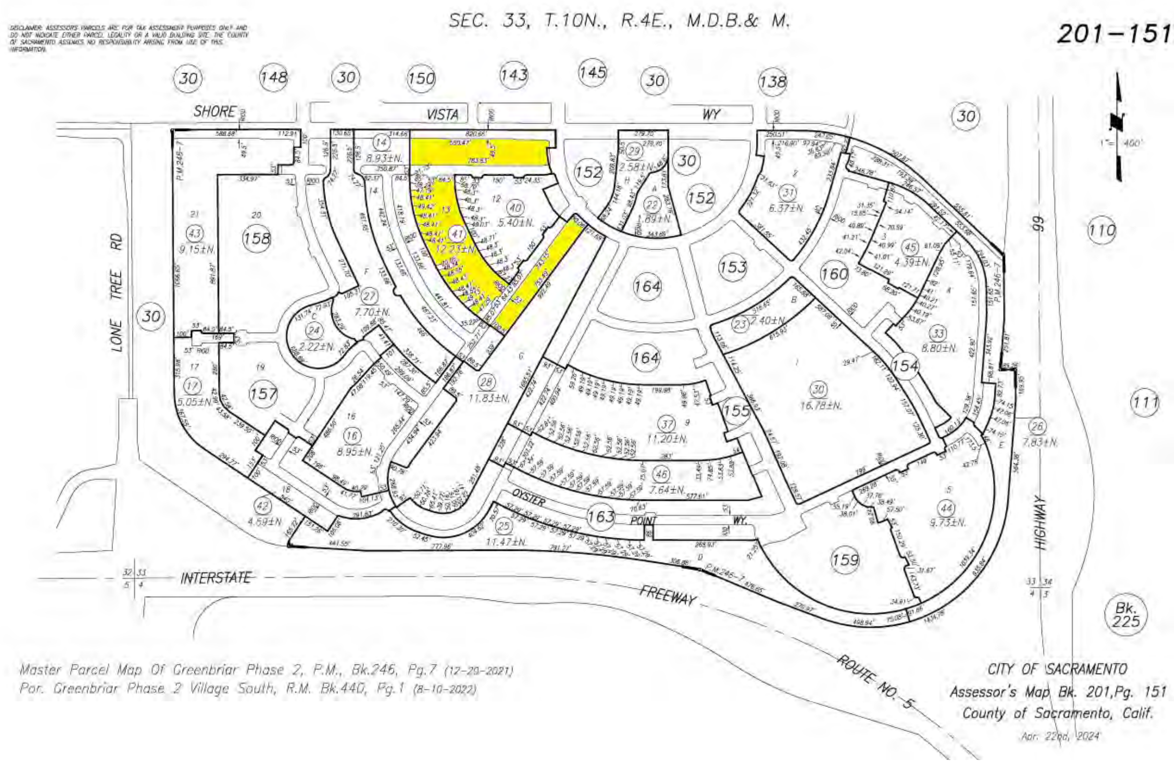
Based upon review of these maps, the overall legal description for Village 11, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1520-012..014	Lots 82..84 of Greenbriar Phase 2, Village South, recorded 8-1-2022 In Book 440 of Maps, Page 1	3 Final Map Lots
201-1510-040	Lot 12 Remainder	5.4 AC for 41 Lots

The allocation of Village 11 includes 3 lots with final map approval, and 41 lots with large-lot tentative map approval as of the effective date of valuation.

Village 11 comprises 44 lots identified for development of the LAKELET product line. It is comprised of a net land area of 4.6 AC, showing a density of 9.6 du/ac. Lots represent a typical size of 3,690 SF (41' x 90'). There are no lots with lake frontage for this product line.

Village 12: The most current Sacramento County Assessor's Parcel Map shows Village 12 as parcel 201-1510-041. It is illustrated as follows.



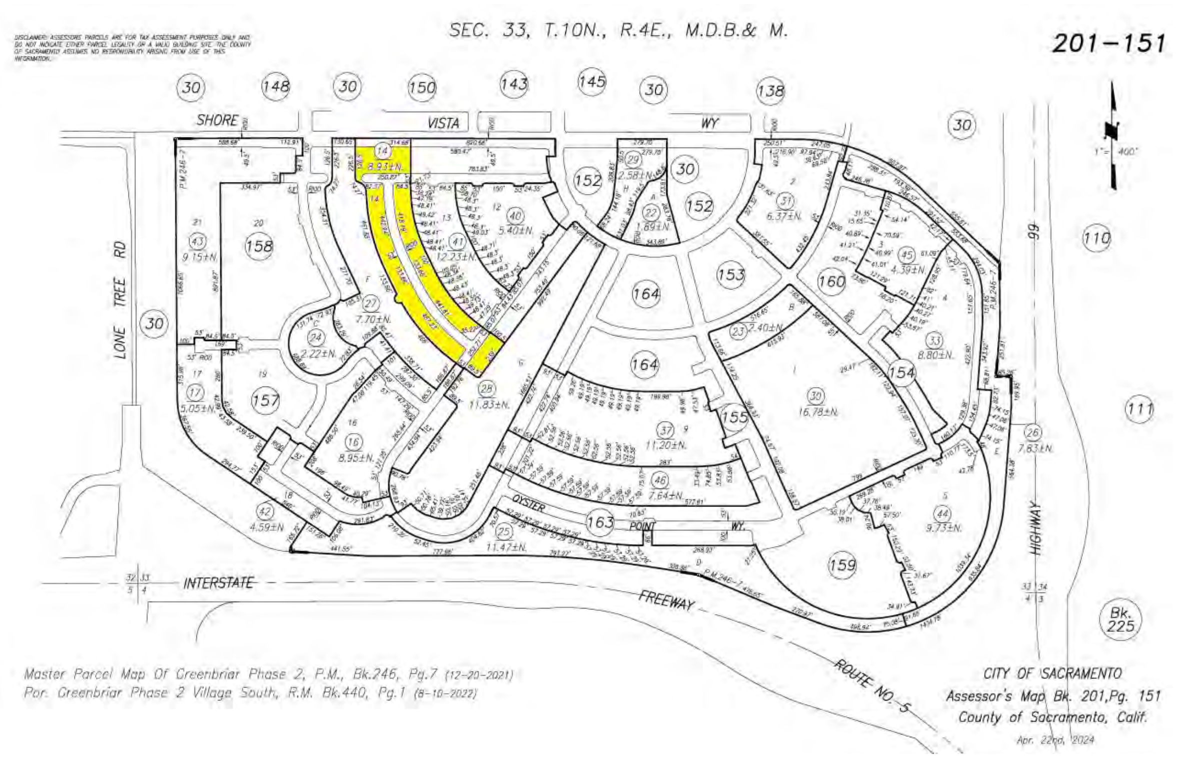
Based upon review of these maps, the overall legal description for Village 12, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1510-041	Lot 13 Remainder	12.23 AC for 60 Lots

The allocation of Village 12 includes 60 lots with large-lot, tentative map approval as of the effective date of valuation.

It is noted that the remainder land area includes areas for the light rail right-of-way along the northern side of this parcel. Village 12 comprises 60 lots identified for development of the BLEAU product line. It is comprised of a net land area of 7.3 AC, showing a density of 8.2 du/ac. Lots represent a typical size of 5,000 SF (50' x 100'). There are 14 lots with lake frontage for this product line.

Village 13: The most current Sacramento County Assessor's Parcel Map shows Village 13 as parcel 201-1510-014. It is illustrated as follows.



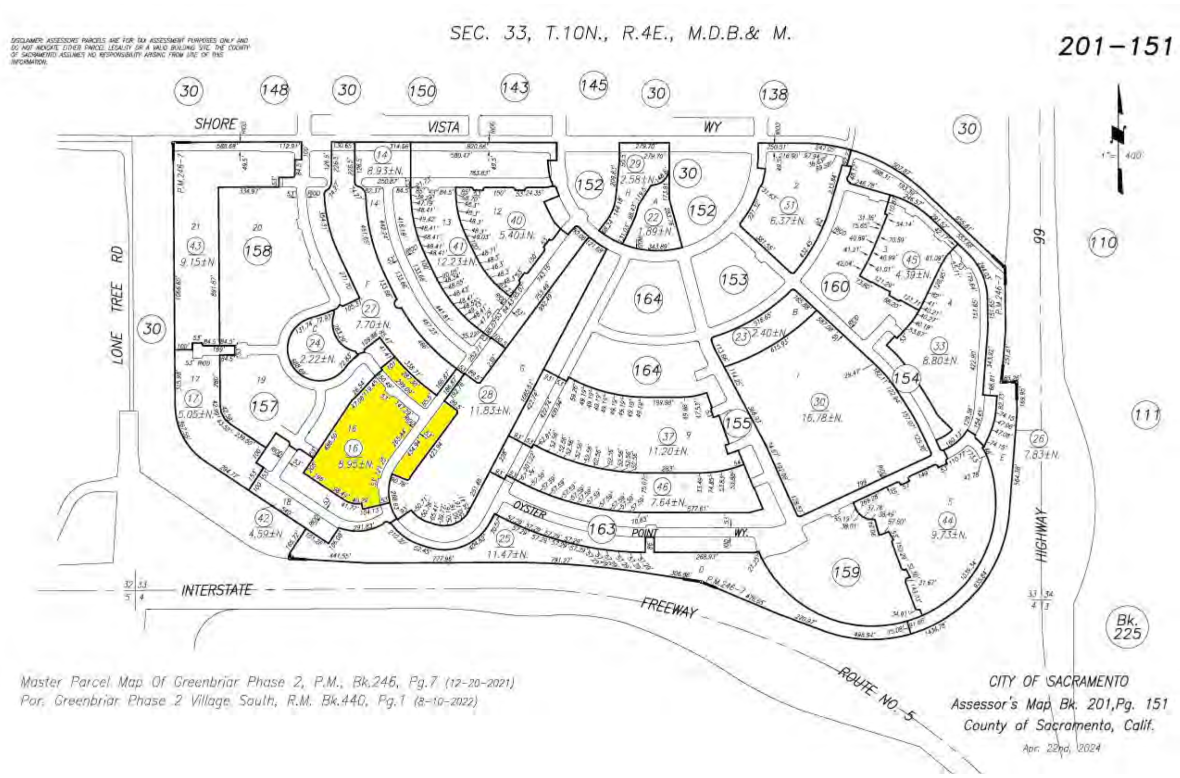
Based upon review of these maps, the overall legal description for Village 13, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1510-014	Lot 14	8.93 AC for 50 Lots

The allocation of Village 13 includes 50 lots with large-lot, tentative map approval as of the effective date of valuation.

Village 13 comprises 50 lots identified for development of the BLEAU product line. It is comprised of a net land area of 6.1 AC, showing a density of 8.2 du/ac. Lots represent a typical size of 5,000 SF (50' x 100'). There are 26 lots with lake frontage for this product line.

Village 14: The most current Sacramento County Assessor's Parcel Map shows Village 14 as parcel 201-1510-016. It is illustrated as follows.



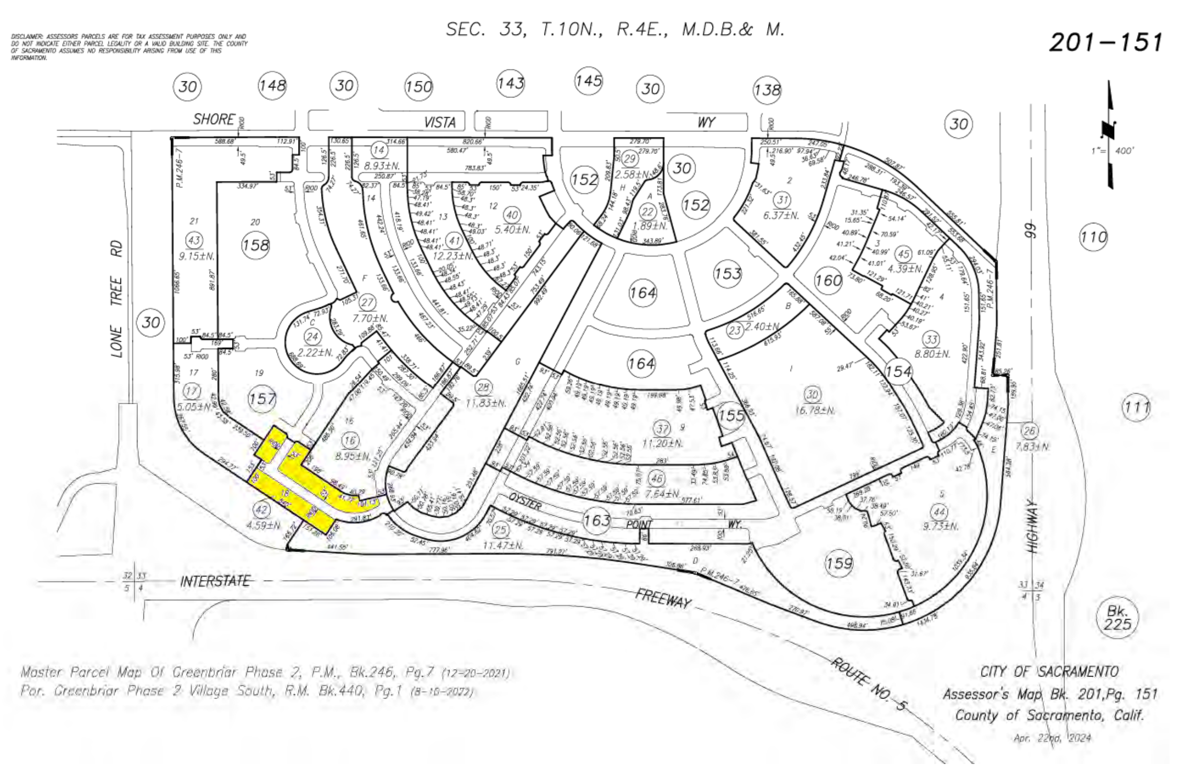
Based upon review of these maps, the overall legal description for Village 14, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1510-016	Lot 16	8.95 AC for 54 Lots

The allocation of Village 14 includes 54 lots with large-lot, tentative map approval as of the effective date of valuation.

Village 14 comprises 54 lots identified for development of the WAVMOR product line. It is comprised of a net land area of 6.2 AC, showing a density of 8.7 du/ac. Lots represent a typical size of 4,500 SF (45' x 100'). There are 16 lots with lake frontage for this product line.

Village 15: The most current Sacramento County Assessor's Parcel Map shows Village 15 as parcel 201-1510-042. It is illustrated as follows.



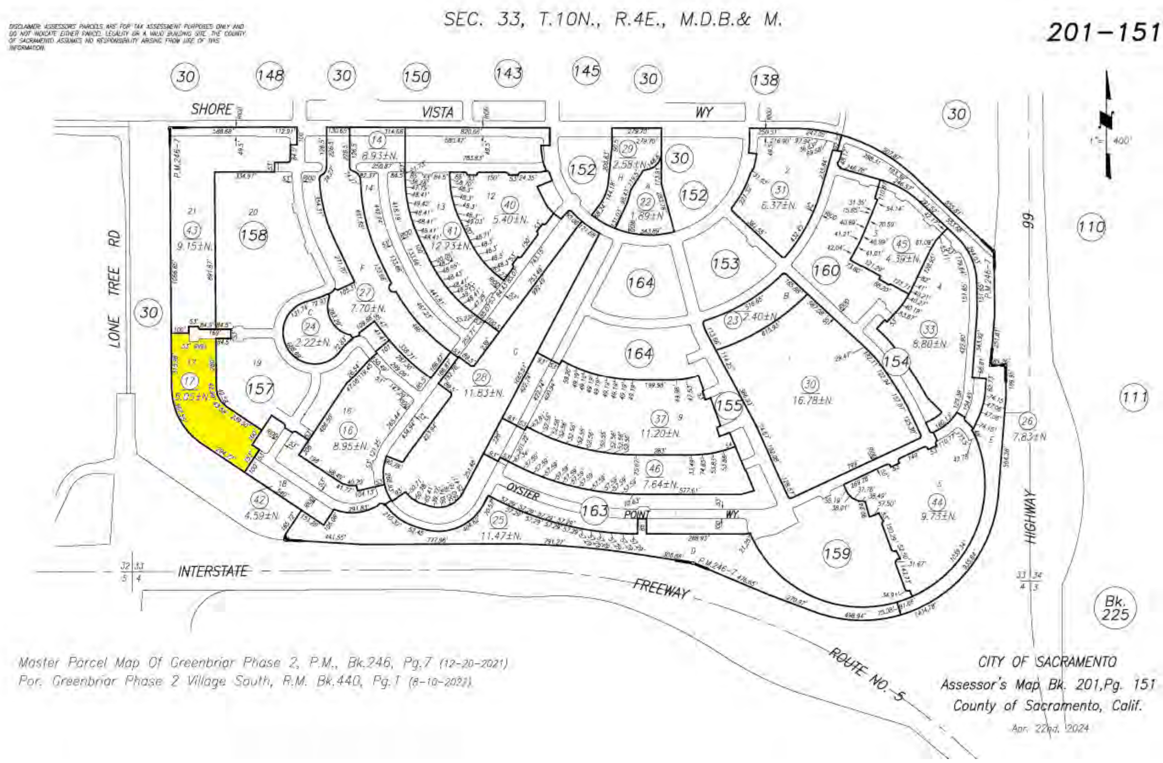
Based upon review of these maps, the overall legal description for Village 15, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1510-042	Lot 18	4.59 AC for 31 Lots

The allocation of Village 15 includes 31 lots with large-lot, tentative map approval as of the effective date of valuation. Technically, 2 of these lots were recorded with village 17.

Village 15 comprises 31 lots identified for development of the WAVMOR product line. It is comprised of a net land area of 3.7 AC, showing a density of 8.4 du/ac. Lots represent a typical size of 4,500 SF (45' x 100'). There are no lots with lake frontage for this product line.

Village 16: The most current Sacramento County Assessor's Parcel Map shows Village 16 as parcel 201-1510-017. It is illustrated as follows.



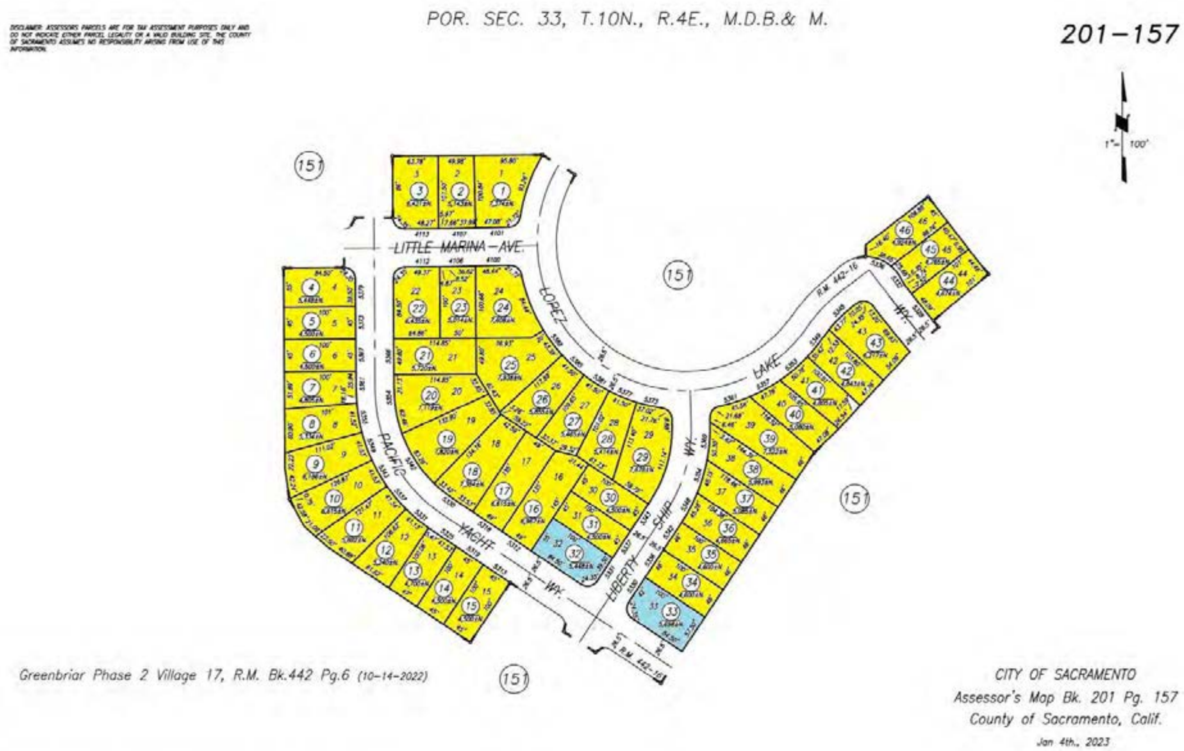
Based upon review of these maps, the overall legal description for Village 16, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1510-017	Lot 17	5.05 AC for 34 Lots

The allocation of Village 16 includes 34 lots with large-lot, tentative map approval as of the effective date of valuation.

Village 16 comprises 34 lots identified for development of the WAVMOR product line. It is comprised of a net land area of 3.7 AC, showing a density of 9.2 du/ac. Lots represent a typical size of 4,500 SF (45' x 100'). There are no lots with lake frontage for this product line.

Village 17: The most current Sacramento County Assessor's Parcel Map shows Village 17 as parcel 201-1570-001..046. It is illustrated as follows.



Note: Lots 32 & 33 are part of Village 15. They are shaded blue.

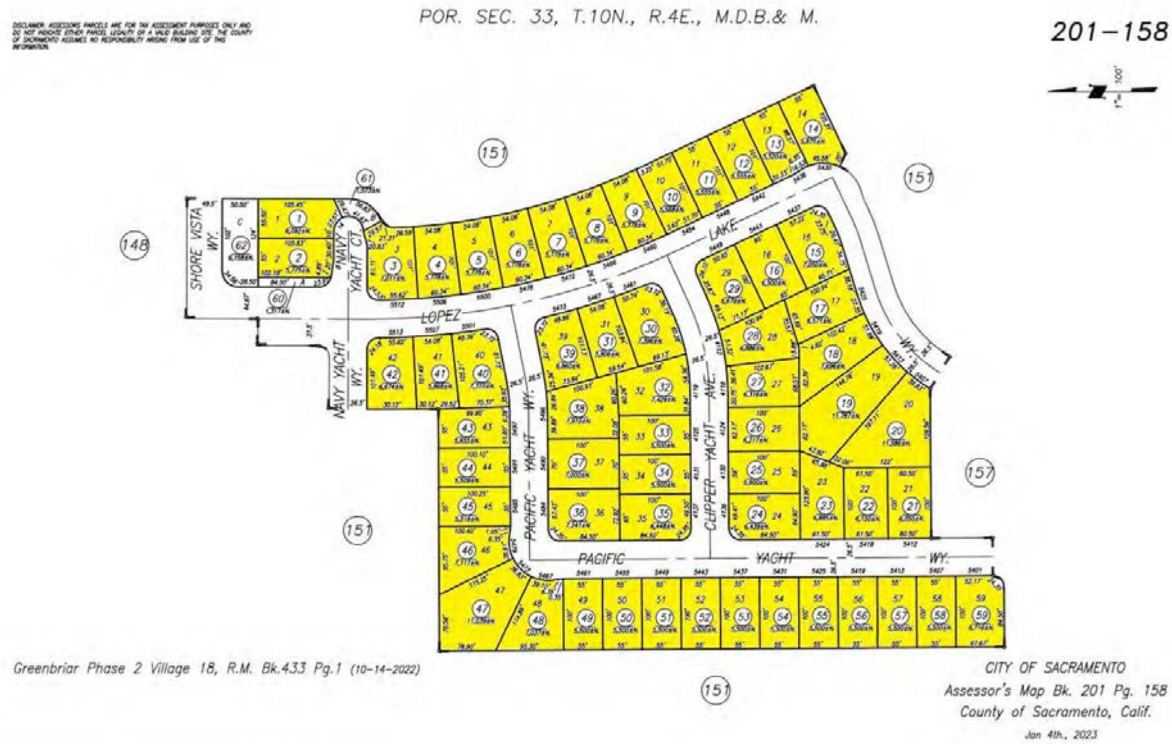
Based upon review of these maps, the overall legal description for Village 17, as of the effective date of valuation is identified as follows.

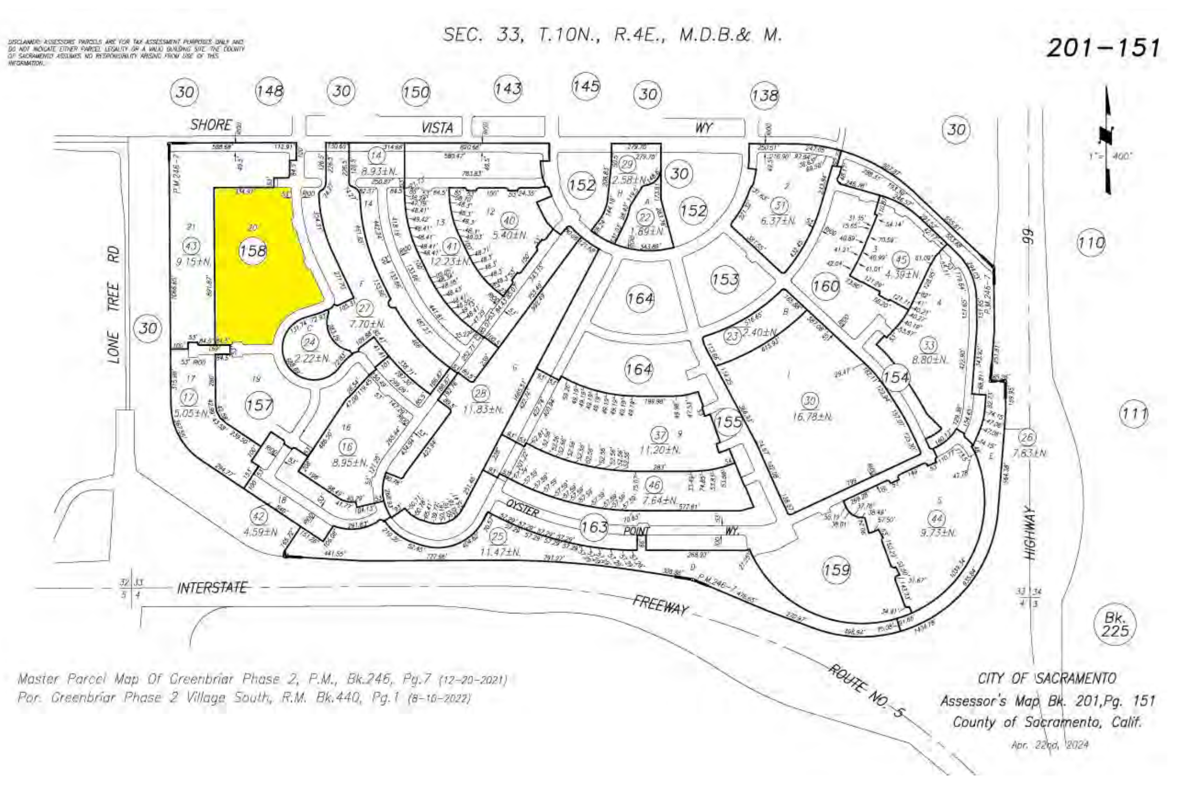
APN	LEGAL DESCRIPTION	USE
201-1570-001..046	Lots 1..46 of Greenbriar Phase 2, Village 17, recorded 10-14-2022 In Book 442 of Maps, Page 16	44 Final Map Lots

The allocation of Village 17 includes 44 lots with large-lot, tentative map approval as of the effective date of valuation. It is noted that the final map shown on the prior page reflects 46 lots. This includes 2 lots identified for Village 15 (Lots 32 & 33).

Village 17 comprises 44 lots identified for development of the WAVMOR product line. It is comprised of a net land area of 5.6 AC, showing a density of 7.9 du/ac. Lots represent a typical size of 4,500 SF (45' x 100'). There are 3 lots with lake frontage for this product line.

Village 18: The most current Sacramento County Assessor's Parcel Map shows Village 18 as parcel 201-1580-001…059. It is illustrated as follows.





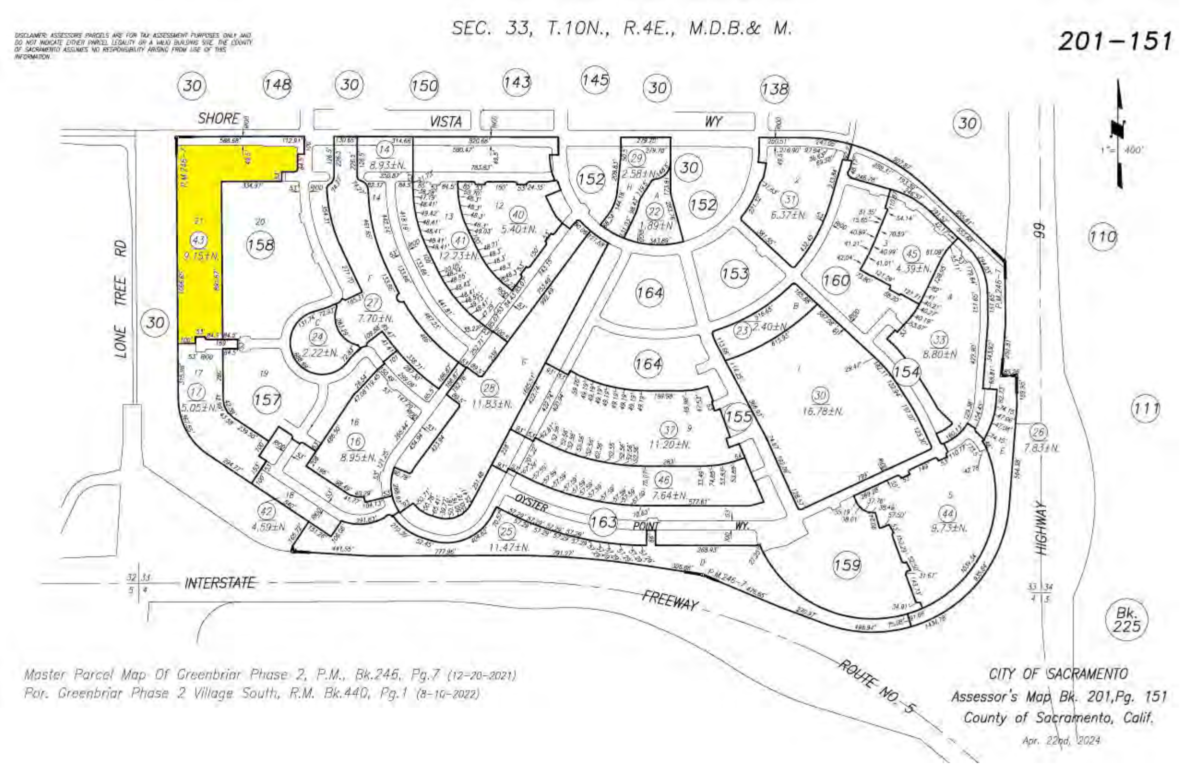
Based upon review of these maps, the overall legal description for Village 18, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1580-001..059	Lots 1..59 of Greenbriar Phase 2, Village 18, recorded 10-14-2022 In Book 441 of Maps, Page 1	59 Final Map Lots

The allocation of Village 18 includes 59 lots with final map approval as of the effective date of valuation.

Village 18 comprises 59 lots identified for development of the DRIFTON product line. It is comprised of a net land area of 8.7 AC, showing a density of 6.8 du/ac. Lots represent a typical size of 5,500 SF (55' x 100'). There are 13 lots with lake frontage for this product line.

Village 19: The most current Sacramento County Assessor's Parcel Map shows Village 19 as parcel 201-1510-043. It is illustrated as follows.



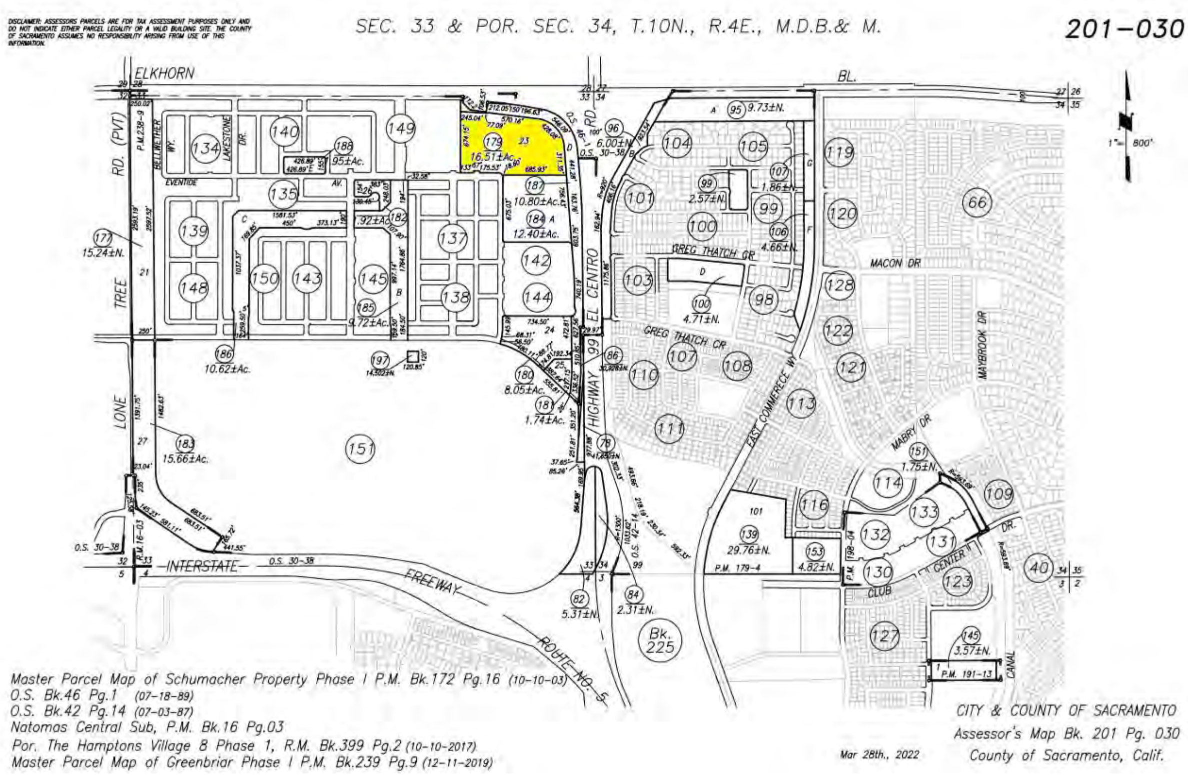
Based upon review of these maps, the overall legal description for Village 19, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-1510-043	Lot 21	9.18 AC for 49 Lots

The allocation of Village 19 includes 49 lots with large-lot, tentative map approval as of the effective date of valuation.

Village 19 comprises 49 lots identified for development of the DRIFTON product line. It is comprised of a net land area of 6.6 AC, showing a density of 7.4 du/ac. Lots represent a typical size of 5,500 SF (55' x 100'). There are no lots with lake frontage for this product line.

Village 14/20: This village area is noted in the Phase 1 portion of this project. It was recently rezoned to accommodate residential units and for purposes of this analysis and identified by the developer, references to this specific project note it as Village 14/20). This is to differentiate this project from Village 14 previously discussed. The most current Sacramento County Assessor's Parcel Map shows Village 14/20 as parcel 201-0300-179. It is illustrated as follows.

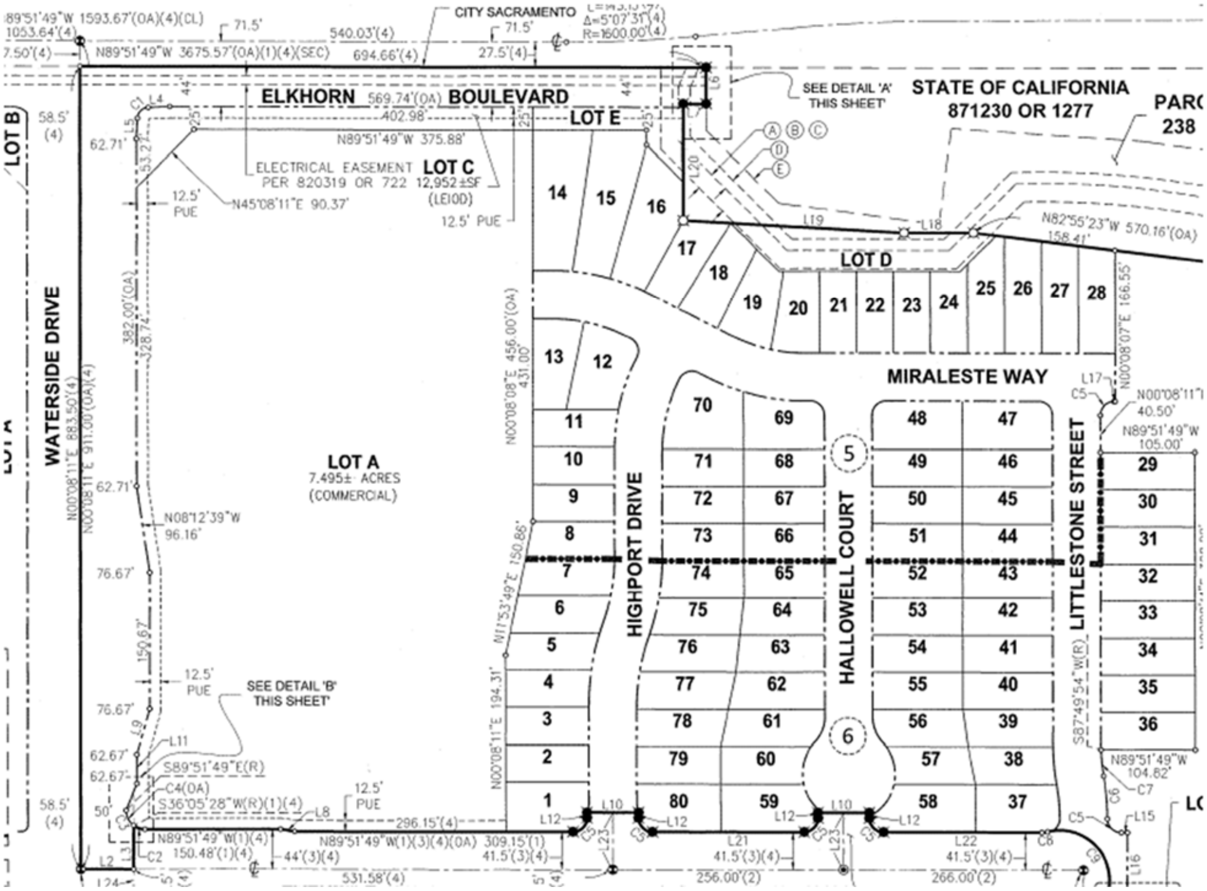


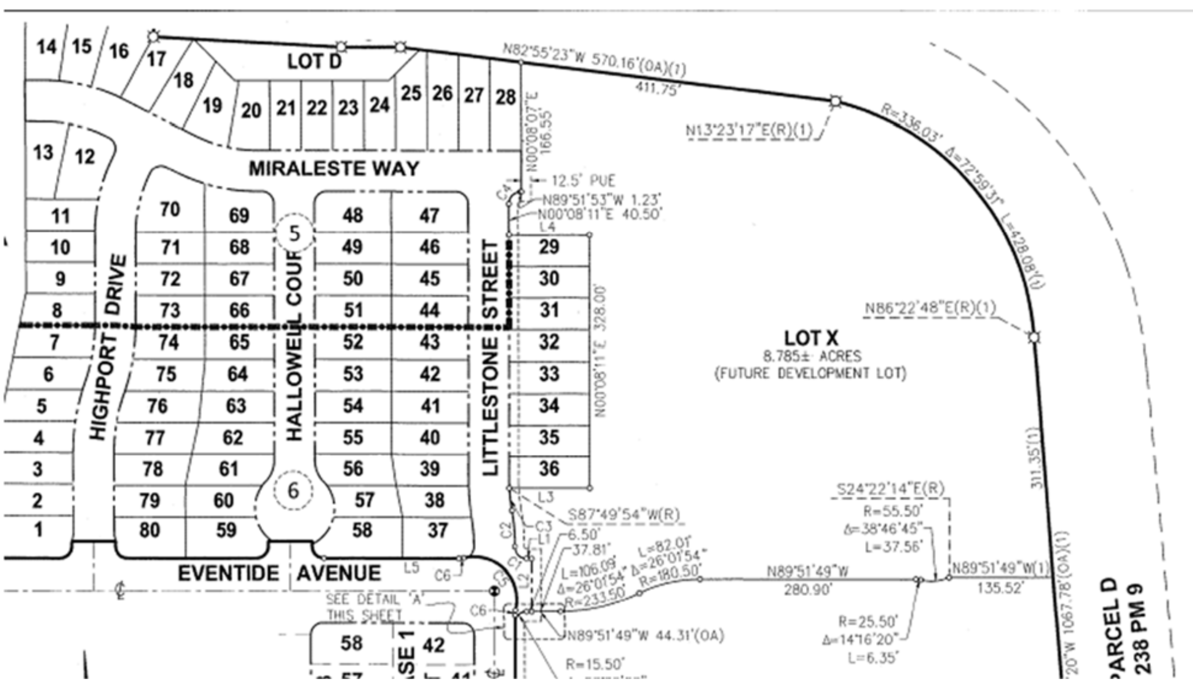
Based upon review of these maps, the overall legal description for Village 14/20, as of the effective date of valuation is identified as follows.

APN	LEGAL DESCRIPTION	USE
201-0300-179 (Portion)	Lots 1..80, X, of Greenbriar Phase 1, Village 14A, recorded 5-6-2024, in Book 455 of Maps, at Page 2	80 Final Map Lots & 8.785 AC Site For 59 Lots

The allocation of Village 14/20 includes 80 lots with final map approval, and 59 lots with large-lot, tentative map approval as of the effective date of valuation.

Village 14/20 comprises 139 lots identified for development of the V14/20 product line. It is comprised of a net land area of 14.7 AC, showing a density of 9.5 du/ac. Lots represent a typical size of 3,690 SF (41' x 90'). There are no lots with lake frontage for this product line. A depiction of these lots is noted as follows.


CITY SACRAMENTO
ELKHORN BOULEVARD
LOT E
LOT C
12,952±SF
ELECTRICAL EASEMENT PER 820319 OR 722
STATE OF CALIFORNIA
871230 OR 1277
SEE DETAIL 'A' THIS SHEET
SEE DETAIL 'B' THIS SHEET
LOT D
LOT A
7.495± ACRES
(COMMERCIAL)
LOT B
WATERSIDE DRIVE
HIGHPORT DRIVE
HALLOWELL COURT
LITTLESTONE STREET
MIRALESTE WAY
12.5' PUE
N89°51'49"W 3675.57'(OA)(1)(4)(SEC)
N89°51'49"W 375.88'
N45°08'11"E 90.37'
N08°12'39"W 96.16'
N82°55'23"W 570.16'(OA)
N00°08'11"E 883.50'(4)
N00°08'11"E 911.00'(OA)(4)
N00°08'08"E 456.00'(OA)
N11°53'49"E 150.86'
N00°08'11"E 194.31'
S87°49'54"W(R)
S89°51'49"E(R)
S36°05'28"W(R)(1)(4)


LOT D
MIRALESTE WAY
HIGHPORT DRIVE
HALLOWELL COURT
LITTLESTONE STREET
EVENTIDE AVENUE
12.5' PUE
N82°55'23"W 570.16'(OA)(1)
411.75'
N13°23'17"E(R)(1)
R=336.03'
Δ=72°59'31"
L=428.08'(1)
N86°22'48"E(R)(1)
LOT X
8.785± ACRES
(FUTURE DEVELOPMENT LOT)
N00°08'11"E 328.00'
N89°51'53"W 1.23'
N00°08'11"E 40.50'
S87°49'54"W(R)
S24°22'14"E(R)
R=55.50'
Δ=38°46'45"
L=37.56'
N89°51'49"W 280.90'
N89°51'49"W(1) 135.52'
R=25.50'
Δ=14°16'20"
L=6.35'
N89°51'49"W 44.31'(OA)
R=15.50'
SEE DETAIL 'A' THIS SHEET
PARCEL D
238 PM 9

Overall: The 1,177 residential lots for this project are delineated as follows.

PROJECT	DIMENSIONS	LOT SIZE (SF)	# LOTS	LAKE FRONT LOTS	% OF TOTAL
SHOR	41' x 68'	2,788	193	0	0%
LAKELET	41' x 90'	3,690	173	0	0%
WATERSYDE	50' x 80'	4,000	153	28	18.3%
WAVMOR	45' x 100'	4,500	163	19	11.7%
CRESTVUE	55' x 85'	4,675	138	15	10.9%
BLEAU	50' x 100'	5,000	110	40	36.4%
DRIFTON	55' x 110'	5,500	108	13	12.0%
V14/20	41' x 90'	3,690	139	0	0.0%
PROJECT			**1,177**	**115**	**9.8%**

The table above shows the overall calculation of the allocation of lots within this project. As noted, 115 lots or approximately 9.8% of the total lots in this project have frontage directly adjacent to the man-made lake. This total also represents 11.1% of the lots identified in the Phase 2 portion of this project.

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 and costs for the Shore Vista overcrossing. These costs are as of September 25, 2024 and include the following:

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

ENTITLEMENT COSTS

The total entitlement costs for this project are identified at $4,663,939. Based on the schedule of costs provided by the developer, $3,883,163 have been incurred with remaining costs identified at **$780,776.**

BACKBONE COSTS

The total backbone costs for this project were identified at $92,658,798 including applicable contingencies, bonds, and soft costs. 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	$9,932,446	$9,690,000	$242,446	97.6%
SEWER	$4,694,743	$4,667,786	$26,957	99.4%
DRAINAGE	$12,024,770	$11,993,625	$31,145	99.7%
WATER	$10,252,345	$8,320,123	$1,932,222	81.2%
CONCRETE/ROADWAY	$9,986,512	$8,696,375	$1,290,137	87.1%
LANDSCAPING	$3,344,746	$342,452	$3,002,294	10.2%
WALLS AND FENCING	$2,031,067	$1,206,737	$824,330	59.4%
DRY UTILITIES	$6,755,523	$6,316,502	$439,021	93.5%
DEVELOPMENT (SOFT COSTS)	$3,652,513	$3,070,503	$582,010	84.1%
DEVELOPMENT FEES	$1,651,139	$1,202,903	$448,236	72.9%
BUILDERS FEES	$16,614,317	$16,583,817	$30,500	99.8%
PROJECT (SOFT COSTS)	$4,484,000	$3,407,974	$1,076,026	76.0%
PERFORMANCE BONDS	$1,101,337	$1,395,596	-$294,259	126.7%
SUB-TOTAL	**$86,525,458**	**$76,894,393**	**$9,631,065**	**88.9%**
Hard Cost Contingency	$6,133,340	$0	$6,133,340	0.0%
TOTAL BACKBONE COSTS	**$92,658,798**	**$76,894,393**	**$15,764,405**	**83.0%**

The total backbone costs for this project are identified at $92,658,798. These costs include contingencies at $6,133,340 or approximately 7.1% of total hard costs. Development has commenced as of the effective date of valuation, as the developer has completed $76,894,393 in costs, or approximately 83.0% of the total hard costs (including contingencies). The remaining costs are identified at **$15,764,405.**

SHORE VISTA OVERCROSSING

The development of this project includes allocation of the overcrossing at Shore Vista Way. Total costs are identified at $22,101,730. These costs are consistent with the engineers costs prepared by Wood Rodgers, dated November 7, 2023 as provided for review in preparation of this assignment.

It was identified that these improvements may start in the Summer of 2025. With rising costs caused by inflation, these costs are likely a low indicator to the actual costs, especially based on the proposed completion date. As such, these costs are escalated at 8% due this element and total costs are projected at $23,869,868. This escalation is consistent with the rising costs. Original estimates in 2016 were noted at $11,805,277. The 2023 costs prepared by Wood Rodgers were identified at $22,006,078. The difference between the 2016 costs and the 2023 costs are noted at 86.4%, which equates to 8.1% per annum.

In addition, while not included in these costs, based upon review of the Third Amendment to the Development Agreement for Greenbriar (P11-093), performance bonds are included in the costs and established at 2.5% of the total project cost, or $596,747. As such, total costs for the Shore Vista Overcrossing are identified at $24,466,615. As part of the Third Amendment, the City of Sacramento will reimburse costs identified at $6,112,239. Based on the allocation of costs, net costs to the developer are identified at $18,354,376. Lastly, the developer has completed $885,946 in costs for this component, and remaining costs are identified at **$17,468,430.**

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. These costs are allocated as follows.

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
NEIGHBORHOOD PARK	$1,152,612	$176,732	$975,880	15.3%
COMMUNITY PARK	$883,209	$159,165	$724,044	18.0%
COMMUNITY PARK	$2,502,770	$169,657	$2,333,113	6.8%
SUB-TOTAL	**$4,538,591**	**$505,554**	**$4,033,037**	**11.1%**

The total remaining costs for project amenities are identified at **$4,033,037.**

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. These budgets are as follows.

VILLAGE	# OF LOTS	MINIMUM LOT SIZE (SF)	TOTAL COSTS	TOTAL COSTS/LOT	COSTS INCURRED	% INCURRED	REMAINING COSTS
Village 1 (Shor)	104	41' x 68' (2,788 SF)	$6,068,141	$58,348	$3,126,682	51.5%	$2,941,459
Village 2 (Shor)	89	41' x 68' (2,788 SF)	$3,625,063	$40,731	$155,664	4.3%	$3,469,399
Village 3 (Watersyde)	11	50' x 80' (4,000 SF)	$76,725	$6,975	$32,881	42.9%	$43,844
Village 4 (Lakelet)	68	41' x 90' (3,690 SF)	$3,458,418	$50,859	$706,507	20.4%	$2,751,911
Village 5 (Lakelet)	61	41' x 90' (3,690 SF)	$3,588,864	$58,834	$3,525,637	98.2%	$63,227
Village 6 (Watersyde)	54	50' x 80' (4,000 SF)	$3,297,402	$61,063	$3,171,823	96.2%	$125,579
Village 7 (Crestvue)	26	55' x 85' (4,675 SF)	$173,970	$6,691	$69,292	39.8%	$104,678
Village 8 (Watersyde)	88	50' x 80' (4,000 SF)	$3,267,986	$37,136	$463,300	14.2%	$2,804,686
Village 9 (Crestvue)	53	55' x 85' (4,675 SF)	$2,454,795	$46,317	$259,614	10.6%	$2,195,181
Village 10 (Crestvue)	59	55' x 85' (4,675 SF)	$3,134,860	$53,133	$3,004,083	95.8%	$130,777
Village 11 (Lakelet)	44	41' x 90' (3,690 SF)	$4,637,875	$105,406	$141,585	3.1%	$4,496,290
Village 12 (Bleau)	60	50' x 100' (5,000 SF)	$3,381,924	$56,365	$2,354,290	69.6%	$1,027,634
Village 13 (Bleau)	50	50' x 100' (5,000 SF)	$2,056,957	$41,139	$228,827	11.1%	$1,828,130
Village 14 (Wavmor)	54	45' x 100' (4,500 SF)	$2,519,053	$46,649	$267,871	10.6%	$2,251,182
Village 15 (Wavmor)	31	45' x 100' (4,500 SF)	$1,502,557	$48,470	$73,159	4.9%	$1,429,398
Village 16 (Wavmor)	34	45' x 100' (4,500 SF)	$1,584,091	$46,591	$75,639	4.8%	$1,508,452
Village 17 (Wavmor)	44	45' x 100' (4,500 SF)	$4,263,019	$96,887	$3,185,236	74.7%	$1,077,783
Village 18 (Drifton)	59	55' x 100' (5,500 SF)	$5,555,720	$94,165	$4,098,410	73.8%	$1,457,310
Village 19 (Drifton)	49	55' x 100' (5,500 SF)	$2,299,999	$46,939	$275,224	12.0%	$2,024,775
Village 14/20 (14/20)	139	41' x 90' (3,690 SF)	$9,774,012	$70,317	$5,413,332	0.0%	$4,360,680
Intract Contingency			$240,757			0.0%	$240,757
SUB-TOTAL	**1,177**		**$66,962,188**		**$30,629,056**	**45.7%**	**$36,333,132**

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

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
Entitlement Costs	$4,663,939	$3,883,163	$780,776	83.3%
Backbone Costs	$92,658,798	$76,894,393	$15,764,405	83.0%
Shore Vista Overcrossing	$18,354,376	$885,946	$17,468,430	4.8%
Amenities	$4,538,591	$505,554	$4,033,037	11.1%
In-Tract Costs	$66,962,188	$30,629,056	$36,333,132	45.7%
TOTALS	**$187,177,892**	**$112,798,112**	**$74,379,780**	**60.3%**

The remaining site development costs for this project, as of the effective date of valuation equate to $74,379,780.

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 February 29, 2024. It is clearly noted that these fees reflect the net permits and fees after credits and are the most recent fees and permits provided for review in preparation of this assignment.

PROJECT	Shor	Lakelet	Watersyde	Wavmor	Crestvue	Bleau	Drifton	V14/20
DIMENSIONS	41' x 68'	41' x 90'	50' x 80'	45' x 100'	55' x 85'	50' x 100'	55' x 100'	41' x 90'
MIN. LOT SIZE (SF)	2,788 SF	3,690 SF	4,000 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	3,690 SF
# LOTS	193	173	153	163	138	110	108	139
City Impact Fees/Lot	$19,136	$19,851	$21,038	$20,565	$20,776	$21,397	$22,123	$17,298
Greenbriar Fees	$3,800	$3,800	$3,800	$3,800	$3,800	$3,800	$3,800	$3,800
Agency Fees	$13,510	$14,494	$15,526	$15,431	$15,675	$16,297	$17,085	$13,374
School Fees	$0	$0	$0	$0	$0	$0	$0	$18,916
Total Fees	$36,446	$38,145	$40,364	$39,796	$40,251	$41,494	$43,008	$53,388
Less Credits	($11,874)	($11,992)	($12,190)	($12,111)	($12,146)	($12,249)	($12,370)	($11,053)
Total Fees Per Lot	**$24,572**	**$26,153**	**$28,174**	**$27,685**	**$28,105**	**$29,245**	**$30,638**	**$42,335**

The average permits and fees project are $29,209 per unit. There are no school fees for the lots in the Phase 2 portion of this project as they have been paid by the developer. Village 14/20 was identified for development prior to the commitment with the school district for fees and include additional fees at $18,916 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 ranging from $11,053 to $12,370 per unit. These credits are comprised as follows.

ITEM	TOTAL CREDIT
Water Fee Credit	($3,501)
Park Fee Credit	($3,893) to ($4,580)
SRCSD Fee Credit	($1,296)
Community Center Fee Credit	($676)
Transit Fee Credit	($832)
Overwidth Fee Credit	($855) to ($1,485)
TOTAL CREDITS	**($11,053) to ($12,370)**

Soil Conditions

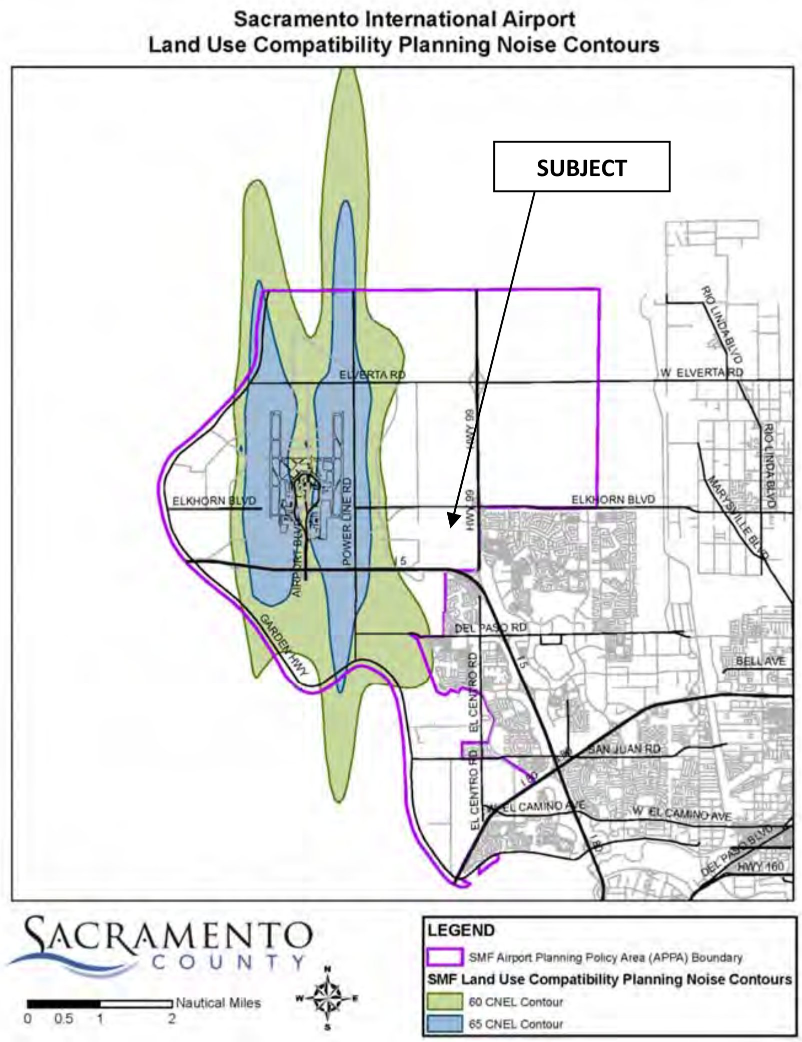
There was no soils report provided for review in preparation of this assignment. The subject property is located in an area formerly utilized for farm/grazing land. The opinions of value presented for the subject property assume that the soils are capable of supporting the existing improvements and proposed 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 any 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.



Easements, Encroachments & Adverse Conditions

A preliminary title report prepared by First American Title Company dated June 14, 2024 was provided for review in preparation of this assignment. This document revealed 39 exceptions to title, none of which have an adverse impact on the subject property. The following table summarizes these exceptions.

EXCEPTION	ITEM	COMMENTS
1 & 1A	Intentionally Deleted	No Impact
2	Assessment Liens	Disclosure of liens for SAFCA CAP Asmt #2 & SAFCA Natomas Basin. Payments in Taxes
2A	Special Tax Lien	Notice of Special Taxes for proposed community facilities district IA-2
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. This was established prior to Separation of Improvement Area 1 and the Subject Property. No Impact.
5	**Special Tax Lien**	**Notice of Special Tax Lien for Greenbriar Community Facilities District No. 2018-3. Improvement Area No. 2. This document was Amended December 17, 2021.**
6	Taxes and Assessments	Taxes for RD#1000
7	Lien of Supplemental Taxes	General Disclosure
8	Unpaid Utilities	General Disclosure
9	Deleted	No Impact.
10	Easement for Public Highway or Roads to Sacramento County	Identified on TM to be abandoned and Re-Dedicated
11	Easement for irrigation and/or drainage and incidental purposes	Older exception in favor of RD#1000. No Impact.
12	Relinquishment of Abutters Rights for ingress and egress to or from street, highway, or freeway	Parcel D (Open Space) No Impact.
13	Relinquishment of Abutters Rights for ingress and egress to or from street, highway, or freeway	Parcels D and E (Open Space). No Impact.
14	Easement for public utility facilities and incidental purposes to the State of California	Impacts Parcels 4, 5, and E. Easement was Quitclaimed to RD#1000 in 1983. No Impact.
15	Relinquishment of Abutters Rights for ingress and egress to or from street, highway, or freeway	Parcels 4, 5, and E (Open Space). No Impact.
16	Deleted	No Impact.
17	Easements for irrigation facilities and incidental purposes	Impacts Parcels D and E. No Impact.
18	Relinquishment of Abutters Rights for ingress and egress to or from street, highway, or freeway	Parcels D and E (Open Space). No Impact.
19	Relinquishment of Abutters Rights for ingress and egress to or from street, highway, or freeway	Parcels D and E (Open Space). No Impact.

EXCEPTION	ITEM	COMMENTS
20	Memorandum of Agreement For Schools Most Recent Recorded August 31, 2021	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.
21	Development Agreement	Recorded in August 2017, modified January 2018, 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. Document Restated on August 31, 2021 to reflect current owner.
22	Intentionally Deleted	N/A
23	Intentionally Deleted	N/A
24	Easement for Facility and Incidental Purposes To RD#1000	Affects Parcels D and E (Open Space). No impact.
25	Intentionally Deleted	N/A
26	Grant of Water Well, Water Conveyance Facilities and Access Easements	Affects Parcel E (Open Space). No Impact.
27	Intentionally Deleted	N/A
28	Easement for overhead facilities and incidental purposes to SMUD	Affects Parcels D and E (Open Space). No Impact.
29	Easement for Sanitary Sewer and Incidental purposes	Easement and will remain per TM. Typical Utility Easement
30	Easement for water line and Incidental purposes	Easement and will remain per TM. Typical Utility Easement
31	Agreement to construct and maintain private recreational facilities with the City of Sacramento	Agreement to construct private improvements to satisfy park requirement.
32	Avigation Easement Recorded January 28, 2020	No Impact. Easement granted for airspace And noise above 100 feet
33	Memorandum of Agreement with Natomas Central Mutual Water Company	Ties to Item 26. No Impact.
34	Agreement for construction of Drainage Improvements with the City of Sacramento	No Impact.
35	Easement for utility, ingress and egress to SMUD	Typical Utility Easement. No Impact.

EXCEPTION	ITEM	COMMENTS
35a	Easement for public utility and incidental purposes	As Recorded on Final Map.
35b	Easement for Road Irrevocable Offer of Dedication and Incidental purposes	Affects Parcels 14, 16 through 21 and H as recorded on Final Map.
35c	Regional Transit Irrevocable Offer of Dedication and Incidental purposes	Affects Parcels 14, 20, 21, E, F, and H as recorded on Final Map.
35d	Easement for Drainage and Incidental Purposes	Affects Parcels 3, 8, 9, 11, 12, 13, 14, 16, 18, 19 and D as recorded on Final Map.
35e	Easement for Sanitary Sewer and Incidental Purposes	Affects Parcels 3, 8, 9, 11, 12, 14, 16, 18, and 21 as recorded on Final Map.
35f	Intentionally Deleted	No Impact.
35g	Disclosures of Filed or Recorded Map	-Parcels A, B, and C granted IOD in Fee Title to the City of Sacramento for Park Purposes. -Parcels D and E granted IOD in Fee Title to the City of Sacramento for Open Space Parcels. -Parcels F, G, and H granted IOD to the City of Sacramento As Detention and Water Quality Basins/Lakes. -Parcel I is reserved and is to be granted by separate document to the local school district as a community school.
35h	Intentionally Deleted	No Impact.
35I-PP	Ties to Recordation's of Final Maps	No Impact.
36	Rights of the public in and to that portion of land lying within any road, street, alley, or highway.	General Disclosure.
37	Water Rights	General Disclosure
38	Rights of Parties in Possession	General Disclosure
39	Relates to Greenbriar Phase 2, LLC	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 as of the effective date of valuation. In addition, the third amendment to the Development Agreement was approved after the effective date of this preliminary title report. This is discussed later in this report. 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 projects to provide Natomas (including the subject property) at least 200-year level of flood protection.

In addition, on June 21, 2016, the Sacramento City Council passed a resolution accepting the Sacramento Area Flood Control Agency's (SAFCA) Urban Level of Flood Protection (ULOP) Plan, prepared pursuant to Senate Bill 5 (SB 5) and related legislation. The ULOP Plan identifies flood improvement projects, cost estimates, anticipated funding sources, and a schedule to complete them by 2025, which would result in 200-year flood protection for the city.

The purpose of the ULOP annual report it to provide an additional piece of the substantial evidence necessary to support the "adequate progress finding" in the approval of new development within a flood hazard zone. When considering development within a flood hazard zone, the City has relied on the 2016 ULOP Plan and the subsequent 2017 through 2023 ULOP annual reports as substantial pieces of evidence that SAFCA has made annual progress on the construction of a 200-year flood protection system.

The 2024 annual report was subsequently approved, but after the effective date of valuation. In order for the City of continue to rely on making the "adequate progress finding", the California Government Code 65007(a)(5) further requires the city of annually report to the Central Valley Flood Protection Board on its efforts in working towards completion of the 200-year flood protection system. Accordingly, SAFCA staff and consultants prepared the 2024 ULOP: Adequate Progress Annual Report for the City to fulfill Government code requirements which document the following.

- The total project scope, schedule, and cost of the floor protection system have been developed to meet 200-year flood protection.
- That 90% of the required revenues scheduled to be received by that year have been appropriated and is being expended;
- Critical features of the Floor Protection System are under construction and progressing based upon the actual expenditures of the construction budget; and
- The City has not been responsible for a significant delay in the completion of the system.

As of the date of this report, all projects are current. As the December 31, 2025 deadline for ULOP attainment draws near, it is evident that new delays to the remaining construction activities could constrain attainment for affected portions. It appears that construction is on track to be complete or substantially complete by end of Dec. 31, 2025 (the deadline) with the exception of 3 projects. These include the following.

- Reaches F&G Sankey Rd to NEMDC Pumping Station. Construction underway by 2025.
- Magpie Creek. Construction will begin after 2025
- Up to 1.7 Foot Levee and Floodwall Raise, Seepage berm and Pump Station Improvements. Complete with 5 years.

Further, some projects have not received full funding yet. Since they will not be 100% complete, and full funding is laid out as an assumption in the ULOP, the City may have to ask for an extension from CVFPB. There is a chance City Council would not seek an extension given the potential financial liability from flood damage. Should such a delay arise, the affected jurisdiction or jurisdictions would need to choose whether to temporarily suspend development approvals as required by ULOP legislation, or to seek a legislative extension that may entail the assumption of some liability for future flood damage to any developments approved without ULOP.

As such, the appraisal report is prepared in conjunction with the following extraordinary assumptions.

> **This appraisal assumes completion of the remaining flood protection projects, as stated in the ULOP report (included in the addenda of this report), within the timelines stipulated within the ULOP report and that no suspension of development approvals will be necessary. Alternatively, if deadlines are not met, the City will seek and be granted legislative extensions by the Central Valley Flood Protection Board and development will continue for the subject project.**

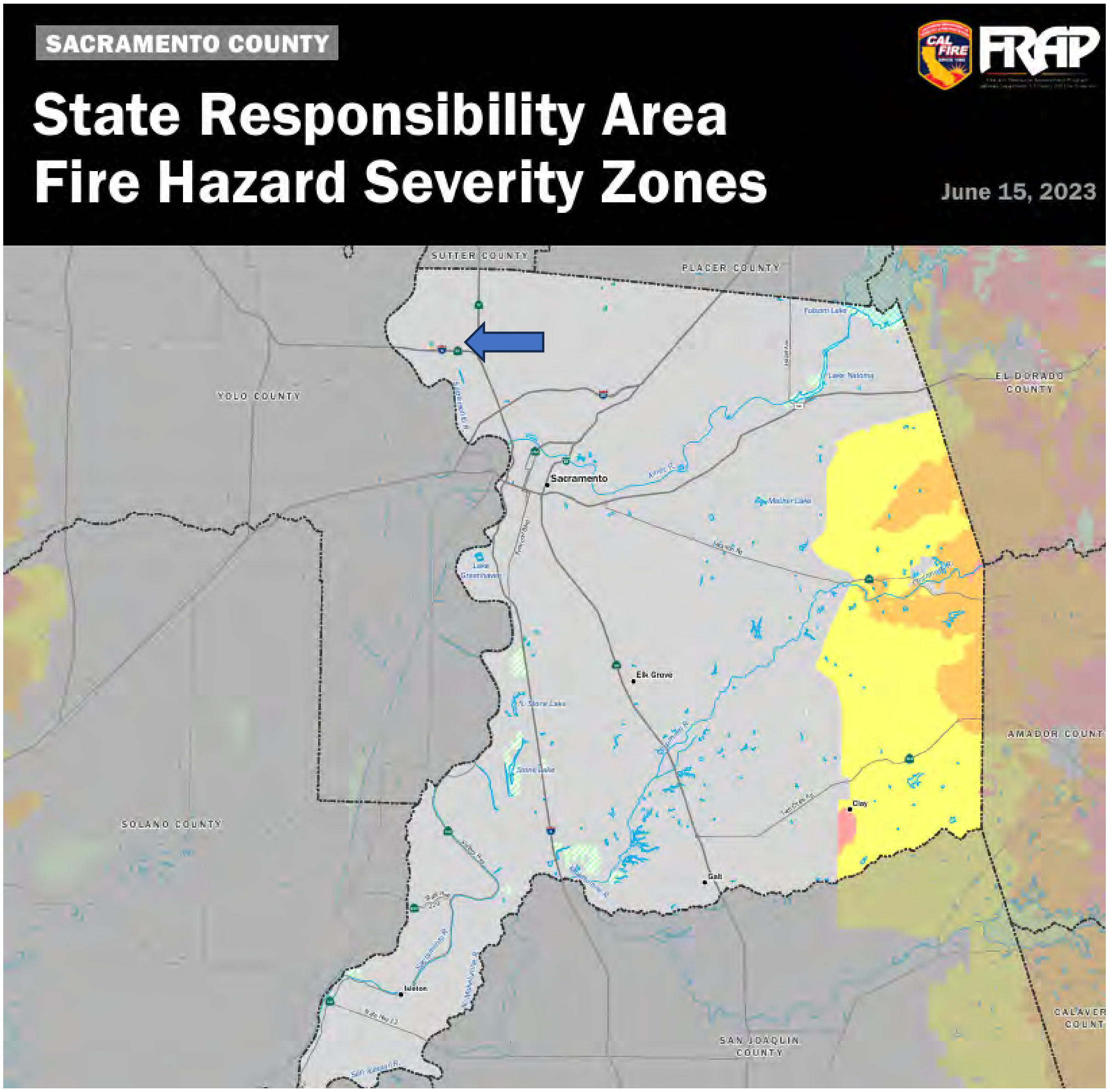
As of the effective date of valuation, this element is not slowing development in the immediate or extended market area of the subject property.

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.

Fire Hazard

The subject is not located within a Medium, High, or Very High Fire Hazard Severity Zone. High severity zones within Sacramento County are identified in the following map.



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

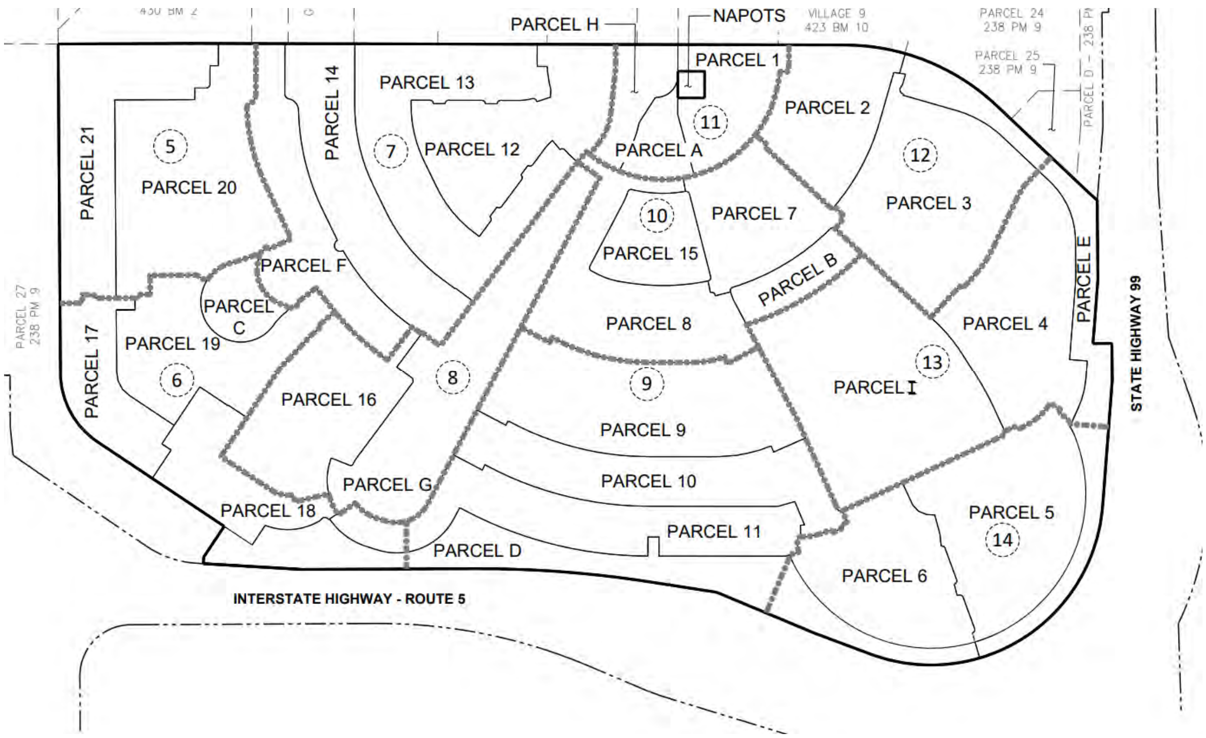
On September 19, 2007, the Sacramento Local Agency Formation Commission (LAFCo) certified the Final EIR and approved the Sphere of Influence Amendment for the project. In January 2008, the City of Sacramento certified the EIR and approved the Greenbriar Development Project (City of Sacramento 2008). 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.

Currently, this project includes a large-lot, final map recorded identified as follows.



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 zoning map for this project shows other zoning districts but are not applicable for the subject. 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 18 and 19 with minimum lot sizes at 5,500 SF.

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 1-17 with minimum lot sizes from 2,788 to 5,000 square feet. The Shor project identified in Villages 1 and 2 is below the minimum lot size threshold but approved consistent with the PUD identification of 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 Neighborhood Park Sites (Parcels C, D, E), man-made lake (Parcels G, H, I), and to the open space / habitat buffer (Parcels S, T, U).

The General Plan identifies the residential components for Suburban Neighborhood Medium Density (7-17 du/ac), Waterways, and Parks and Recreation. Similar to the overall zoning, the General Plan also identifies additional land uses are beyond the boundaries of the district, and/or are exempt from the facilities.

In addition, small-lot final maps have been recorded and summarized as follows.

FINAL MAP	REFERENCE
Greenbriar Phase 2, Village South	Recorded 8-1-2022, Book 440, Page 1
Greenbriar Phase 2, Village 1A	Recorded 10-14-2022, Book 442, Page 15
Greenbriar Phase 2, Village 5	Recorded 8-1-2022, Book 440, Page 2
Greenbriar Phase 2, Village 6	Recorded 3-15-2024, Book 454, Page 4
Greenbriar Phase 2, Village 10	Recorded 3-11-2024, Book 454, Page 3
Greenbriar Phase 2, Village 17	Recorded 10-14-2022, Book 442, Page 16
Greenbriar Phase 2, Village 18	Recorded 10-14-2022, Book 443, Page 1
Greenbriar Phase 1, Village 14A	Recorded 5-6-2024, Book 455, Page 2

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. However, since the building permit has been issued for this component, no restrictions are applicable to the subject property.

On September 24, 2024, a Third Amendment to the Development Agreement for Greenbriar (P-11-93) was established between the project owner and the City of Sacramento. This was established as part of the "special condition" which requires that the landowner construct the Meister Way overpass, now known as the "Shore Vista" overpass. The project owner and the city agreed to the following.

Transportation Development Impact Fees: The Transportation Development Impact Fees (TDIF) apply to new development with the City of Sacramento, including the project, and are used to support funding for transportation improvements benefitting new development in the City. The Shore Vista Overpass (including the connection to East Commerce Way) ("SVO") is identified in the City's TDIF program. As part of this agreement, the Project will be constructing the SVO and related improvements. When the Project has completed the construction of the SVO and the approved Phase 1 and 2 tentative Subdivision Maps, the City will consider that the project has satisfied its TDIF obligation in-kind.

Amendment to the Agreement: Meister Way Overpass and Meister Way/East Commerce Way Intersection improvements is amended to read in its entirety as follows:

1. Shore Vista Way Overpass and Shore Vista Way / East Commerce Way Intersection Improvements.

a. LANDOWNER shall construct the Shore Vista Way Overpass and roadway connection to East Commerce Way including roadway improvements at the intersection of Shore Vista Way and East Commerce Way consistent with the street cross sections shown on the approved Tentative Subdivision Maps for the Project, to the satisfaction of Public Works.

b. LANDOWNER shall construct Shore Vista Way as a 4-lane arterial roadway per the sections shown on the approved Tentative Subdivision Maps for the Project. Shore Vista Way has several cross sections transitioning from a two-lane bridge overcrossing to a 4-lane roadway as shown on the approved Tentative Subdivision Maps.

c. LANDOWNER has previously commenced designing the SVO and will continue to diligently pursue approval of the design from all necessary agencies (e.g., the City and CalTrans) (referred to herein as "Approving Agencies") of improvement plans necessary to allow commencement of construction as set forth in the schedule described in Exhibit N of the Agreement. LANDOWNER and City will meet and confer on the schedule described in Exhibit N on a monthly basis and update as needed.

i. LANDOWNER shall submit to the City a Caltrans-approved Project Report for the SVO on or before March 14, 2025. If LANDOWNER fails to submit a Caltrans-approved Project Report on or before March 14, 2025, LANDOWNER shall submit financial security in the form of a bond, an escrow account, letter of credit, or other security acceptable to the City. The security shall cover the full cost of design, permitting, construction, and construction management of SVO to the City's satisfaction in an amount to be determined in accordance with a stamped and signed engineer's estimate to be approved by the City and in a form reasonably determined by the City. If LANDOWNER fails to timely submit a Caltrans-approved Project Report or fails to timely submit adequate financial security, City shall withhold any further final maps until the Caltrans-approved Project Report is submitted unless : (A.) LANDOWNER notifies the City by March 1, 2025, that it will not meet the deadline; (B.) LANDOWNER demonstrates adequate progress toward obtaining a Caltrans-approved Project Report; and (C.) the Parties meet and confer and agree that a modification of the date is in the best interest of the Project and all Parties. If LANDOWNER fails to submit a Caltrans-approved Project Report, submit an acceptable financial security, and fails to come to an agreement with the City pursuant to the preceding sentence, City shall withhold further maps until the Caltrans-approved Project Report is submitted to the City and City may draw on the financial security after City (A.) reasonably determines that adequate progress on SVO has not been made and (B.) provides LANDOWNER with notice and opportunity to cure ten days in advance of calling on the security.

ii. LANDOWNER shall submit 95% improvement plans to the City within 12 months of the Effective Date of this Amendment. If LANDOWNER has not already provided full security pursuant to paragraph 1.c.i above, upon the earlier of (A.) submission to the City of 95% improvement plans or (B.) the date that is 12 months after the Effective Date, LANDOWNER shall submit a financial security for the construction of the SVO in an amount and form reasonably determined by the City. If LANDOWNER fails to timely submit 95% improvement plans or fails to timely submit adequate financial security, City shall withhold any further final maps unless: (A.) LANDOWNER notifies the City at least 15 days prior to the deadline that it will not meet the deadline; (B.) LANDOWNER demonstrates adequate progress toward completing the improvement plans and submitting the security; and (C.) the Parties meet and confer and agree that a modification of the date is in the best interest of the Project and all Parties. IF LANDOWNER fails to submit 95% improvement plans within 12 months of the Effective Date of this Agreement, fails to provide adequate financial security, and fails to come to an agreement with the City pursuant to the preceding sentence, the City shall withhold further maps until LANDOWNER submits 95% improvement plans and provides security for the construction of SVO.

iii. Within 6 months of the approval of the improvement plans by the Approving Agencies, LANDOWNER shall commence construction of the SVO (defined as the LANDOWNER giving a "Notice to Proceed" for the construction of the SVO to LANDOWNER's contractor) and diligently pursue construction until completion.

d. Upon completion of SVO, the City shall commit 100% (less Pool A interest and administrative fees described below) of the fees collected for the Greenbriar Community Center Fee, Greenbriar Transit Fee and the Panhandle Transit Fee towards the SVO, as well as a contribution from that portion of the North Natomas Facilities Fee Fund that is designated for the SVO (formerly referred to as the Meister Overcrossing) (collectively, the "City's Contribution"), currently estimated to be $6,112,239, to reimburse LANDOWNER in the manner more fully set forth in a mutually agreed upon Funding Agreement. Reimbursements shall occur in accordance with the terms set forth in the Funding Agreement and in no case shall the City make payments to LANDOWNER in excess of the funds collected by the City. The Funding Agreement shall provide for periodic reimbursement payments tied to expenditures incurred by LANDOWNER. The final payment shall provide for a reconciliation ("True-up") based upon the collected and estimated fees to be contributed by the City pursuant to this Amendment. Upon payment of the True-up amount, no further adjustments or reimbursements will be due or made to LANDOWNER pursuant to this Amendment. City's Contribution shall exclude City's actual reasonable administrative cost, not to exceed 3% of City Contribution and the amount needed to pay Pool A interest on the interfund loan described in the Funding Agreement. City shall provide LANDOWNER with accounting of administrative costs within 30 days of LANDOWNER request.

Any cost increases incurred by the developer will not require any additional City contributions, unless LANDOWNER requests such funding in writing with justification therefor, which City shall consider in good faith, but City is not obligated to increase the City Contribution.

The overall costs for this facility are included in the total site development costs for this project. This includes an additional allowance for a performance bond with total reimbursement from the City of Sacramento at completion of the project.

Greenbriar Community Facilities District No. 2018-03 Improvement Area #2

The total eligible facilities for this project are identified at $49,178,561. These facilities are summarized as follows.

Integral Communities
Greenbriar IA#2 CFD
Estimated CFD Eligible Facilities/Fees

ESTIMATED CFD ELIGIBLE FACILITIES/FEES

Rank #1	***FEES***							
	(Twin Rivers Unified School District)							
	Lump Sum Payment Balance [1]						$	18,299,036
	FACILITIES							
Rank #2	SHORE VISTA TOPSIDE						$	7,192,090
Rank #2	SHORE VISTA WET UTILITIES						$	3,467,795
Rank #2	T-MAIN						$	3,780,280
							$	14,440,165
		(acre)			*($/acre)*			
Rank #3	LAKE LAND VALUE (PH 1)	*20*	x	$	410,984	=	$	8,219,680
Rank #3	LAKE LAND VALUE (PH 2)	*20*	x	$	410,984	=	$	8,219,680
							$	16,439,360
				TOTAL FEES/FACILITIES			$	49,178,561 [2]

Footnotes:

[1] Assumes: $23,463,650 (total lump sum payment) - $5,164,614 (Phase 1 Project Fund Remaining Balance)

[2] Total CFD bonding capacity estimated at approx. $47MM (assuming 5.0% interest rate)

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 subject properties fall within Tax rate area 03-350. Base tax rates for this district (2024-2025) as provided from the Sacramento County Tax Collectors office are allocated as follows.

ITEM	TOTALS
Ad Valorem Taxes	1.0%
Grant Jt. High GOB	0.011%
Los Rios College GO Bond	0.02%
Twin Rivers Unif. GOB	0.0438%
Twin Rivers Elem. SFID	0.0338%
Twin Rivers Elem. GOB	0.0352%
TOTAL TAX RATE	**1.1438%**

The base tax rate is 1.1438%. As noted, the subject property is located within several districts. These include the following direct levies (per lot) as identified from the current property taxes:

--(0168) Sacramento Area Flood Control Agency - 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 $10.90 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 $1.50 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 $2.00 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 $1.82 per parcel, per annum. It is not applicable to public use parcels.

--(1111) Sac Service CFD 2018-05 Zone #1 – This district was formed under the Mello-Roos Community Facilities Act of 1982. This district provides funding for the maintenance of landscaping, drainage, and park facilities within the Northlake Development. Current charges are identified at 278.04 per parcel, per annum.

--(0673) N. Natomas TMA CFD - North Natomas Transportation Management Association Community Facilities District establishes an annual assessment, to finance transportation and air quality mitigation services used to reduce travel emissions. Current charges are based on land use designated by the Sacramento County Assessor. Annual payments are $88.66 per parcel.

--(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. Annual payments are $10.00 per parcel.

--(0739) RD 1000 Stormwater Service Fee – Reclamation District 1000 assessment finances the Sacramento Area Flood Control Agency's regional flood control planning efforts to address the serious flood risk facing this community. Funds the maintenance of perimeter levees systems; an interior canal system to collect the stormwater runoff and agricultural drainage from within the Natomas Basin; and operating pump stations to safely discharge interior stormwater and agricultural drainage out of the Natomas Basin 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 $3.75, per annum.

Overall, anticipated Direct Levies are noted as follows.

DIRECT LEVIES	TOTALS
0168/Sac Area Flood Control	$10.90
0169/Natomas Basin	$1.50
0198/SAFCA	$2.00
0659/Sac. Additional Library	$1.82
1111/Sac. Service Zone #1	$278.04
0673/N. Natomas TMA CFD	$88.66
0738/RD #1000	$10.00
0739/RD #1000 Stormwater	$3.75
TOTALS	**$396.67**

Direct levies for the finished lots are identified at $396.67, per annum, per parcel.

Overlapping Debt

In addition, the outstanding debt was provided for all of the properties in this analysis as compiled from California Municipal Statistics, Inc. 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.

CITY OF SACRAMENTO –GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03, I.A. 2

2024-25 Assessed Valuation: $67,375,274 (Land and Improvements)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 11/1/24	
Los Rios Community College District General Obligation Bonds	0.024%	$83,812	
Twin Rivers Unified School District General Obligation Bonds (former elementary schools)	0.391	287,152	
Twin Rivers Unified School District General Obligation Bonds	0.309	840,916	
Sacramento Area Flood Control District Consolidated Capital Assessment District No. 2 Bonds	0.016	46,003	
Sacramento Area Flood Control District Natomas Basin Local Assessment District	0.044	12,726	
City of Sacramento Natomas Meadows CFD No. 2018-03, I.A. 2 Mello-Roos Act Bonds	**100.**	**0**	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,270,609	
OVERLAPPING GENERAL FUND DEBT:			
Sacramento County General Fund Obligations	0.029%	$ 26,941	
Sacramento County Pension Obligation Bonds	0.029	89,156	
Sacramento County Board of Education Certificates of Participation	0.029	475	
City of Sacramento General Fund Obligations	0.089	454,344	
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$570,916	
Less: Sacramento County supported obligations		3,195	
City of Sacramento supported obligations		318,908	
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$248,813	
GROSS COMBINED TOTAL DEBT		$1,841,525	(2)
NET COMBINED TOTAL DEBT		$1,519,422	

(1) Excludes Mello-Roos Act Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2024-25 Assessed Valuation:
Direct Debt ($0) .... **- %**
Total Direct and Overlapping Tax and Assessment Debt 1.89%
Gross Combined Total Debt 2.73%
Net Combined Total Debt 2.26%

The total outstanding debt on these properties is identified at #1,270,609. This total debt is nominal relative to the overall value for the property.

The subject property is proposed for an additional district, which is the subject of this report.

CFD-2018-03: Greenbriar Community Facilities District No 2018-03, Improvement Area #2

This district comprises the subject property. The maximum annual payments are identified as follows.

Land Use	Base Special Tax (Fiscal Year 2021-22)*
Single Family Residential Property	
Village 1	$2,134 per Residential Unit or SFD Lot
Village 2	$2,134 per Residential Unit or SFD Lot
Village 3	$2,767 per Residential Unit or SFD Lot
Village 4	$2,430 per Residential Unit or SFD Lot
Village 5	$2,430 per Residential Unit or SFD Lot
Village 6	$2,767 per Residential Unit or SFD Lot
Village 7	$3,020 per Residential Unit or SFD Lot
Village 8	$2,767 per Residential Unit or SFD Lot
Village 9	$3,020 per Residential Unit or SFD Lot
Village 10	$3,020 per Residential Unit or SFD Lot
Village 11	$2,430 per Residential Unit or SFD Lot
Village 12	$3,069 per Residential Unit or SFD Lot
Village 13	$3,069 per Residential Unit or SFD Lot
Village 14	$2,665 per Residential Unit or SFD Lot
Village 15	$2,665 per Residential Unit or SFD Lot
Village 16	$2,665 per Residential Unit or SFD Lot
Village 17	$2,665 per Residential Unit or SFD Lot
Village 18	$3,346 per Residential Unit or SFD Lot
Village 19	$3,346 per Residential Unit or SFD Lot
Phase 1–Village 14	$1,689 per Residential Unit or SFD Lot
Taxable Non-Residential Property	$29,884 per Acre

*** On July 1, 2022, 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.**

These charges are subject to a 2% annual increase in payments. In addition, they are based on FY 2021-2022. Payments for the 2024-2025 tax year are identified as follows. It is noted that these payments are trended upward at 2% per annum.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	V14/20
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	3,690 SF
CFD 2018-03 - 1A#2	$2,264.62	$2,578.74	$2,936.36	$2,828.12	$3,204.85	$3,256.85	$3,550.80	$1,792.38
Villages	1 & 2	4, 5 & 11	3, 6 & 8	14-17	7, 9 & 10	12 & 13	18 & 19	V14/20

These payments are current for the subject property and reflect 2% per annum increases from those identified for FY 2021-2022. The CFD Payments range from $1,792.38 to $3,550.80 per annum.

HOA

The 1,038 lots identified on Phase 2 of this project include HOA dues at $90 per month. HOA dues for V14/20 are projected at $83.50 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	1	104	0	0%
	41' x 68'	2,788	2	89	0	0%
TOTALS - SHOR - 2,788 SF (41' x 68')				**193**	**0**	**0%**
LAKELET	41' x 90'	3,690	4	68	0	0%
	41' x 90'	3,690	5	61	0	0%
	41' x 90'	3,690	11	44	0	0%
TOTALS - LAKELET - 3,690 SF (41' x 90')				**173**	**0**	**0%**
WATERSYDE	50' x 80'	4,000	3	11	7	64%
	50' x 80'	4,000	6	54	14	26%
	50' x 80'	4,000	8	88	7	8%
TOTALS - WATERSYDE - 4,000 (50' x 80')				**153**	**28**	**18.3%**
WAVMOR	45' x 100'	4,500	14	54	16	30%
	45' x 100'	4,500	15	31	0	0%
	45' x 100'	4,500	16	34	0	0%
	45' x 100'	4,500	17	44	3	7%
TOTALS - WAVMORE - 4,500 SF (45' x 100')				**163**	**19**	**11.7%**
CRESTVUE	55' x 85'	4,675	7	26	0	0%
	55' x 85'	4,675	9	53	5	9%
	55' x 85'	4,675	10	59	10	17%
TOTALS - CRESTVUE - 4,675 SF (55' x 85')				**138**	**15**	**10.9%**
BLEAU	50' x 100'	5,000	12	60	14	23%
	50' x 100'	5,000	13	50	26	52%
TOTALS - BLEAU - 5,000 SF (50' x 100')				**110**	**40**	**36.4%**
DRIFTON	55' x 100'	5,500	18	59	13	22%
	55' x 100'	5,500	19	49	0	0%
TOTALS - DRIFTON - 5,500 SF (55' x 100')				**108**	**13**	**12.0%**
V14/20 PRODUCT LINE	41' x 90'	3,690	14/20	139	0	0%
TOTALS - V14/20 - 3,360 SF (41' x 90')				**139**	**0**	**0.0%**
PROJECT TOTALS				**1,177**	**115**	**9.8%**

Current pricing for these projects, as of the effective date of valuation, is summarized as follows.

PROJECT	MIN LOT SIZE (SF)	AVERAGE BASE PRICE (NET)	AVERAGE SIZE (SF)	PRICE/SF
Shor	2,768 SF	**$570,240**	1,982	$288
Lakelet	3,690 SF	**$619,657**	2,233	$277
Watersyde	4,000 SF	**$681,190**	2,650	$257
Wavmor	4,500 SF	**$652,990**	2,484	$263
Crestvue	4,675 SF	**$679,590**	2,557	$266
Bleau	5,000 SF	**$751,823**	2,923	$257
Drifton	5,500 SF	**$735,657**	3,037	$242
V14/20	3,690 SF	**$528,740**	1,640	$322
TOTALS	**4,099 SF**	**$643,455**	**2,387**	**$270**

As of the effective date of valuation, the developer has commenced construction of production homes. Model homes are completed for the Shor, Crestvue, Lakelet, and Watersyde projects. The allocation of these model homes is as follows.

Lakelet – 3 Model Homes (APNs 201-1520-012..014)
Shor – 4 Model Homes (APNs 201-1520-001..004)
Watersyde – 5 Model Homes (APNs 201-1520-007..011)
Crestvue – 5 Model Homes (APNs 201-1530-001..005)

These lots were acquired in the first takedown of lots by Lennar Homes. In addition, 9 production homes have received their final inspection, whereas the remaining lots in the first takedown, as well as the second takedown have paid permits. Lastly, all but 12 lots in the third takedown have paid permits. The added value for the model homes, home with final permits, as well as the allocated permits and fees paid as of the effective date of valuation are considered in the Lennar Ownership section.

The next section of this report illustrates supply and demand characteristics for this property.

PART 3 – MARKET ANALYSIS AND 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 the California Association of Realtors, Metrolist, and The Gregory Group.

California Housing Market

According to the California Association of Realtors (C.A.R.), California home sales hit a seven-month low in August, as buyers held out despite interest rates that dipped to the lowest level since spring. Closed escrow sales of existing, single-family detached homes in California totaled a seasonally adjusted annualized rate of 262,050 in August, according to information collected by C.A.R. The statewide annualized sales figure represents what would be the total number of homes sold during 2024 if sales maintained the August pace throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.

August's sales pace fell 6.3 percent from the 279,810 homes sold in July and were up 2.8 percent from a year ago, when a revised 254,820 homes were sold on an annualized basis. The sales pace has remained below the 300,000-threshold for 23 consecutive months, while year-to-date home sales edged up 0.5 percent from the first eight months of 2023.

"Home price growth in California continued to moderate in August as the market neared the end of the traditional home buying season," said C.A.R. President Melanie Barker. "With the Federal Reserve signaling it will lower interest rates soon, mortgage rates are expected to ease well below their recent peaks. As such, housing affordability will improve in the fall, and buyers will benefit from lower costs of borrowing in the coming months."

August's statewide median price was essentially flat, inching up 0.2 percent from $886,560 in July to $888,740 in August. California's median home price was 3.4 percent higher than the revised $859,670 recorded in August 2023. The year-over-year gain was the 14th straight month of annual price increases, albeit the smallest since September 2023. Home prices could soften further in the coming months but should continue to register year-over-year growth for the rest of the year.

Sales in higher-priced market segments continued to influence the mix of sales, but the impact on the state-wide median price growth has been reduced in recent months. While the sales pace for the $1 million-and-higher price segment decelerated in August to 3.6 percent, sales in the sub-$500,000 market had a lackluster performance as well, dropping 9.0 percent below the year-ago level. Moderation in the median price growth could be observed in the coming months if the share of homes priced at or above $1 million continues to shrink in the fall.

"Despite a slightly better lending environment in recent weeks, closed home sales pulled back in August as buyers evaluated whether to wait for the Federal Reserve to cut rates before entering the market," said C.A.R. Senior Vice President and Chief Economist Jordan Levine. "Pending sales, along with mortgage application trends, however, suggest that housing demand has been slowly improving in the past few weeks. If mortgage rates remain at their current low or dip further in the coming weeks, home sales should rise steadily as we move toward the end of the year."

Other key points from C.A.R.'s August 2024 resale housing report include:

- At the regional level, home sales in all major regions except for two were higher than their year-ago levels in August. Three out of the five regions in the state registered increases from a year ago, with the San Francisco Bay Area (4.8 percent) increasing the most. It was followed by the Central Coast (3.0 percent) and the Central Valley (0.8 percent) regions. The two regions in the state that fell behind last year's sales level were the Far North (-5.0 percent) and Southern California (-2.3 percent).

- Twenty-six of the 53 counties tracked by C.A.R. recorded sales increased from a year ago, with 10 of them jumping more than 10 percent year-over-year. Yuba (37.1 percent) posted the largest yearly sales gain, followed by Mendocino (25.6 percent) and Glenn (25.0 percent). Twenty-seven counties experienced sales decreases from last year, with 18 of them falling more than 10 percent year-over-year. Eight counties had sales drops of more than 20 percent, and three counties experienced sales declines of more than 30 percent. Trinity (-50.0 percent) recorded the biggest annual sales decline in August, followed by Mariposa (-45.0 percent) and Plumas (-34.8 percent).

- At the regional level, all major regions except for one experienced an increase in their median price from a year ago in August. The Central Coast posted the biggest price jump on a year-over-year basis, increasing 8.9 percent from last August. Far North (7.7 percent) was a close second, followed by Southern California (4.0 percent), and the Central Valley (3.1 percent). The San Francisco Bay Area (-1.6 percent) was the only region that recorded a price decline in August compared to a year ago, as six of the nine counties in that region experienced a price drop last month.

- Home prices continued to grow on a year-over-year basis throughout the state, with median sales price in 36 counties registering price increase from a year ago in August. Trinity (36.6 percent) posted the biggest increase in price last month, followed by Plumas (32.9 percent) and Imperial (22.0 percent). Sixteen counties recorded annual median price declines, with Santa Barbara dropping the most at 18.0 percent, followed by Mariposa (-14.6 percent), and Amador (-12.0 percent).

- The statewide unsold inventory index (UII), which measures the number of months needed to sell the supply of homes on the market at the current sales rate, increased both month-over-month and year-over-year. The index was 3.2 months in August, up from 2.9 months in July and up from 2.4 months in August 2023. Active listings at the state level rose more than 39 percent from the year-ago level. It was the seventh straight month of annual gains in for-sale properties.

- At the county level, the availability of homes for sale increased from the same month of last year in all but four counties in August. Alameda (124.4 percent) posted the biggest year-over-year jump, followed by Contra-Costa (96.9 percent) and Stanislaus (63.9 percent). The only counties that recorded a decline from last year were Glenn (-27.9 percent), Kings (-25.5 percent), Trinity (-7.7 percent) and San Francisco (-6.1 percent).

- New active listings at the state level improved from a year ago for the eighth consecutive month, with seven of them recording double-digit increases. Despite a decelerating growth rate in August, the increase in new listings at the tail end of the buying season is an encouraging sign that supply conditions in California will continue to improve in the coming months. Thirty-eight of the 52 counties tracked by C.A.R. recorded an increase in new active listings from a year ago. Calaveras recorded the largest year-over-year increase at 91.8 percent, followed by Kern (48.8 percent) and Del Norte (42.1percent). Thirteen counties marked declines in new active listings from a year ago, with Lassen (-37.5 percent) dropping the most, followed by Siskiyou (-33.8 percent) and Amador (-25.5 percent).

- The median number of days it took to sell a California single-family home was 22 days in August, up from a revised 17.5 days in August 2023.

- C.A.R.'s statewide sales-price-to-list-price ratio was 100.0 percent in August 2024 and 100.0 percent in August 2023.

- The statewide median price per square foot for an existing single-family home was $427, up from $416 in August a year ago.

- The 30-year, fixed-mortgage interest rate averaged 6.50 percent in August, down from 7.07 percent in August 2023, according to C.A.R.'s calculations based on Freddie Mac's weekly mortgage survey data.

Affordability is an issue for most of California. According to C.A.R., higher prices combined with elevated mortgage rates that pushed borrowing costs to all-time highs pulled California's housing affordability down to the lowest levels in nearly 17 years during the second quarter of 2024. Fourteen percent of the state's homebuyers could afford to purchase a median-priced, existing single-family home in California in second-quarter 2024, down from 17 percent in the first quarter of 2024 and down from 16 percent in the second quarter of 2023, according to C.A.R.'s Traditional Housing Affordability Index (HAI).

The second-quarter 2024 figure is less than a third of the affordability index peak of 56 percent in the second quarter of 2012. Despite elevated mortgage rates in the second quarter, recent signs of weakness in macroeconomic reports have pushed rates down in the past few weeks. As the likelihood of the Fed cutting rates at the September meeting increases, housing affordability in California is expected to improve in the next quarter.

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 $236,800 was needed to qualify for the purchase of a $906,600 statewide median-priced, existing single-family home in the second quarter of 2024. The monthly payment, including taxes and insurance (PITI) on a 30-year, fixed-rate loan, would be $5,920, assuming a 20 percent down payment and an effective composite interest rate of 7.10 percent. The effective composite interest rate was 6.68 percent in first-quarter 2024 and 6.61 percent in second-quarter 2024.

In the second quarter of 2024, the minimum annual income required exceeded $200,000 for the sixth time in seven quarters, setting a new record high. The monthly PITI for a typical single-family home in California also hit a record high, rising by double digits from both the previous quarter and the same quarter last year.

On a year-over-year basis, statewide home prices jumped 9.0 percent from second-quarter 2023, as competition and low inventory applied upward pressure on home prices. As the market moves past the spring home-buying season and transitions to the off season, home prices will likely decline as market competition cools and housing inventory continues to improve. A consistent drop in mortgage rates expected in the coming months will lower borrowing costs and improve affordability for the rest of the year.

The share of California households that could afford a typical condo/townhome in second-quarter 2024 fell to 22 percent, down from 24 percent recorded in the previous quarter and down from the 25 percent recorded in the second quarter of 2023. An annual income of $180,000 was required to make the monthly payment of $4,500 on the $690,000 median-priced condo/townhome in the second quarter of 2024.

Compared with California, about one-third of the nation's households could afford to purchase a $422,100 median-priced home, which required a minimum annual income of $110,000 to make monthly payments of $2,750. Nationwide affordability was down from 36 percent a year ago.

In the second quarter of 2024, the nationwide minimum required annual income was half that of California's for the fifth consecutive quarter.

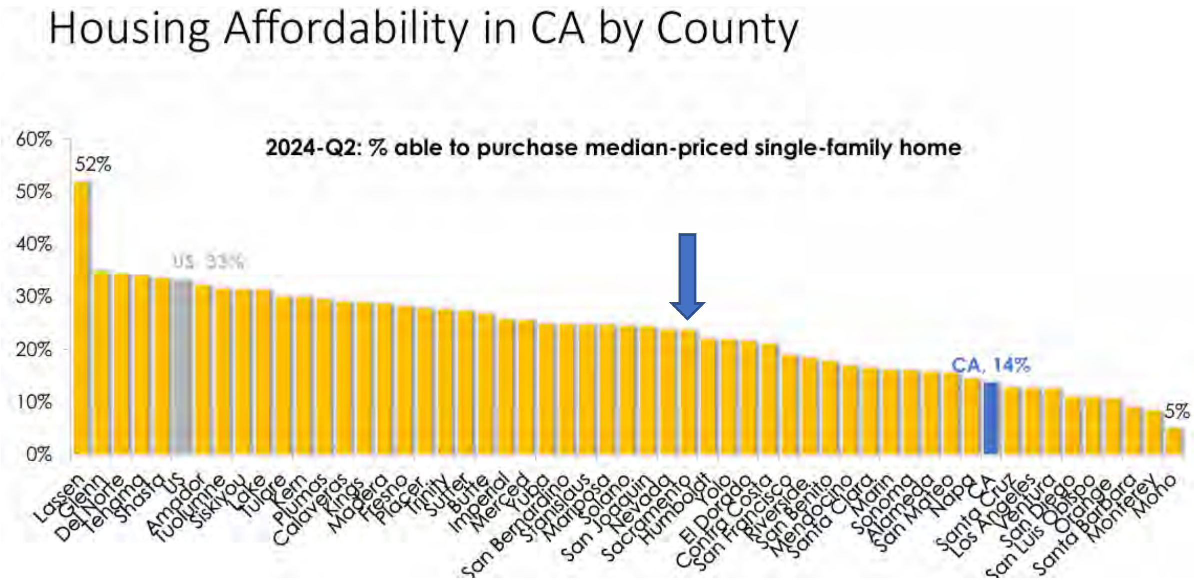
Key points from the second-quarter 2024 Housing Affordability report include:

- When compared to Q124, housing affordability in Q224 declined in 40 counties and remained unchanged in six. Seven counties showed quarter-to-quarter improvement in affordability mainly due to price declines in those counties. When compared to a year ago, six counties registered an improvement in affordability, while 39 counties throughout the state posted a decline on a year-over-year basis, and eight remained unchanged.

- Lassen (52 percent) remained the most affordable county in California, followed by Glenn (35 percent), Del Norte (34 percent), and Tehama (34 percent). Of all counties in California, Lassen continued to have the lowest minimum qualifying income ($65,200) to purchase a median-priced home in in second-quarter 2024.

- Mono (5 percent), Monterey (8 percent), and Santa Barbara (9 percent) were the least affordable counties in California, with each of the counties requiring a minimum income of at least $267,600 to purchase a median-priced home in the respective counties. San Mateo continued to require the highest minimum qualifying income ($574,800) to buy a median-priced home in the second quarter of 2024 and, together with Santa Clara ($524,000), were the only two counties in California with a minimum qualifying income more than $500,000. Marin and San Francisco came in third and fourth, requiring a minimum income of $469,200 and $444,000, respectively.

- Housing affordability declined the most on a year-over-year basis in Plumas, falling nine points from the previous year. Siskiyou recorded the second largest drop in affordability, moving seven percentage points below the same quarter of last year. Merced and Sutter had the third worst drop in affordability, decreasing six percentage points each from a year ago. Despite higher household income, higher home prices and elevated mortgage rates continue to keep housing affordability near its all-time lows across most counties.



As noted, 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 6.25%, 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 1.1438%, direct levies at $396.67 per annum, and CFD charges from $140.75 to $278.33 per month. Revenues are based on current pricing as of the effective date of valuation. 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 SF**	**WAVMOR 4,500 SF**	**CRESTVUE 4,675 SF**	**BLEAU 5,000 SF**	**DRIFTON 5,500 SF**	**V14/20 3,690 SF**
Average Home Size (SF)	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,557 SF	2,923 SF	3,037 SF	1,640 SF
Average Price	$570,240	$619,657	$681,190	$652,990	$679,590	$751,823	$735,657	$528,740
Loan % of Price (LTV)	80%	80%	80%	80%	80%	80%	80%	80%
Loan Amount	$456,192	$495,726	$544,952	$522,392	$543,672	$601,458	$588,526	$422,992
Interest Rate	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Monthly Mortgage Payment*	$2,808.85	$3,052.27	$3,355.36	$3,216.46	$3,347.48	$3,703.28	$3,623.66	$2,604.43
Base Taxes (1.1438) - Monthly	$543.53	$590.64	$649.29	$622.41	$647.76	$716.61	$701.20	$503.98
Direct Levies - Monthly	$33.06	$33.06	$33.06	$33.06	$33.06	$33.06	$33.06	$33.06
HOA	$90.00	$90.00	$90.00	$90.00	$90.00	$90.00	$90.00	$83.50
CFD Charges - Monthly	$188.72	$214.90	$244.70	$235.68	$267.07	$271.40	$295.90	$149.37
Insurance**	$125.00	$125.00	$125.00	$125.00	$125.00	$125.00	$125.00	$125.00
TOTAL PITI	**$3,789.16**	**$4,105.87**	**$4,497.41**	**$4,322.61**	**$4,510.37**	**$4,939.35**	**$4,868.82**	**$3,499.34**
PITI as % of Income	32%	32%	32%	32%	32%	32%	32%	32%
Monthly Income	$11,841.14	$12,830.83	$14,054.40	$13,508.15	$14,094.91	$15,435.48	$15,215.07	$10,935.43
Annual Income	**$142,094**	**$153,970**	**$168,653**	**$162,098**	**$169,139**	**$185,226**	**$182,581**	**$131,225**
Rounded	**$142,000**	**$154,000**	**$169,000**	**$162,000**	**$169,000**	**$185,000**	**$183,000**	**$131,000**

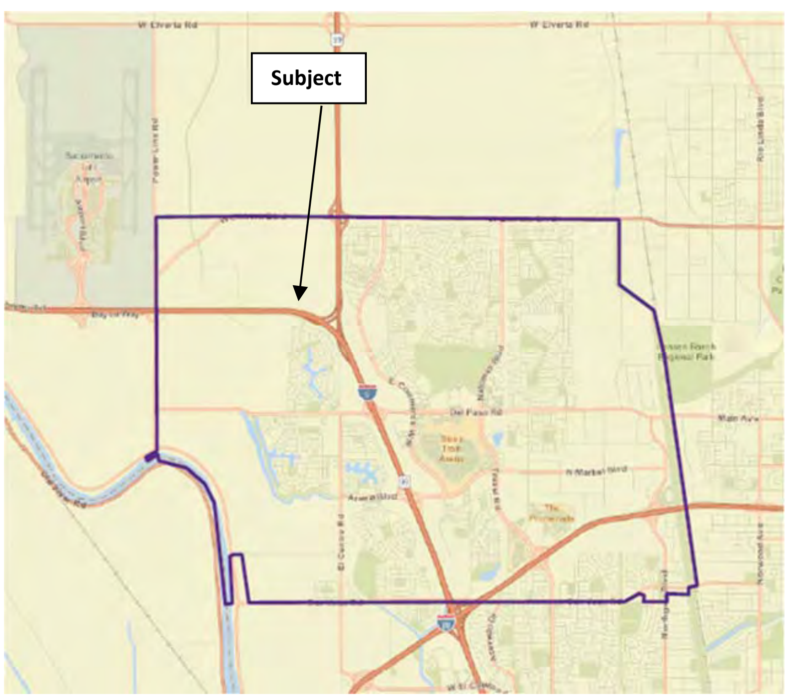
**Based on 30-Year Amtz. At 6.25%

***Based on annual premium of $1,500, includes flood insurance.

According to these calculations, annual income between $131,000 and $185,000 is required to have the ability to afford homes in the subject neighborhood. The overall project average is noted at $160,000 with overall calculations shown below.

PROJECT	**PROJECT**
MIN LOT SIZE	**4,099 SF**
Average Home Size (SF)	2,387 SF
Average Price	$643,455
Loan % of Price (LTV)	80%
Loan Amount	$514,764
Interest Rate	6.25%
Monthly Mortgage Payment*	$3,169.49
Base Taxes (1.1438) - Monthly	$613.32
Direct Levies - Monthly	$33.06
HOA	$89.23
CFD Charges - Monthly	$228.45
Insurance**	$125.00
TOTAL PITI	**$4,258.55**
PITI as % of Income	32%
Monthly Income	$13,307.97
Annual Income	**$159,696**
Rounded	**$160,000**

Income data as developed from Claritas (Demographic based website) for zip codes 95834 and 95835 (North Natomas) was obtained. This is representative of typical buyers (based on income levels) 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 $528,740 to $751,823, as well as the average indicators are shown below. Income is presented in terms of 2024 estimates as well as 2029 projections.

$528,740 HOME (Low)	2024 ESTIMATES			2029 ESTIMATES		
(Min. Income $131,000)	PERCENT	PERCENT	HOUSEHOLDS	PERCENT	PERCENT	HOUSEHOLDS
HOUSEHOLD INCOME	OF HOUSEHOLDS	ABLE TO PAY	ABLE TO PAY	OF HOUSEHOLDS	ABLE TO PAY	ABLE TO PAY
<$15,000	3.66%	0.0%	0.0%	3.26%	0.0%	0.0%
$15,000 - $24,999	4.81%	0.0%	0.0%	4.13%	0.0%	0.0%
$25,000 - $34,999	4.45%	0.0%	0.0%	4.23%	0.0%	0.0%
$35,000 - $49,999	7.77%	0.0%	0.0%	6.77%	0.0%	0.0%
$50,000 - $74,999	10.96%	0.0%	0.0%	10.50%	0.0%	0.0%
$75,000 - $99,999	13.39%	0.0%	0.0%	11.34%	0.0%	0.0%
$100,000 - $124,999	14.11%	0.0%	0.0%	12.50%	0.0%	0.0%
$125,000 - $149,999	11.60%	75.0%	8.7%	11.73%	75.0%	8.8%
$150,000 - $199,999	12.41%	100.0%	12.4%	14.30%	100.0%	14.3%
$200,000 - $249,999	6.76%	100.0%	6.8%	8.17%	100.0%	8.2%
$250,000 - $499,999	7.05%	100.0%	7.1%	8.81%	100.0%	8.8%
>$500,000	3.03%	100.0%	3.0%	4.26%	100.0%	4.3%
TOTALS	**100.0%**		**38.0%**	**100.0%**		**44.3%**
Median Household Income		**$108,672**			**$119,511**	
Average Household Income		**$134,458**			**$149,564**	

$751,823 HOME (High)	2024 ESTIMATES			2029 ESTIMATES		
(Min. Income $185,000)	PERCENT	PERCENT	HOUSEHOLDS	PERCENT	PERCENT	HOUSEHOLDS
HOUSEHOLD INCOME	OF HOUSEHOLDS	ABLE TO PAY	ABLE TO PAY	OF HOUSEHOLDS	ABLE TO PAY	ABLE TO PAY
<$15,000	3.66%	0.0%	0.0%	3.26%	0.0%	0.0%
$15,000 - $24,999	4.81%	0.0%	0.0%	4.13%	0.0%	0.0%
$25,000 - $34,999	4.45%	0.0%	0.0%	4.23%	0.0%	0.0%
$35,000 - $49,999	7.77%	0.0%	0.0%	6.77%	0.0%	0.0%
$50,000 - $74,999	10.96%	0.0%	0.0%	10.50%	0.0%	0.0%
$75,000 - $99,999	13.39%	0.0%	0.0%	11.34%	0.0%	0.0%
$100,000 - $124,999	14.11%	0.0%	0.0%	12.50%	0.0%	0.0%
$125,000 - $149,999	11.60%	0.0%	0.0%	11.73%	0.0%	0.0%
$150,000 - $199,999	12.41%	75.0%	9.3%	14.30%	75.0%	10.7%
$200,000 - $249,999	6.76%	100.0%	6.8%	8.17%	100.0%	8.2%
$250,000 - $499,999	7.05%	100.0%	7.1%	8.81%	100.0%	8.8%
>$500,000	3.03%	100.0%	3.0%	4.26%	100.0%	4.3%
TOTALS	**100.0%**		**26.1%**	**100.0%**		**32.0%**
Median Household Income		**$108,672**			**$119,511**	
Average Household Income		**$134,458**			**$149,564**	

According to income schedules noted above, the affordability ratio is 38.0% for homes priced at $528,740 and is projected to increase to 44.3% as of 2029. This rate drops for homes priced at $751,823 identified at 26.1%, increasing to 32.0% in 2029. On an overall basis, the average price point is $643,455. Essentially, this is for income levels at $160,000 and above. The total schedule of affordability based on the entire project is as follows.

$643,455 HOME (Average)	2024 ESTIMATES			2029 ESTIMATES		
(Min. Income $160,000)	PERCENT	PERCENT	HOUSEHOLDS	PERCENT	PERCENT	HOUSEHOLDS
HOUSEHOLD INCOME	OF HOUSEHOLDS	ABLE TO PAY	ABLE TO PAY	OF HOUSEHOLDS	ABLE TO PAY	ABLE TO PAY
<$15,000	3.66%	0.0%	0.0%	3.26%	0.0%	0.0%
$15,000 - $24,999	4.81%	0.0%	0.0%	4.13%	0.0%	0.0%
$25,000 - $34,999	4.45%	0.0%	0.0%	4.23%	0.0%	0.0%
$35,000 - $49,999	7.77%	0.0%	0.0%	6.77%	0.0%	0.0%
$50,000 - $74,999	10.96%	0.0%	0.0%	10.50%	0.0%	0.0%
$75,000 - $99,999	13.39%	0.0%	0.0%	11.34%	0.0%	0.0%
$100,000 - $124,999	14.11%	0.0%	0.0%	12.50%	0.0%	0.0%
$125,000 - $149,999	11.60%	0.0%	0.0%	11.73%	0.0%	0.0%
$150,000 - $199,999	12.41%	90.0%	11.2%	14.30%	90.0%	12.9%
$200,000 - $249,999	6.76%	100.0%	6.8%	8.17%	100.0%	8.2%
$250,000 - $499,999	7.05%	100.0%	7.1%	8.81%	100.0%	8.8%
>$500,000	3.03%	100.0%	3.0%	4.26%	100.0%	4.3%
TOTALS	**100.0%**		**28.0%**	**100.0%**		**34.1%**
Median Household Income		**$108,672**			**$119,511**	
Average Household Income		**$134,458**			**$149,564**	

The overall affordability ratio for this project generally falls between 26.1% to 38.0% of all households in zip codes 95834 and 95835. The average for the entire project is at 28.0%. This is lower than has been identified in the past few years due to rising interest rates, which could slow sales rates of new homes in this area. Home builders have responded with higher concession levels including financing concessions in order to alleviate some of the burden to homebuyers in response to rising rates.

Currently, economic conditions are stable after being influenced by the inflationary environment. Inflation was at a 40-year high in 2022, and rising interest rates are the main vehicle used to combat rising inflation in all sectors. This impacted the housing market with slower levels of sales and pricing starting to reverse course after two years of high levels of appreciation. While new home sales are showing higher levels of pricing, the rising interest rates will compress affordability ratios and pricing will have to adjust to levels to stimulate sales. Recently, rates were lowered in September 2024.

According to the most recent meeting September 18, 2024 by the Federal Reserve, recent indicators suggest that economic activity has continued to expand at a solid pace. Job gains have slowed, and the unemployment rate has moved up but remains low. Inflation has made further progress toward the Committee’s 2 percent objective but remains somewhat elevated.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. The Committee has gained greater confidence that inflation is moving sustainably toward 2 percent, and judges that the risks to achieving its employment and inflation goals are roughly in balance. The economic outlook is uncertain, and the Committee is attentive to the risks to both sides of its dual mandate.

In light of the progress on inflation and the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/2 percentage point to 4-3/4 to 5 percent. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

As relates to housing, higher interest rates increase the cost of housing by making the mortgage payment greater than at lower interest rates. The Federal Reserve has determined that it needs to act to stem the rise of inflation and has increased interest rates identified as follows.

DATE	FEDERAL FUNDS EFFECTIVE RATE
January 1, 2022	0.08%
April 1, 2022	0.33%
July 1, 2022	1.68%
October 1, 2022	3.08%
January 1, 2023	4.33%
April 1, 2023	4.83%
July 1, 2023	5.12%
October 1, 2023	5.33%
January 1, 2024	5.33%
April 1, 2024	5.33%
July 1, 2024	5.33%

Interest rates have remained stable in the past twelve months. In the recent September meeting, the Federal Funds Rate was lowered to reflect 4.75% to 5.00%. Currently, new homes are selling with builder incentives, in which the builder buys down the interest rate for the first few years, then the rate adjusts to market. Buyers are purchasing homes with these concessions in the anticipation of refinancing their mortgages when rates are lower. Still, recent reductions in the Federal Funds rate will likely flow to the housing market with lower interest rates and having positive impact on demand.

Affordability calculations were based on a pessimistic viewpoint with rates at elevated levels. There is potential for lower interest rates in the foreseeable future (6 to 12 months), which would escalate affordability ratios. As rates stabilize, the affordability rate is expected to rise as income levels are projected to increase in the next 5 years.

Looking forward, C.A.R. released their 2025 California Housing Market Forecast on September 25, 2024. California home sales and price are projected to increase as buyers and sellers return to the market, enticed by lower interest rates and better housing supply conditions.

- Existing, single-family home sales are forecast to total 304,400 units in 2025, an increase of 10.5 percent from 2024's projected pace of 275,400.

- California's median home price is forecast to climb 4.6 percent to $909,400 in 2025, following a projected 6.8 percent increase to $869,500 in 2024 from 2023's $814,000.

- Housing affordability is expected to remain stable at 16 percent next year after slipping to a projected 16 percent in 2024 from 17 percent in 2023.

A more favorable interest rate environment that will loosen up the “lock-in” effect and improve housing inventory will encourage buyers and sellers to return to the market to boost both home sales and prices next year, according to a housing and economic forecast released by C.A.R.

The baseline scenario of C.A.R.’s “2025 California Housing Market Forecast” sees an increase in existing single-family home sales of 10.5 percent next year to reach 304,400 units, up from the projected 2024 sales figure of 275,400. The projected 2024 figure is 6.8 percent higher compared with the pace of 257,900 homes sold in 2023.

The California median home price is forecast to rise 4.6 percent to $909,400 in 2025, following a projected 6.8 percent increase to $869,500 in 2024 from $814,000 in 2023. A persistent housing shortage and a competitive housing market will continue to put upward pressure on home prices next year.

“An increase in homes for sale, along with lower borrowing costs, is expected to entice more buyers and sellers to enter the market in 2025,” said C.A.R. President Melanie Barker. “Demand will grow as we start the year with the lowest interest rates in more than two years, particularly for first-time buyers. Meanwhile, would-be home sellers, held back by the "lock-in effect," will have more flexibility to pursue a home that better suits their needs as mortgage rates continue to decline.”

C.A.R.’s 2025 forecast predicts the U.S. gross domestic product to slip to 1.1% in 2025, after a projected increase of 1.9% in 2024. With California’s 2025 nonfarm job growth rate at 1.1%, down from a projected 1.5% in 2024, the state’s unemployment rate will inch up to 5.6% in 2025 from 2024’s projected rate of 5.4%.

Inflation will moderate further over the next 12 months, with the CPI registering an annual average of 2.0% in 2025, down from 2.9% in 2024. As such, the average 30-year, fixed mortgage interest rate will decline from 6.6% in 2024 to 5.9% in 2025. While next year’s projected average for the 30-year fixed mortgage interest rate will be higher than the levels observed in the few years prior to the pandemic, it will still be lower than the long-run average of nearly 8% in the past 50 years.

Housing supply conditions will continue to improve next year, but a moderate increase rather than a surge in active listings should be expected in 2025. In the next 18 months, interest rates will decline, the lock-in effect will loosen up further, and more properties will be released onto the market. Homeowners who have delayed moving and investors who have been waiting for a market bounce-back will put their properties up on the market as they see the rising trend in home prices as an opportunity to sell. While supply in 2025 will remain below the norm by historical standards, active listings will increase slightly above 10% as market conditions and lending environment continue to improve.

“Although inventory is expected to loosen as rates ease, demand will also increase with lower mortgage rates and limited housing supply, which will push home prices higher next year,” said C.A.R. Senior Vice President and Chief Economist Jordan Levine. “Price growth is expected to be slower, but the housing shortage will keep the market competitive outside of big economic shocks, so prices will still rise. Assuming a healthy economy in 2025 that slows but does not shrink, home prices should rise modestly across California, with the state’s median price climbing 4.6 percent to reach $909,400 in 2025.”

Regional Housing Trends

The Sacramento housing market is stabilizing after periods of an inflationary environment and rising interest rates in the past two years. With interest rates remaining flat in the past 9-12 months, home prices started to increase. With recent reductions in interest rates, pricing will likely increase. 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 AUG 2022	MEDIAN PRICE AUG 2023	MEDIAN PRICE AUG 2024	%Δ 22-24	%Δ 23-24
Yolo	$631,000	$622,500	$620,960	-1.6%	-0.2%
El Dorado	$627,000	$657,000	$650,000	3.7%	-1.1%
Placer	$649,000	$669,000	$675,000	4.0%	0.9%
Sacramento	$535,000	$535,000	$559,000	4.5%	4.5%
CALIFORNIA	**$834,740**	**$859,670**	**$888,740**	**6.5%**	**3.4%**

Home prices in the Sacramento Region have mostly improved since August 2022. Changes over the past 12 months reflect changes in pricing from (1.1%) to 4.5%. This information is showing increasing pricing at higher overall interest rates than compared to 2022 and into 2023.

Monthly changes in pricing over the past year for these counties, as well as California on an overall basis as derived from the California Association of Realtors are noted below. Home prices are shown in terms of median price.

MON-YR.	CA	EL DORADO	PLACER	SACRAMENTO	YOLO
July-23	$832,340	$650,000	$660,000	$547,000	$625,000
August-23	$859,800	$657,000	$669,000	$535,000	$622,500
September-23	$843,340	$685,000	$665,000	$545,000	$608,640
October-23	$840,360	$660,000	$685,000	$550,000	$629,900
November-23	$822,200	$650,000	$659,000	$522,290	$620,000
December-23	$819,740	$660,000	$633,020	$535,000	$630,000
January-24	$788,940	$650,000	$620,000	$515,000	$600,360
February-24	$806,490	$647,500	$650,000	$530,000	$918,940
March-24	$854,490	$677,000	$659,000	$530,000	$635,830
April-24	$904,910	$757,000	$671,740	$548,580	$615,000
May-24	$908,040	$699,000	$675,000	$555,000	$653,980
June-24	$900,720	$709,000	$685,000	$560,000	$649,500
July-24	$886,560	$695,000	$670,000	$560,000	$610,000
August-24	$888,740	$650,000	$675,000	$559,000	$620,960

Pricing characteristics are noted above since August 2023 Overall pricing dropped in the latter half of 2023, but indicators for 2024 show increasing pricing.

Current levels of inventory are stable. The following table shows the total number of homes sold in each county according to Metrolist since 2018. Home prices are shown in terms of median price.

COUNTY	2018	2019	2020	2021	2022	2023	2024	ACTIVE*
Sacramento	19,112	18,410	18,155	19,344	15,142	11,317	8,729	2,143
Placer	6,174	6,213	6,805	7,006	5,615	4,618	3,661	1,032
El Dorado	2,815	2,616	3,381	3,329	2,502	1,893	1,446	670
Yolo	1,757	1,783	1,799	2,076	1,589	1,298	1,039	278
Totals	**29,858**	**29,022**	**30,140**	**31,755**	**24,848**	**19,126**	**14,875**	**4,123**
COUNTY	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**ACTIVE**
Sacramento	$354,500	$366,975	$410,000	$480,304	$520,000	$510,000	$530,000	$575,000
Placer	$470,000	$489,500	$520,000	$625,000	$669,447	$642,375	$650,000	$721,450
El Dorado	$497,500	$495,000	$525,000	$621,000	$650,000	$630,000	$659,000	$732,500
Yolo	$429,000	$449,000	$475,000	$550,000	$600,000	$599,000	$614,173	$649,500
MEDIAN SF	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**ACTIVE**
Sacramento	1,523	1,542	1,561	1,539	1,532	1,557	1,575	1,683
Placer	2,000	2,004	2,021	2,020	2,010	2,040	1,996	2,244
El Dorado	2,048	2,085	2,088	2,096	2,034	2,050	2,022	2,200
Yolo	1,590	1,640	1,685	1,607	1,633	1,726	1,710	1,902
MEDIAN $/SF	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**ACTIVE**
Sacramento	$232.76	$237.99	$262.65	$312.09	$334.67	$327.55	$333.60	$332.25
Placer	$235.00	$244.26	$257.30	$309.41	$342.72	$314.89	$342.98	$342.66
El Dorado	$242.92	$237.41	$251.44	$296.28	$324.71	$307.32	$326.70	$333.99
Yolo	$269.81	$273.78	$281.90	$342.25	$364.49	$347.05	$356.61	$363.20

Source: Metrolist, *Active & 2024 information processed as of September 25, 2024

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	2023 PRICING	2024 PRICING	% CHANGE	ACTIVE INVENTORY	SALES RATE/ TOTAL INVENTORY
Sacramento	$510,000	$530,000	3.9%	2,143	998/Mo. – 2.1 Months
Placer	$642,375	$650,000	1.2%	1,032	418/Mo. – 2.5 Months
El Dorado	$630,000	$659,000	4.6%	670	156/Mo. – 4.1 Months
Yolo	$596,050	$614,173	1.6%	278	119/Mo. – 2.3 Months
Totals				**4,123**	**1,700/Mo. – 2.4 Months**

Source: Metrolist,*Active information processed as of September 25, 2024

The median home price is trending upward in most counties. Sacramento County is 3.9% above the annualized average for 2023. Inventory levels in the resale market are stable with 4,123 homes on the market as of September 25, 2024, representing approximately 2.4 months of inventory.

The housing market in the local area is examined. 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	1,135	$420,000	1,849	$227.15	6.3%	$429,104	1,915	$224.08	7.5%
2021	1,229	$519,000	1,811	$286.58	26.2%	$522,302	1,904	$274.32	22.4%
2022	923	$555,000	1,786	$310.75	8.4%	$561,405	1,873	$299.74	9.3%
2023	622	$522,000	1,764	$291.12	-6.3%	$536,346	1,855	$297.85	-0.6%
2024	462	$535,000	1,761	$300.42	3.2%	$542,812	1,832	$306.09	2.8%
Active	106	$532,450	1,715	$311.32		$554,242	1,854	$312.20	

Source: Metrolist. YTD information as of September 25, 2024.

Residential values have escalated in the immediate area. This is measured through price per square foot characteristics. The main jump was from 2012 to 2013 as the median price increased 30.5% and the average price increased 30.1%. Interest rates were trending downward at this time and the overall market gained momentum at this time. The median price increased from 3.4% to 13.5%, per annum since this time through the end of 2020. Average prices increased 3.5% to 14.2% over the same time frame. However, the market escalated again in 2021 with median pricing showing 26.2% year-over-year increases and average pricing showing 8.4% year-over-year increases.

Pricing dropped in 2022 with rising interest rates. The median price per square foot dropped 6.3%, whereas the average price per square foot dropped 0.6%. Year-to-date indicators for 2024 shows increased pricing in both sectors with both median and average pricing near 2022 levels.

Monthly sales totals for 2023 and 2024 for Zip Codes 95834 and 95835 are noted as follows. It is based on the past 12 months.

MONTH	#	MEDIAN PRICE	MEDIAN SF	MEDIAN $/SF	% CHANGE	AVG. PRICE	AVG. SF	AVG. $/SF	% CHANGE
Oct. 23	56	$546,000	1,815	$291.84	--	$529,383	1,821	$299.43	--
Nov. 23	32	$520,000	1,817	$299.96	2.8%	$547,118	1,831	$303.58	1.4%
Dec. 23	36	$527,500	1,681	$293.31	-2.2%	$511,339	1,809	$293.50	-3.3%
Jan. 24	40	$512,500	1,804	$282.97	-3.5%	$506,136	1,824	$283.43	-3.4%
Feb. 24	43	$545,000	1,845	$299.11	5.7%	$548,209	1,850	$306.01	8.0%
Mar. 24	44	$544,000	1,740	$300.31	0.4%	$535,475	1,807	$302.11	-1.3%
Apr. 24	48	$529,750	1,722	$293.52	-2.3%	$550,926	1,857	$308.87	2.2%
May 24	63	$540,000	1,717	$304.00	3.6%	$551,747	1,853	$307.46	-0.5%
June 24	57	$545,000	1,823	$303.48	-0.2%	$552,226	1,877	$302.30	-1.7%
July 24	50	$525,000	1,676	$306.42	1.0%	$523,804	1,715	$316.35	4.6%
Aug. 24	68	$552,000	1,750	$310.26	1.3%	$550,242	1,710	$314.26	-0.7%
Sept.-24	47	$550,000	1,804	$298.19	-3.9%	$561,636	1,925	$303.40	-3.5%
Active	106	$532,450	1,715	$311.32		$554,242	1,854	$312.20	

Source: Metrolist. YTD information as of September 25, 2024.

September 2024 indicators tend to point to a price per square foot of approximately $298 to $303. The current inventory of homes on the market is 106 homes, which reflects 2.0 months of existing supply (the pace of sales to liquidate current inventory) based on the 2024 rate of sales.

By way of comparison to the price points identified in the resale market, the following table summarizes current pricing for the subject project.

PROJECT	MIN LOT SIZE (SF)	AVERAGE BASE PRICE (NET)	AVERAGE SIZE (SF)	PRICE/SF
Shor	2,768 SF	**$570,240**	1,982	$288
Lakelet	3,690 SF	**$619,657**	2,233	$277
Watersyde	4,000 SF	**$681,190**	2,650	$257
Wavmor	4,500 SF	**$652,990**	2,484	$263
Crestvue	4,675 SF	**$679,590**	2,557	$266
Bleau	5,000 SF	**$751,823**	2,923	$257
Drifton	5,500 SF	**$735,657**	3,037	$242
V14/20	3,690 SF	**$528,740**	1,640	$322
TOTALS	**4,099 SF**	**$643,455**	**2,387**	**$270**

Price per square foot references for the subject project show an overall range from $242 to $322 per square foot. The overall project average is identified at $270 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 indicators near $300 per square foot. The table on the following page shows current base prices as of the effective date of valuation.

PROJECT	# Units Lot Size	BASE PRICE	CONCESSIONS	NET BASE PRICE	SF	$/SF
SHOR	193	$549,990	($10,000)	$539,990	1,774	$304.39
	2,788 SF	$572,990	($10,000)	$562,990	1,945	$289.46
		$593,990	($10,000)	$583,990	2,018	$289.39
		$603,990	($10,000)	$593,990	2,190	$271.23
AVERAGE		**$580,240**	**($10,000)**	**$570,240**	**1,982**	**$288**
LAKELET	173	$610,990	($10,000)	$600,990	2,114	$284.29
	3,690 SF	$626,990	($10,000)	$616,990	2,223	$277.55
		$650,990	($10,000)	$640,990	2,362	$271.38
AVERAGE		**$629,657**	**($10,000)**	**$619,657**	**2,233**	**$277**
WATERSYDE	153	$650,990	($10,000)	$640,990	2,307	$277.85
	4,000 SF	$661,990	($10,000)	$651,990	2,469	$264.07
		$696,990	($10,000)	$686,990	2,704	$254.06
		$716,990	($10,000)	$706,990	2,804	$252.14
		$728,990	($10,000)	$718,990	2,968	$242.25
AVERAGE		**$691,190**	**($10,000)**	**$681,190**	**2,650**	**$257**
WAVMOR	163	$640,990	($10,000)	$630,990	2,134	$295.68
	4,500 SF	$646,990	($10,000)	$636,990	2,394	$266.08
		$672,990	($10,000)	$662,990	2,620	$253.05
		$690,990	($10,000)	$680,990	2,786	$244.43
AVERAGE		**$662,990**	**($10,000)**	**$652,990**	**2,484**	**$263**
CRESTVUE	138	$601,990	($10,000)	$591,990	1,789	$330.91
	4,675 SF	$664,990	($10,000)	$654,990	2,268	$288.80
		$691,990	($10,000)	$681,990	2,679	$254.57
		$729,990	($10,000)	$719,990	2,869	$250.96
		$758,990	($10,000)	$748,990	3,178	$235.68
AVERAGE		**$689,590**	**($10,000)**	**$679,590**	**2,557**	**$266**
BLEAU	110	$665,990	($10,000)	$655,990	2,150	$305.11
	5,000 SF	$707,990	($10,000)	$697,990	2,727	$255.96
		$753,990	($10,000)	$743,990	2,977	$249.91
		$777,990	($10,000)	$767,990	3,046	$252.13
		$807,990	($10,000)	$797,990	3,180	$250.94
		$856,990	($10,000)	$846,990	3,460	$244.79
AVERAGE		**$761,823**	**($10,000)**	**$751,823**	**2,923**	**$257**
DRIFTON	108	$681,990	($10,000)	$671,990	2,282	$294.47
	5,500 SF	$711,990	($10,000)	$701,990	2,964	$236.84
		$746,990	($10,000)	$736,990	3,104	$237.43
		$738,990	($10,000)	$728,990	3,135	$232.53
		$786,990	($10,000)	$776,990	3,312	$234.60
		$806,990	($10,000)	$796,990	3,425	$232.70
AVERAGE		**$745,657**	**($10,000)**	**$735,657**	**3,037**	**$242**
V14/20	139	$519,990	($10,000)	$509,990	1,454	$350.75
	3,690 SF	$529,990	($10,000)	$519,990	1,568	$331.63
		$541,990	($10,000)	$531,990	1,631	$326.17
		$562,990	($10,000)	$552,990	1,907	$289.98
AVERAGE		**$538,740**	**($10,000)**	**$528,740**	**1,640**	**$322**

New Home Characteristics

The average price of a new home ranges from $513,560 (Yuba County) to $930,555 (El Dorado County) in the Sacramento region. According to the Gregory Group (New Housing Trends), 2nd Quarter 2024, the historic average pricing for the Sacramento region is identified on the following table. It is clearly noted that this level of pricing is based on gross pricing, prior to incentives.

COUNTY	2Q 2022	2Q 2023	2Q 2024	%Δ 22-24	%Δ 23-24
El Dorado County	$925,316	$986,100	$930,555	0.6%	-5.6%
Placer County	$731,952	$755,823	$805,069	10.0%	6.5%
Sacramento County	$734,765	$690,152	$686,964	-6.5%	-0.5%
Sutter County	$462,262	$579,565	$606,209	31.1%	4.6%
Yolo County	$671,035	$649,916	$675,377	0.6%	3.9%
Yuba County	$516,926	$488,575	$513,560	-0.7%	5.1%
REGIONWIDE	**$725,889**	**$710,853**	**$724,717**	**-0.2%**	**2.0%**

Pricing changes from 2022 to 2024 (2nd Quarter), as well as changes over the past year are identified on the table above. This information shows that pricing has decreased in the entire region by 0.2% since the 2nd Quarter of 2022. Year-over-year regionwide changes increased by 2.0%. This shows pricing is nearing levels experienced in 2nd quarter 2022, when interest rates were lower.

There were between 7,790 and 8,099 sales identified in the region from 2020 to 2021. The new home market escalated during Covid-19 and low interest rates. These levels dropped in 2022 with rising inflation and increases in interest rates to 5,568 sales. Home buyers adjusted to these interest rates and 2023 produced 7,019 total sales. Sales for 2024 are identified at 4,363 sales based on total sales through the first half of 2024. These elements are identified as follows.

COUNTY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
El Dorado County	183	351	559	637	328	259	417	358	228	271	161
Placer County	1,048	1,503	1,643	1,866	1,676	1,592	2,300	2,958	2,170	2,571	1,336
Sacramento County	1,258	1,793	2,327	2,540	2,674	3,220	3,885	3,859	2,557	3,351	2,219
Sutter County	8	13	27	92	109	92	452	102	53	33	36
Yolo County	169	199	409	464	278	505	312	432	196	434	342
Yuba County	73	127	122	54	169	328	424	390	364	359	269
REGIONWIDE	**2,739**	**3,986**	**5,087**	**5,653**	**5,234**	**5,996**	**7,790**	**8,099**	**5,568**	**7,019**	**4,363**

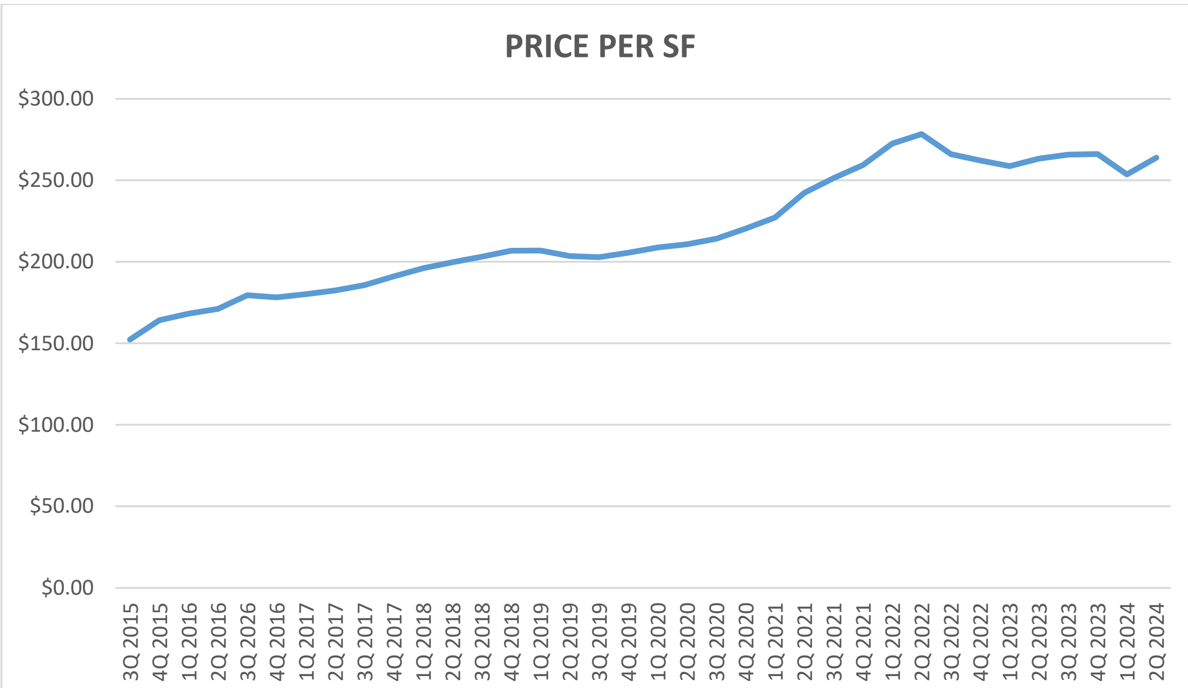
Source: The Gregory Group, 2nd Quarter 2024

The subject property is located in the Sacramento County market area. New home sales dropped 33.7% in 2022 as compared to levels identified in 2021. Total sales in 2023 were 31.1% above levels in 2022 and in 2024, 2,219 new homes were sold in Sacramento County. This is approximately 66.2% of the total sales noted in 2023, however, 2024 information is based on the first two quarters. By way of comparison, 1,690 new homes were sold in the first half of 2023, and year-to-date sales are 31.3% higher in 2024.

Historically, the Natomas area has captured between 7.7% and 11.0% of all new home sales in the Sacramento region between 2020 and 2023. This dropped in 2024 to 3.0% and 3.1% based on sales information through the 2nd quarter of 2024. This is a function of available projects in this region as of the effective date of valuation as this community is nearing build-out.

Natomas New Home Trends

The North Natomas area includes 10 new home developments. According to information compiled by The Gregory Group (2Q 2024), these projects demonstrate an average net price of $647,884 with the average square footage identified at 2,455 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	Unoffered 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 2026	14	3,382	1,892	$339,602	$179.49	123	71	1103	2.7/Mo.	3.2/Mo.
4Q 2016	15	3,333	1,913	$340,802	$178.15	156	127	1174	3.2/Mo.	4.1/Mo.
1Q 2017	16	3,511	1,935	$348,587	$180.15	211	86	1084	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	1054	4.0/Mo.	3.4/Mo.
2Q 2020	18	3,038	1,898	$400,034	$210.77	170	132	1044	2.9/Mo.	3.3/Mo.
3Q 2020	17	3,096	1,866	$399,525	$214.11	260	55	955	4.1/Mo.	4.0/Mo.
4Q 2020	13	3,050	1,837	$404,813	$220.37	179	55	888	4.2/Mo.	4.1/Mo.
1Q 2021	20	3,825	2,184	$496,069	$227.14	281	45	1848	4.3/Mo.	4.7/Mo.
2Q 2021	19	3,927	2,231	$540,511	$242.27	237	33	1633	3.8/Mo.	4.1/Mo.
3Q 2021	18	3,983	2,252	$565,987	$251.33	195	22	1449	3.3/Mo.	3.8/Mo.
4Q 2021	17	4,065	2,300	$596,465	$259.33	90	26	1263	3.3/Mo.	3.7/Mo.
1Q 2022	16	4,065	2,365	$644,454	$272.50	222	49	1018	3.9/Mo.	4.3/Mo.
2Q 2022	16	4,065	2,365	$658,450	$278.41	138	65	831	3.7/Mo.	2.6/Mo.
3Q 2022	16	4,065	2,365	$629,226	$266.06	64	74	759	3.4/Mo.	1.2/Mo.
4Q 2022	16	4,065	2,365	$620,025	$262.17	55	90	690	2.9/Mo.	2.5/Mo.
1Q 2023	15	4,250	2,396	$619,787	$258.68	173	535	72	3.8/Mo.	2.4/Mo.
2Q 2023	14	4,250	2,433	$640,611	$263.30	159	378	55	3.8/Mo.	2.7/Mo.
3Q 2023	13	4,250	2,482	$659,527	$265.72	109	290	34	2.8/Mo.	3.1/Mo.
4Q 2023	12	4,250	2,519	$670,421	$266.15	100	282	29	2.8/Mo.	3.8/Mo.
1Q 2024	10	3,911	2,508	$636,019	$253.60	71	23	1,163	2.8/Mo.	2.2/Mo.
2Q 2024	9	3,921	2,455	$647,884	$263.90	63	26	1,236	3.1/Mo.	2.2/Mo.

The Natomas submarket has re-emerged as a primary housing area of the Sacramento region. Net pricing dropped in 3Q 2022 as the result of average incentives at $21,172 per project, however pricing in 4Q 2023 increased to an average net price of $670,421. This dropped slightly in Q1 2024. In addition, inventory levels increased in the past quarter as the subject property (Phase 2 – Northlake) were included in the individual projects.

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%	113	189.4%
TOTALS	**1,018**	**2,540**	**40.1%**	**4,673**	**21.8%**
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%
4Q 2020	179	1,239	14.4%	2,368	7.6%
TOTALS	**835**	**3,885**	**21.5%**	**7,790**	**10.7%**
1Q 2021	281	1,173	24.0%	2,676	10.5%
2Q 2021	237	1,015	23.3%	2,143	11.1%
3Q 2021	195	747	26.1%	1,473	13.2%
4Q 2021	181	924	19.6%	1,807	10.0%
TOTALS	**894**	**3,859**	**23.2%**	**8,099**	**11.0%**
1Q 2022	222	1,164	19.1%	2,356	9.4%
2Q 2022	138	744	18.5%	1,580	8.7%
3Q 2022	64	296	21.6%	792	8.1%
4Q 2022	55	366	15.0%	823	6.7%
TOTALS	**479**	**2,570**	**18.6%**	**5,551**	**8.6%**
1Q 2023	173	745	23.2%	1,782	9.7%
2Q 2023	159	945	16.8%	1,910	8.3%
3Q 2023	109	867	12.6%	1,929	5.7%
4Q 2023	100	794	12.6%	1,398	7.2%
TOTALS	**541**	**3,351**	**16.1%**	**7,019**	**7.7%**
1Q 2024	71	1,220	5.8%	2,355	3.0%
2Q 2024	63	999	6.3%	2,008	3.1%

The Natomas sub-market has shown annualized sales between 479 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. Sales for 2021 show 894 total sales, which dropped in 2022 to 479 sales. Information thorough 2024 shows 134 sales. However, this is primarily due to the sales of most homes in Northlake Phase 1. This portion of the project generally north of the subject is nearing build out. While some homes are under construction in the subject (Northlake – Phase 2), it will take a few months for model homes to be operational in this project area. Once completed, sales levels are expected to rise once again in this community, as well as Natomas on an overall basis.

Sales in the Northlake project are following suit. Initial homes for Northlake (Greenbriar Improvement Area 1) which include 1,137 homes commenced offering sales in January 2021. Through 2Q 2024, 1,095 homes sold in the project, which equates to an average absorption of 3.2 sales per month, per project (8 total). The following table summarizes sales activity in this community. Current pricing is reported as of the effective date of valuation.

PROJECT	LOT SIZE (SF)	PLAN SIZE (SF)	NET BASE PRICE	TOTAL PLANNED	TOTAL SOLD	INVENTORY	AVERAGE
Alta	3,403 SF	2,632-3,940	Sold Out	116	116	0	5.5/Mo.
Bleau	5,000 SF	2,150-3,460	$655,990 - $846,990	348	191	157	4.1/Mo.
Crestvue	4,675 SF	1,797-3,178	$591,990 - $748,990	235	99	136	2.2/Mo.
Drifton	5,500 SF	2,282-3,425	$671,990 - $796,990	236	131	105	3.0/Mo.
Lakelet	3,690 SF	2,114-2,360	$600,990 - $640,990	307	138	169	3.1/Mo.
Shor	2,788 SF	1,774-2,190	$539,990 - $593,990	337	143	194	3.2/Mo.
Watersyde	4,000 SF	2,307-2,968	$640,990 - $718,990	276	129	147	2.9/Mo.
Wavmor	4,500 SF	2,134-2,786	$630,990 - $680,990	320	148	172	3.3/Mo.
V14/20	3,690 SF	1,454-1,907	$509,990 - $552,990	139	3	136	N.A
TOTALS				**2,314**	**1,098**	**1,216**	

Overall pricing of homes in this project ranges from $509,990 to $846,990. All of these projects are well received, which bodes well for the subject lots as they will reflect a continuation of these existing projects. Concession levels identified for this project are based on standing inventory homes. It is noted that the pricing reported above is the net pricing, or the overall pricing net of $10,000 in concessions.

Total inventory levels noted above now reflect portions of the subject project. The total unit count for Phase 1 of this project is identified at 1,137 homes with 1,095 sold (excluding the 3 sales in V14/20) or remaining inventory of 42 lots. This correlates with the total number of lots for the project bringing the lot count for Northlake to 2,314 lots (1,137 Lots – Phase 1 + 1,177 Lots – Phase 2).

SUPPLY CONSTRAINTS

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. This is allocated among projects outside of Northlake, as well as the individual projects within the Northlake community based on information as of 2Q 2024.

PROJECT	# OF LOTS	TOTAL SOLD	INVENTORY	PROJECT TYPE	LOT SIZE	# LOTS SHORT-TERM
NATOMAS PROJECTS						
Northpoint Reserve	48	2	46	Detached	1,449 SF	46
TOTALS - NATOMAS PROJECTS	**48**	**2**	**46**			**46**
NORTHLAKE PROJECTS						
Alta	116	116	0	Detached	6,600 SF	0
Bleau	348	191	157	Detached	5,000 SF	157
Crestvue	235	99	136	Detached	4,675 SF	136
Drifton	236	131	105	Detached	5,500 SF	105
Lakelet	307	138	169	Detached	3,690 SF	169
Shor	337	143	194	Detached	2,788 SF	194
Watersyde	276	129	147	Detached	4,000 SF	147
Wavmor	320	148	172	Detached	4,500 SF	172
V14/20	139	3	136	Detached	3,690 SF	136
TOTALS - NORTHLAKE PROJECTS	**2,314**	**1,098**	**1,216**			**1,216**
OVERALL TOTALS	**2,362**	**1,100**	**1,262**			**1,262**

Currently, total supply as of 2Q 2024 is comprised of 1,262 lots in existing projects. This includes 39 lots identified in Phase 1 of Northlake, as well as the 1,177 lots which comprise the subject of this report. The remaining 46 lots are in Northpoint Reserve, which just opened in April 2024.

Long-term, there are numerous lots identified for future development in Natomas. They 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	Project has Specific Plan Approval. Development is several years in the future And will be over a 20-30 year buildout. Located In southern Sutter County, west of Placer County.
Panhandle	Various	409	295.4	1.4	Project includes tentative map and could begin Construction in the next several years. Located North of Del Paso Road, west of Sorrento Road
Panhandle	TPG	810	187.5	4.3	Project includes tentative map and could begin sales in the coming year. Project is located north of Del Paso Road and west of Sorrento Road.
Panhandle	MLC Holdings	443	106.5	4.2	Project includes tentative map and could begin sales in the coming year. Project is located North of Del Paso Road and west of Sorrento Road.
Valley View	Avdis	248	41.4	6.0	In the planning stages located east of The Panhandle Project.
Innovation District	Argent Development	1,228	23.2	53.2	Project is in the planning stages and includes 39,000 SF of retail and 180,000 SF of office space.
Life District	Argent Development	1,246	60.9	20.5	Project is in the planning stages and also includes 15,000 square feet of retail, 120,000 SF of office space and 120,000 SF of hotel/commercial space.
Totals		**31,115**	**10,309.1**	**3.0**	

The immediate area includes approximately 31,115 potential lots for future, long-term development.

The Upper Westside project is not close to development in the immediate future and could take several years prior to an initial phase brought to market. Still, over 50% of the units in this project are high density or very high density. Sutter Pointe is beyond the development horizon of the subject and not a competitor to this project. Both Innovation District and Life District are in the planning stages and a few years out for development activity. These projects offer a higher density lifestyle not highly competitive to the subject. The most viable projects which could provide competition to the subject include the 1,662 units in Panhandle.

The Railyards development is future competition for the subject which is a 187.32-AC mixed use development project comprising 6,000 residential units, including 1,375 for sale units, as well as 895,360 square feet of retail space and more. This project is on the fringe of Downtown Sacramento and will cater to a differ buyer pool.

While future supply for the Natomas sub-market is abundant, these projects are not highly competitive to the subject project. Most competition to the subject project is likely the lots from Panhandle. Still, this project lacks the exposure and location as the subject project as it is oriented approximately 2 miles east of State Highway 99, and accessed from either Del Paso Road or W. Elkhorn Boulevard. Furthermore, it is several miles east of the subject property and will likely be its own submarket.

Overall, supply elements show long term potential growth for the Natomas sub-market. Supply elements appear in balance with demand generators as of the effective date of valuation. While there are numerous lots in the immediate horizon, the subject has advantageous position of being the second phase of a very successful community.

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 10 projects in this sub-market. This includes the Artisan and Edgeview Projects by Beazer Homes Both of these homes are sold out and not viewed as a competitive project. The remaining projects includes seven projects in Northlake Phase 1, as well as Northpointe Reserve, which opened for sale in April 2024. The overall proximity of these projects relative to the subject property is identified as follows.

COMPETING PROJECTS

Project 1 – Alta

Project 2 - Bleau

Project 3 – Crestvue

Project 4 – Drifton

Project 5 –Lakelet

Project 6 – Shor

Project 7 – Watersyde **Project 8 – Wavmor**

Project 9 – Northpointe Reserve

PROJECT 1 – ALTA

This is a large lot project in the Northlake MPC by Lennar Homes. It opened for sale in January 2021. Current pricing characteristics as provided from the Gregory Group are noted as follows. It is noted that this information is as of 4Q 2023 as this project has sold out.

PROJECT INFORMATION / **AT A GLANCE**

Project Name	Alta	**Average Price**	$884,240	**Qtr Sold**	3
Region	Sacramento	**Average Sq Ft**	3,402	**Qtr WSR**	0.23
County	Sacramento	**Total Inventory**	0	**Tot WSR**	0.76
Community	Natomas	**Standing Inventory**	0	**Avg Incentives**	$5,000
Master Plan	Northlake	**Open Date**	01/23/21	**Survey Date**	1/1/24
Age Restricted	No	**Developer Name**	Lennar Homes	**Special Tax per Month**	$326.00
Project Phone	(916) 304-9711	**Developer Phone**		**HOA per Month**	$88.00
Sales Office Hours	N/A	**Product Type**	Detached	**Broker Coop**	0
		Type Description	Traditional	**Special Incentives**	$0
GPS Coordinates	N : 38.683199 W : 121.546483	**Lot Size**	6,600	**Project Density**	
Cross Street		**Lot Dimension**	60 x 110	**Model/Trailer**	N/A
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
	2,632	$782,990	$297.49	$5,000	$777,990	$295.59	4	3	1	3	None
	3,391	$915,990	$270.12	$5,000	$910,990	$268.65	5	4	2	3	Bonus
	3,647	$897,990	$246.23	$5,000	$892,990	$244.86	4	4	2	3	None
	3,940	$939,990	$238.58	$5,000	$934,990	$237.31	4	4	2	3	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 4/23	116	116	116	3	0	0	0	5	0.76	0.23	$884,240	0.00
Qtr 3/23	116	116	113	4	3	0	3	20	0.81	0.31	$884,240	0.00
Qtr 2/23	116	113	109	17	7	3	4	25	0.86	1.31	$884,240	0.84
Qtr 1/23	116	95	92	8	24	21	3	20	0.81	0.62	$876,909	4.74
Qtr 4/22	116	91	84	1	32	25	7	20	0.83	0.08	$837,240	-6.27
Qtr 3/22	116	86	83	7	33	30	3	15	0.94	0.54	$893,240	2.64
Qtr 2/22	116	78	76	16	40	38	2	10	1.03	1.23	$870,240	4.03
Qtr 1/22	116	60	60	12	56	56	0	10	0.98	0.92	$836,490	5.65
Qtr 4/21	116	48	48	16	68	68	0	10	0.98	1.23	$791,740	2.92
Qtr 3/21	116	32	32	12	84	84	0	10	0.91	0.92	$769,240	3.43
Qtr 2/21	116	20	20	11	96	96	0	5	0.91	0.85	$743,740	6.14
Qtr 1/21	116	60	60	12	56	56	0	10	0.98	0.92	$836,490	8.74
Qtr 1/21	116	13	9	9	107	103	4	10	1.00	0.69	$700,740	0.00

This project includes 116 lots typically 6,600 square feet and reflects a traditional configuration. Absorption based on the total rate of sales is 3.1 sales per month, with lower absorption in the past quarter at 0.9 sales per month. The quarterly absorption rate is not reflective of sales in this project as there were only 3 units available in 4Q 23. Most recent pricing is from $777,990 to $934,990, net of $5,000 in concessions. HOA dues are $90 per month. It is noted that this product line is not offered for sale within the subject project due to the lack of larger lots (6,600 SF). Also, the information above notes two sales periods for 1Q 2021.

PROJECT 2 – BLEAU

This is a large lot project in the Northlake MPC by Lennar Homes. It opened for sale in January 2021. Current pricing characteristics as provided from the Gregory Group (2nd Quarter 2024) are noted as follows.

PROJECT INFORMATION / **AT A GLANCE**

Project Name	Bleau	Average Price	$746,157	Qtr Sold	28
Region	Sacramento	Average Sq Ft	2,923	Qtr WSR	2.15
County	Sacramento	Total Inventory	157	Tot WSR	1.07
Community	Natomas	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Northlake	Open Date	01/23/21	Survey Date	7/1/24
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$278.00
Project Phone	(916) 304-9711	Developer Phone		HOA per Month	$88.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	0
		Type Description	Traditional	Special Incentives	$0
GPS Coordinates	N : 38.683199 W : 121.546483	Lot Size	5,000	Project Density	
Cross Street		Lot Dimension	50 x 100	Model/Trailer	N/A
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
	2,150	$647,990	$301.39	$10,000	$637,990	$296.74	4	3	1	2	None
	2,727	$697,990	$255.96	$10,000	$687,990	$252.29	4	3	2	2	Bonus
	2,977	$744,990	$250.25	$10,000	$734,990	$246.89	4	3	2	2	Loft
	3,046	$760,990	$249.83	$10,000	$750,990	$246.55	5	3	2	3	Loft
	3,180	$781,990	$245.91	$10,000	$771,990	$242.76	4	2.5	2	3	Loft
	3,460	$842,990	$243.64	$10,000	$832,990	$240.75	5	4	2	2	NGen, 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 2/24	348	193	191	28	157	155	2	10	1.07	2.15	$746,157	5.72
Qtr 1/24	348	166	163	18	185	182	3	15	0.98	1.38	$705,790	-7.13
Qtr 4/23	245	148	145	18	100	97	3	5	0.95	1.38	$759,990	1.06
Qtr 3/23	245	130	127	15	118	115	3	20	0.91	1.15	$751,990	0.00
Qtr 2/23	245	121	112	14	133	124	9	25	0.88	1.08	$751,990	0.00
Qtr 1/23	245	106	98	13	147	139	8	20	0.86	1.00	$751,990	6.52
Qtr 4/22	245	89	85	6	160	156	4	20	0.84	0.46	$705,990	-6.09
Qtr 3/22	236	86	79	1	157	150	7	15	0.90	0.08	$751,740	0.13
Qtr 2/22	235	80	78	9	157	155	2	10	1.05	0.69	$750,740	2.28
Qtr 1/22	235	70	69	19	166	165	1	5	1.13	1.46	$733,990	5.50
Qtr 4/21	235	51	50	9	185	184	1	5	1.02	0.69	$695,740	4.74
Qtr 3/21	235	41	41	18	194	194	0	5	1.17	1.38	$664,240	0.00
Qtr 2/21	235	23	23	10	212	212	0	5	1.05	0.77	$664,240	10.94
Qtr 1/21	235	13	13	13	222	222	0	10	1.44	1.00	$598,740	0.00

This project includes 348 lots typically 5,000 square feet and reflects a traditional configuration. The total lot count includes those identified for this product line in Phase 2 of Northlake (subject property). Absorption based on the total rate of sales is 4.3 sales per month, with higher absorption in the past quarter at 8.6 sales per month. Most recent pricing is from $637,990 to $832,990, net of $10,000 in concessions. Pricing is higher in 2Q 2024 than the past quarter as the developer lowered concession levels. Average net pricing is approaching levels identified in 2022 and 2023.

PROJECT 3 – CRESTVUE

This is a large lot project in the Northlake MPC by Lennar Homes. It opened for sale in January 2021. Current pricing characteristics as provided from the Gregory Group (2nd Quarter 2024) are noted as follows.

PROJECT INFORMATION		AT A GLANCE			
Project Name	Crestvue	Average Price	$680,790	Qtr Sold	2
Region	Sacramento	Average Sq Ft	2,558	Qtr WSR	0.15
County	Sacramento	Total Inventory	136	Tot WSR	0.55
Community	Natomas	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Northlake	Open Date	01/23/21	Survey Date	7/1/24
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$284.00
Project Phone	N/A	Developer Phone		HOA per Month	$98.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	0
		Type Description	Traditional	Special Incentives	$0
GPS Coordinates	N : 38.685250 W : 121.552150	Lot Size	4,675	Project Density	
Cross Street		Lot Dimension	55 x 85	Model/Trailer	N/A
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
	1,797	$598,990	$333.33	$10,000	$588,990	$327.76	3	2	1	2	None
	2,268	$648,990	$286.15	$10,000	$638,990	$281.74	4	3	2	3	None
	2,679	$686,990	$256.44	$10,000	$676,990	$252.70	4	3	2	3	Loft
	2,869	$722,990	$252.00	$10,000	$712,990	$248.52	4	3	2	3	Loft
	3,178	$745,990	$234.74	$10,000	$735,990	$231.59	5	4.5	2	3	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 2/24	235	103	99	2	136	132	4	10	0.55	0.15	$680,790	1.07
Qtr 1/24	235	97	97	0	138	138	0	0	0.58	0.00	$673,590	0.00
Qtr 4/23	235	97	97	0	138	138	0	5	0.63	0.00	$673,590	0.00
Qtr 3/23	97	97	97	1	0	0	0	0	0.69	0.08	$673,590	0.00
Qtr 2/23	97	97	96	11	1	0	1	25	0.76	0.85	$673,590	0.00
Qtr 1/23	97	89	85	6	12	8	4	20	0.75	0.46	$673,590	1.08
Qtr 4/22	97	85	79	6	18	12	6	20	0.78	0.46	$666,390	-2.94
Qtr 3/22	97	81	73	8	24	16	8	15	0.83	0.62	$686,590	-5.51
Qtr 2/22	97	70	65	4	32	27	5	10	0.88	0.31	$726,590	1.40
Qtr 1/22	97	63	61	17	36	34	2	10	1.00	1.31	$716,590	5.29
Qtr 4/21	97	44	44	15	53	53	0	10	0.90	1.15	$680,590	2.41
Qtr 3/21	97	31	29	9	68	66	2	5	0.83	0.69	$664,590	2.44
Qtr 2/21	97	22	20	12	77	75	2	5	0.91	0.92	$648,790	6.43
Qtr 1/21	97	13	8	8	89	84	5	10	0.89	0.62	$609,590	0.00

This project includes 235 lots typically 4,675 square feet and reflects a traditional configuration. The total lot count includes those identified for this product line in Phase 2 of Northlake (subject property). Absorption based on the total rate of sales is 2.2 sales per month. This is at the lower spectrum as this project sold the last unit in 3Q 2023 within Phase 1 of this project. The remaining 136 units for this product line are in Phase 2.

PROJECT 4 – DRIFTON

This is a large lot project in the Northlake MPC by Lennar Homes. It opened for sale in January 2021. Current pricing characteristics as provided from the Gregory Group (2nd Quarter 2024) are noted as follows.

PROJECT INFORMATION

Project Name	Drifton
Region	Sacramento
County	Sacramento
Community	Natomas
Master Plan	Northlake
Age Restricted	No
Project Phone	N/A
Sales Office Hours	N/A
GPS Coordinates	N : 38.683199 W : 121.546483
Cross Street	
Finished Lots	N/A

AT A GLANCE

Average Price	$745,657	Qtr Sold	8
Average Sq Ft	3,037	Qtr WSR	0.62
Total Inventory	105	Tot WSR	0.76
Standing Inventory	0	Avg Incentives	$10,000
Open Date	03/07/21	Survey Date	7/1/24
Developer Name	Lennar Homes	Special Tax per Month	$306.00
Developer Phone		HOA per Month	$98.00
Product Type	Detached	Broker Coop	0
Type Description	Traditional	Special Incentives	$0
Lot Size	5,500	Project Density	
Lot Dimension	55 x 100	Model/Trailer	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
	2,282	$681,990	$298.86	$10,000	$671,990	$294.47	4	2.5	1	2	None
	2,964	$711,990	$240.21	$10,000	$701,990	$236.84	5	3	2	2	Loft
	3,104	$746,990	$240.65	$10,000	$736,990	$237.43	5	3	2	3	Loft
	3,135	$738,990	$235.72	$10,000	$728,990	$232.53	4	3.5	2	2	NextGen
	3,312	$786,990	$237.62	$10,000	$776,990	$234.60	4	3.5	2	3	Loft
	3,425	$806,990	$235.62	$10,000	$796,990	$232.70	4	3.5	2	3	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 2/24	236	135	131	8	105	101	4	10	0.76	0.62	$745,657	0.61
Qtr 1/24	236	126	123	6	113	110	3	15	0.77	0.46	$741,157	0.43
Qtr 4/23	134	120	117	7	17	14	3	5	0.80	0.54	$737,990	0.68
Qtr 3/23	134	111	110	8	24	23	1	20	0.82	0.62	$732,990	0.00
Qtr 2/23	134	108	102	16	32	26	6	25	0.85	1.23	$732,990	0.55
Qtr 1/23	134	92	86	11	48	42	6	20	0.80	0.85	$728,990	0.00
Qtr 4/22	134	82	75	10	59	52	7	20	0.79	0.77	$728,990	-7.00
Qtr 3/22	134	74	65	0	69	60	9	15	0.80	0.00	$783,823	-2.14
Qtr 2/22	134	68	65	11	69	66	3	10	0.96	0.85	$800,990	4.07
Qtr 1/22	134	56	54	19	80	78	2	10	0.98	1.46	$769,657	4.34
Qtr 4/21	134	42	35	11	99	92	7	5	0.83	0.85	$737,657	3.51
Qtr 3/21	135	27	24	9	111	108	3	5	0.83	0.69	$712,657	2.49
Qtr 2/21	135	15	15	10	120	120	0	5	0.94	0.77	$695,323	5.86
Qtr 1/21	135	9	5	5	130	126	4	10	1.67	0.38	$656,823	0.00

This project includes 236 lots typically 5,500 square feet and reflects a traditional configuration. The total lot count includes those identified for this product line in Phase 2 of Northlake (subject property). Absorption based on the total rate of sales is 3.0 sales per month, with lower absorption in the past quarter at 2.5 sales per month. Most recent pricing is from $671,990 to $796,990, net of $10,000 in concessions. HOA dues are $90 per month. Asking prices are slightly higher than noted in 2023.

PROJECT 5 – LAKELET

This is a smaller lot project in the Northlake MPC by Lennar Homes. It opened for sale in January 2021. Current pricing characteristics as provided from the Gregory Group (2nd Quarter 2024) are noted as follows.

PROJECT INFORMATION		AT A GLANCE			
Project Name	Lakelet	Average Price	$616,990	Qtr Sold	4
Region	Sacramento	Average Sq Ft	2,233	Qtr WSR	0.31
County	Sacramento	Total Inventory	169	Tot WSR	0.77
Community	Natomas	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Northlake	Open Date	01/23/21	Survey Date	7/1/24
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$230.00
Project Phone	N/A	Developer Phone		HOA per Month	$98.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	2.0%
		Type Description	Small Lot, Detached	Special Incentives	$0
GPS Coordinates	N : 38.683199 W : 121.546483	Lot Size	3,690	Project Density	
Cross Street		Lot Dimension	41 x 90	Model/Trailer	N/A
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
	2,114	$603,990	$285.71	$10,000	$593,990	$280.98	3	2.5	2	2	Office, Loft
	2,223	$618,990	$278.45	$10,000	$608,990	$273.95	4	3	2	2	None
	2,362	$627,990	$265.87	$10,000	$617,990	$261.64	4	3.5	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 2/24	307	141	138	4	169	166	3	10	0.77	0.31	$616,990	1.48
Qtr 1/24	307	134	134	7	173	173	0	15	0.81	0.54	$607,990	-4.45
Qtr 4/23	134	130	127	9	7	4	3	5	0.83	0.69	$636,323	0.79
Qtr 3/23	134	119	118	14	16	15	1	20	0.84	1.08	$631,323	0.00
Qtr 2/23	134	111	104	19	30	23	7	25	0.82	1.46	$631,323	1.12
Qtr 1/23	134	93	85	7	49	41	8	20	0.75	0.54	$624,323	0.00
Qtr 4/22	134	83	78	4	56	51	5	10	0.77	0.31	$624,323	-3.55
Qtr 3/22	134	80	74	10	60	54	6	15	0.84	0.77	$647,323	-4.19
Qtr 2/22	134	71	64	3	70	63	7	10	0.88	0.23	$675,657	1.15
Qtr 1/22	134	67	61	13	73	67	6	5	1.00	1.00	$667,990	9.60
Qtr 4/21	134	51	48	11	86	83	3	5	0.98	0.85	$609,490	1.87
Qtr 3/21	134	37	37	17	97	97	0	5	1.06	1.31	$598,323	5.96
Qtr 2/21	134	22	20	11	114	112	2	5	0.91	0.85	$564,657	14.23
Qtr 1/21	134	9	9	9	125	125	0	10	1.00	0.69	$494,323	0.00

This project includes 307 lots typically 3,690 square feet. The total lot count includes those identified for this product line in Phase 2 of Northlake (subject property). Absorption based on the total rate of sales is 3.1 sales per month, with lower absorption in the past quarter at 1.2 sales per month. This is influenced by the sell out of this project in Phase 1. Most recent pricing is from $593,990 to $617,990 net of $10,000 in concessions. HOA dues are $90 per month.

PROJECT 6 – SHOR

This is a smaller lot project in the Northlake MPC by Lennar Homes. It opened for sale in January 2021. Current pricing characteristics as provided from the Gregory Group (2nd Quarter 2024) are noted as follows.

PROJECT INFORMATION

Project Name	Shor
Region	Sacramento
County	Sacramento
Community	Natomas
Master Plan	Northlake
Age Restricted	No
Project Phone	N/A
Sales Office Hours	N/A
GPS Coordinates	N : 38.683199 W : 121.546483
Cross Street	
Finished Lots	N/A

AT A GLANCE

Average Price	$573,740	Qtr Sold	3
Average Sq Ft	1,981	Qtr WSR	0.23
Total Inventory	194	Tot WSR	0.80
Standing Inventory	0	Avg Incentives	$10,000
Open Date	01/23/21	Survey Date	7/1/24
Developer Name	Lennar Homes	Special Tax per Month	$215.00
Developer Phone		HOA per Month	$98.00
Product Type	Detached	Broker Coop	2.0%
Type Description	Small Lot, Detached	Special Incentives	$0
Lot Size	2,788	Project Density	
Lot Dimension	41 x 68	Model/Trailer	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
	1,774	$540,990	$304.95	$10,000	$530,990	$299.32	3	2.5	2	2	None
	1,945	$568,990	$292.54	$10,000	$558,990	$287.40	3	2.5	2	2	Loft
	2,018	$585,990	$290.38	$10,000	$575,990	$285.43	4	3	2	2	Loft
	2,190	$598,990	$273.51	$10,000	$588,990	$268.95	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 2/24	337	144	143	3	194	193	1	10	0.80	0.23	$573,740	3.15
Qtr 1/24	337	140	140	9	197	197	0	15	0.84	0.69	$556,240	0.00
Qtr 4/23	140	136	131	4	9	4	5	5	0.86	0.31	$556,240	1.46
Qtr 3/23	140	128	127	7	13	12	1	20	0.91	0.54	$548,240	0.00
Qtr 2/23	140	124	120	21	20	16	4	25	0.94	1.62	$548,240	-3.48
Qtr 1/23	140	104	99	14	41	36	5	20	0.87	1.08	$567,990	0.00
Qtr 4/22	140	91	85	5	55	49	6	10	0.84	0.38	$567,990	-3.77
Qtr 3/22	140	86	80	5	60	54	6	15	0.91	0.38	$590,240	-5.45
Qtr 2/22	140	79	75	9	65	61	4	10	1.01	0.69	$624,240	3.14
Qtr 1/22	140	67	66	18	74	73	1	5	1.08	1.38	$605,240	7.84
Qtr 4/21	140	48	48	10	92	92	0	5	0.98	0.77	$561,240	2.51
Qtr 3/21	140	38	38	15	102	102	0	5	1.09	1.15	$547,490	4.78
Qtr 2/21	140	24	23	14	117	116	1	5	1.05	1.08	$522,490	12.91
Qtr 1/21	140	9	9	9	131	131	0	10	1.00	0.69	$462,740	0.00

This project includes 337 lots typically 2,788 square feet. The total lot count includes those identified for this product line in Phase 2 of Northlake (subject property). Absorption based on the total rate of sales is 3.2 sales per month, with lower absorption in the past quarter at 0.9 sales per month. This is influenced by the sell-out of this project in Phase 1. Most recent pricing is from $530,990 to $588,990, net of $10,000 in concessions. HOA dues are $90 per month.

PROJECT 7 – WATERSYDE

This is a larger lot project in the Northlake MPC by Lennar Homes. It opened for sale in January 2021. Current pricing characteristics as provided from the Gregory Group (2nd Quarter 2024) are noted as follows.

PROJECT INFORMATION		AT A GLANCE			
Project Name	**Watersyde**	**Average Price**	$672,390	**Qtr Sold**	4
Region	Sacramento	**Average Sq Ft**	2,650	**Qtr WSR**	0.31
County	Sacramento	**Total Inventory**	147	**Tot WSR**	0.72
Community	Natomas	**Standing Inventory**	0	**Avg Incentives**	$10,000
Master Plan	Northlake	**Open Date**	01/23/21	**Survey Date**	7/1/24
Age Restricted	No	**Developer Name**	Lennar Homes	**Special Tax per Month**	$253.00
Project Phone	N/A	**Developer Phone**		**HOA per Month**	$98.00
Sales Office Hours	N/A	**Product Type**	Detached	**Broker Coop**	2.0%
		Type Description	Traditional	**Special Incentives**	$0
GPS Coordinates	**N** : 38.683199 **W** : 121.546483	**Lot Size**	4,000	**Project Density**	
Cross Street		**Lot Dimension**	50 x 80	**Model/Trailer**	N/A
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
	2,307	$635,990	$275.68	$10,000	$625,990	$271.34	4	3	2	2	None
	2,469	$647,990	$262.45	$10,000	$637,990	$258.40	4	3	2	2	Loft
	2,704	$677,990	$250.74	$10,000	$667,990	$247.04	4	3.5	2	2	Loft
	2,804	$679,990	$242.51	$10,000	$669,990	$238.94	5	4	2	2	Loft
	2,968	$719,990	$242.58	$10,000	$709,990	$239.21	4	3.5	2	3	Next Gen, 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 2/24	276	133	129	4	147	143	4	10	0.72	0.31	$672,390	0.00
Qtr 1/24	276	127	125	10	151	149	2	15	0.75	0.77	$672,390	-2.72
Qtr 4/23	120	120	115	4	5	0	5	5	0.75	0.31	$691,190	0.00
Qtr 3/23	120	114	111	11	9	6	3	20	0.79	0.85	$691,190	0.00
Qtr 2/23	120	108	100	7	20	12	8	25	0.79	0.54	$691,190	2.67
Qtr 1/23	120	100	93	9	27	20	7	20	0.82	0.69	$673,190	1.05
Qtr 4/22	120	93	84	9	36	27	9	10	0.83	0.69	$666,190	-1.68
Qtr 3/22	127	81	75	4	52	46	6	15	0.85	0.31	$677,590	-5.55
Qtr 2/22	127	73	71	8	56	54	2	10	0.96	0.62	$717,390	3.07
Qtr 1/22	127	65	63	13	64	62	2	5	1.03	1.00	$695,990	6.32
Qtr 4/21	127	50	50	21	77	77	0	5	1.02	1.62	$654,590	6.87
Qtr 3/21	127	30	29	8	98	97	1	5	0.83	0.62	$612,490	-0.37
Qtr 2/21	127	21	21	14	106	106	0	5	0.95	1.08	$614,790	12.85
Qtr 1/21	127	9	7	7	120	118	2	10	0.78	0.54	$544,790	0.00

This project includes 276 lots typically 4,000 square feet. The total lot count includes those identified for this product line in Phase 2 of Northlake (subject property). Absorption based on the total rate of sales is 2.9 sales per month, with higher absorption in the past quarter at 1.2 sales per month. Most recent pricing is from $625,990 to $709,990, net of $10,000 in concessions. HOA dues are $90 per month.

PROJECT 8 – WAVMOR

This is a larger lot project in the Northlake MPC by Lennar Homes. It opened for sale in January 2021. Current pricing characteristics as provided from the Gregory Group (2nd quarter 2024) are noted as follows.

PROJECT INFORMATION		AT A GLANCE			
Project Name	Wavmor	Average Price	$662,990	Qtr Sold	9
Region	Sacramento	Average Sq Ft	2,483	Qtr WSR	0.69
County	Sacramento	Total Inventory	172	Tot WSR	0.83
Community	Natomas	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Northlake	Open Date	01/23/21	Survey Date	7/1/24
Age Restricted	No	Developer Name	Lennar Homes	Special Tax per Month	$254.00
Project Phone	(916) 304-9711	Developer Phone		HOA per Month	$98.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	2.0%
		Type Description	Traditional	Special Incentives	$0
GPS Coordinates	N : 38.683199 W : 121.546483	Lot Size	4,500	Project Density	
Cross Street		Lot Dimension	45 x 100	Model/Trailer	N/A
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
	2,134	$640,990	$300.37	$10,000	$630,990	$295.68	3	2	1	2	None
	2,394	$646,990	$270.25	$10,000	$636,990	$266.08	4	3	2	2	Loft
	2,620	$672,990	$256.87	$10,000	$662,990	$253.05	5	3	2	2	Loft
	2,786	$690,990	$248.02	$10,000	$680,990	$244.43	4	3.5	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 2/24	320	150	148	9	172	170	2	10	0.83	0.69	$662,990	1.38
Qtr 1/24	320	141	139	16	181	179	2	15	0.84	1.23	$653,990	-1.43
Qtr 4/23	153	128	123	9	30	25	5	5	0.80	0.69	$663,490	0.00
Qtr 3/23	153	120	114	10	39	33	6	20	0.81	0.77	$663,490	0.00
Qtr 2/23	153	111	104	12	49	42	7	25	0.82	0.92	$663,490	1.22
Qtr 1/23	153	99	92	8	61	54	7	20	0.81	0.62	$655,490	0.15
Qtr 4/22	153	90	84	9	69	63	6	10	0.83	0.69	$654,490	-3.04
Qtr 3/22	153	82	75	2	78	71	7	15	0.85	0.15	$674,990	-10.18
Qtr 2/22	153	77	73	9	80	76	4	10	0.99	0.69	$751,490	8.72
Qtr 1/22	153	68	64	15	89	85	4	5	1.05	1.15	$691,240	8.56
Qtr 4/21	153	49	49	16	104	104	0	5	1.00	1.23	$636,740	2.87
Qtr 3/21	153	38	33	9	120	115	5	5	0.94	0.69	$618,990	2.87
Qtr 2/21	153	24	24	15	129	129	0	5	1.09	1.15	$601,740	10.31
Qtr 1/21	153	9	9	9	144	144	0	10	1.00	0.69	$545,490	0.00

This project includes 320 lots typically 4,500 square feet. The total lot count includes those identified for this product line in Phase 2 of Northlake (subject property). Absorption based on the total rate of sales is 3.3 sales per month, with lower absorption in the past quarter at 2.8 sales per month. Most recent pricing is from $630,990 to $680,990 net of $10,000 in concessions. HOA dues are $90 per month.

PROJECT 9 – NORTHPOINTE RESERVE

This is a small lot project in Natomas by Next Generation Capital. It opened for sale in April 2024. Current pricing characteristics as provided from the Gregory Group (2nd quarter 2024) are noted as follows.

PROJECT INFORMATION		AT A GLANCE			
Project Name	Northpointe Reserve	Average Price	$497,900	Qtr Sold	2
Region	Sacramento	Average Sq Ft	1,411	Qtr WSR	0.15
County	Sacramento	Total Inventory	46	Tot WSR	0.15
Community	Natomas	Standing Inventory	0	Avg Incentives	$10,000
Master Plan	Natomas Park	Open Date	03/30/24	Survey Date	7/1/24
Age Restricted	No	Developer Name	Next Generation Capital	Special Tax per Month	$128.00
Project Phone	N/A	Developer Phone		HOA per Month	$100.00
Sales Office Hours	N/A	Product Type	Detached	Broker Coop	
		Type Description	Small Lot, Detached	Special Incentives	$0
GPS Coordinates	N : 0.000000 W : 0.000000	Lot Size	1,449	Project Density	
Cross Street		Lot Dimension	23 x 63	Model/Trailer	N/A
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
	1,409	$500,900	$355.50	$10,000	$490,900	$348.40	3	2.5	2	2	None
	1,414	$494,900	$350.00	$10,000	$484,900	$342.93	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 2/24	48	6	2	2	46	42	4	5	0.15	0.15	$497,900	0.00
Qtr 1/24	48	13	0	0	48	35	13	10	0.00	0.00	$497,900	0.00

This project includes 48 lots typically 1,449 square feet. It is a higher density, detached project with smaller homes. It is reflective of future competition for the subject, albeit to a secondary degree based on the smaller lot size and location distant from Interstate 5. This project sold 2 units.

Conclusions

Potential absorption for the subject is best identified from the same product lines in Phase 1 of this project. However, Phase 1 of this project is nearing completion for most projects with homes starting construction in Phase 2 (subject project). With model complexes completed in Phase 2, sales are shifting toward this portion of the entire community. Furthermore, the floor plans are slightly different in that all of the homes are now electric with no natural gas.

Subject Positioning

Proposed price points for the subject property are based on pricing established in the Absorption Study prepared by The Gregory Group dated May 2024. The following table shows an overall summary of this pricing based on individual projects. It is noted that pricing in this report was based on 1Q 2024 information. This is identified for base pricing only.

PROJECT	MIN LOT SIZE (SF)	AVERAGE BASE PRICE (NET)	AVERAGE SIZE (SF)	PRICE/SF	ABS. PROJ.
Shor	2,768 SF	**$542,500**	1,982	$274	4/Mo.
Lakelet	3,690 SF	**$592,000**	2,233	$265	4/Mo.
Watersyde	4,000 SF	**$645,400**	2,650	$244	3/Mo.
Wavmor	4,500 SF	**$639,000**	2,484	$257	3/Mo.
Crestvue	4,675 SF	**$651,600**	2,557	$255	3/Mo.
Bleau	5,000 SF	**$699,000**	2,923	$239	3/Mo.
Drifton	5,500 SF	**$723,833**	3,037	$238	2/Mo.
V14/20	3,690 SF	**$526,750**	1,640	$321	4/Mo.
TOTALS	**4,099 SF**	**$618,713**	**2,387**	**$259**	**26/Mo.**

Absorption conclusions noted in these projects range from 2 to 4 sales per month, per project. Overall, they equate to 26 homes sold per month. It appears that absorption is a function of price. Average overall pricing noted by the Absorption Study is near $261 per square foot. Current asking prices for this project as of the effective date of valuation are slightly higher than illustrated in this absorption study ranging from $242 to $322 per square foot, with an overall average identified at $266 per square foot. This is noted as follows.

PROJECT	MIN LOT SIZE (SF)	AVERAGE BASE PRICE (NET)	AVERAGE SIZE (SF)	PRICE/SF	ABS. PROJ.
Shor	2,768 SF	**$570,240**	1,982	$288	4/Mo.
Lakelet	3,690 SF	**$619,657**	2,233	$277	4/Mo.
Watersyde	4,000 SF	**$681,190**	2,650	$257	3/Mo.
Wavmor	4,500 SF	**$652,990**	2,484	$263	3/Mo.
Crestvue	4,675 SF	**$679,590**	2,557	$266	3/Mo.
Bleau	5,000 SF	**$751,823**	2,923	$257	3/Mo.
Drifton	5,500 SF	**$735,657**	3,037	$242	3/Mo.
V14/20	3,690 SF	**$528,740**	1,640	$322	4/Mo.
TOTALS	**4,099 SF**	**$643,455**	**2,387**	**$270**	

As noted in this section, total sales identified in Q2 2024 in Natomas were identified at 61 sales. Still, Northlake has proven history noted by absorption references over the life of this project.

Project	2Q 24 Sold	1Q 24 Sold	4Q 23 Sold	3Q 23 Sold	2Q 23 Sold	1Q 23 Sold	4Q 22 Sold	3Q 22 Sold	2Q 22 Sold	1Q 22 Sold	4Q 21 Sold	3Q 21 Sold	2Q 21 Sold	1Q 21 Sold		Average
Alta	0	0	3	4	17	8	1	7	16	12	16	12	11	9	116	3.1/Mo.
Bleau	28	18	18	15	14	13	6	1	9	19	9	18	10	13	191	4.3/Mo.
Crestvue	2	0	0	1	11	6	6	8	4	17	15	9	12	8	99	2.2/Mo.
Drifton	8	6	7	8	16	11	10	0	11	19	11	9	10	5	131	3.0/Mo.
Lakelet	4	7	9	14	19	7	4	10	3	13	11	17	11	9	138	3.1/Mo.
Shor	3	9	4	7	21	14	5	5	9	18	10	15	14	9	143	3.2/Mo.
Watersyde	4	10	4	11	7	9	9	4	8	13	21	8	14	7	129	2.9/Mo.
Wavmor	9	16	9	10	12	8	9	2	9	15	16	9	15	9	148	3.3/Mo.
V14/20	3	0	0	0	0	0	0	0	0	0	0	0	0	0	3	N/A
TOTALS	**61**	**66**	**54**	**70**	**117**	**76**	**50**	**37**	**69**	**126**	**109**	**97**	**97**	**69**	**1,098**	**3.1/Mo.**

On an annual basis, this equates as follows.

2021 – 372 Sales
2022 – 282 Sales
2023 – 317 Sales
2024 YTD – 127 Sales

Sales in this community were strong in 2021 amidst the Covid-19 era. This dropped in 2022, especially over the last 2 quarters due to rising interest rates. The developer adjusted pricing to market at this time and 2023 produced 317 sales. As noted, year-to-date sales are at 127 sales, but somewhat limited in the first half of 2024 with the number of projects available for sale. This data suggests demand, but primarily is historic information. While the projects are the same in Phase 2, V14/20 provides some diversity with a lower priced project. Still, it reflects the majority of future supply for Natomas.

In order to test potential absorption, region wide trends are examined. Individual communities are illustrated on the following table.

Sacramento Region Top Ten Sales By Community										
Community	2024 Sales	% Share Capture	2023 Sales	% Share Capture	2022 Sales	% Share Capture	2021 Sales	% Share Capture	2020 Sales	% Share Capture
Roseville ($700,222)	515	21.9%	1,799	25.6%	1,285	23.2%	1,550	19.1%	1,326	17.0%
Folsom ($795,506)	332	14.1%	750	10.7%	600	10.8%	790	9.8%	599	7.7%
Laguna ($683,648)	305	13.0%	687	9.8%	378	6.8%	376	4.6%	545	7.0%
Elk Grove ($648,057)	228	9.7%	428	6.1%	192	3.5%	301	3.7%	623	8.0%
Rancho Cordova ($658,381)	186	7.9%	466	6.6%	470	8.5%	444	5.5%	730	9.4%
Lincoln ($670,984)	116	4.9%	504	7.2%	678	12.2%	911	11.2%	476	6.1%
Plumas Lake ($530,092)	80	3.4%	255	3.6%	284	5.1%	299	3.7%	281	3.6%
El Dorado Hills ($947,842)	80	3.4%	249	3.5%	202	3.6%	327	4.0%	417	5.4%
Natomas ($652,614)	71	3.0%	541	7.7%	479	8.7%	894	11.0%	835	10.7%
Rocklin ($999,545)	53	2.3%	128	1.8%	125	2.3%	446	5.5%	489	6.3%

Absorption trends in these jurisdictions are examined. This includes Roseville, Folsom, Laguna, Elk Grove, and Rancho Cordova. The remaining locations are not parallel markets or primary markets in order for applicable comparison. This information is utilized to show potential absorption at similar price points. With little projects in Natomas other than the subject property, it is used to test absorption potential in other markets. It is based on data gathered by the appraiser as of 2Q 2024.

ROSEVILLE

Roseville offers 40 new home projects with average pricing at $708,848. The average net price is noted at $700,662 after consideration of concessions at $8,186 per project. Lots average 6,233 square feet while the average home size is noted at 2,372 square feet. In Q2 2024, 435 homes were sold in Roseville, which equates to 3.4 sales per month. Looking at these projects in terms of average price, the following conclusions were noted.

AVERAGE PRICE	<$600,000	$600,000 to $700,000	<$700,000
Number of Projects	10	14	16
Average Lot Size	4,333 SF	4,718 SF	8,745 SF
Average Home Size	1,824 SF	2,224 SF	2,859 SF
Average Price	$565,583	$634,986	$868,252
Concessions	($7,763)	($6,414)	($10,082)
Average Net Price	$557,820	$628,571	$858,170
2Q Total Sales	117	170	148
Rate Per Month, Per Project	3.6/Mo.	4.7/Mo.	2.8/Mo

Absorption rates in Roseville are slightly higher for the lower priced projects. Still with overall absorption at 3.4 sales per month, per project, with 40 new home projects is a good reflection of potential absorption.

FOLSOM

Folsom offers 21 new home projects with average pricing at $796,573. The average net price is noted at $786,134 after consideration of concessions at $10,439 per project. Lots average 4,722 square feet while the average home size is noted at 2,418 square feet. In Q2 2024, 196 homes were sold in Folsom, which equates to 2.9 sales per month. Looking at these projects in terms of average price, the following conclusions were noted.

AVERAGE PRICE	<$600,000	$600,000 to $700,000	<$700,000
Number of Projects	1	4	16
Average Lot Size	Attached	2,821 SF	5,197 SF
Average Home Size	1,421 SF	1,863 SF	2,589 SF
Average Price	$557,328	$662,339	$837,796
Concessions	($10,000)	($11,701)	($10,320)
Average Net Price	$547,328	$651,268	$827,476
2Q Total Sales	0	37	159
Rate Per Month, Per Project	0.0/Mo.	2.8/Mo.	3.0/Mo

Absorption rates in Folsom are higher for the higher priced projects. At average overall pricing approaching $800,000 per home, it is superior to the Natomas Community. Still with overall absorption at 2.9 sales per month, per project, with 21 new home projects is a good reflection of potential absorption.

LAGUNA

Laguna offers 28 new home projects with average pricing at $682,748. The average net price is noted at $676,593 after consideration of concessions at $6,156 per project. Lots average 4,337 square feet while the average home size is noted at 2,313 square feet. It is noted that this survey includes 4 projects offering homes in Delta Shores. This project area is identified by The Gregory Group as the City of Sacramento, however, based on the overall location it is part of the Laguna submarket. In Q2 2024, 220 homes were sold in Laguna, which equates to 2.4 sales per month. Looking at these projects in terms of average price, the following conclusions were noted.

AVERAGE PRICE	<$600,000	$600,000 to $700,000	<$700,000
Number of Projects	5	10	13
Average Lot Size	3,018 SF	4,128 SF	5,235 SF
Average Home Size	1,861 SF	2,104 SF	2,658 SF
Average Price	$571,178	$649,602	$765,398
Concessions	($5,000)	($6,292)	($7,492)
Average Net Price	$573,178	$643,310	$757,906
2Q Total Sales	51	72	97
Rate Per Month, Per Project	3.1/Mo.	2.2/Mo.	2.3/Mo

Absorption rates in Laguna are slightly higher for the lower priced projects. Still with overall absorption at 2.4 sales per month, per project, with 28 new home projects is a good reflection of potential absorption.

ELK GROVE

Elk Grove offers 17 new home projects with average pricing at $648,978. The average net price is noted at $641,609 after consideration of concessions at $7,369 per project. Lots average 4,794 square feet while the average home size is noted at 2,243 square feet. In Q2 2024, 165 homes were sold in Elk Grove, which equates to 3.0 sales per month. Looking at these projects in terms of average price, the following conclusions were noted.

AVERAGE PRICE	<$600,000	$600,000 to $700,000	<$700,000
Number of Projects	7	4	5
Average Lot Size	4,150 SF	4,540 SF	5,950 SF
Average Home Size	1,843 SF	2,405 SF	2,695 SF
Average Price	$564,478	$649,750	$781,545
Concessions	($7,360)	($5,000)	($10,000)
Average Net Price	$557,118	$644,750	$771,545
2Q Total Sales	55	72	38
Rate Per Month, Per Project	2.4/Mo.	4.4/Mo.	2.3/Mo

Absorption rates in Elk Grove are slightly higher for the lower priced projects. Still with overall absorption at 3.0 sales per month, per project, with 17 new home projects is a good reflection of potential absorption.

RANCHO CORDOVA

Rancho Cordova offers 26 new home projects with average pricing at $656,509. The average net price is noted at $647,079 after consideration of concessions at $9,429 per project. Lots average 4,661 square feet while the average home size is noted at 2,367 square feet. In Q2 2024, 253 homes were sold in Rancho Cordova, which equates to 3.0 sales per month. Looking at these projects in terms of average price, the following conclusions were noted.

AVERAGE PRICE	<$600,000	$600,000 to $700,000	<$700,000
Number of Projects	6	14	6
Average Lot Size	3,288 SF	4,604 SF	6,167 SF
Average Home Size	1,904 SF	2,344 SF	2,909 SF
Average Price	$560,241	$652,053	$768,495
Concessions	($10,000)	($9,685)	($8,182)
Average Net Price	$550,241	$642,367	$760,313
2Q Total Sales	52	171	30
Rate Per Month, Per Project	2.7/Mo.	3.8/Mo.	1.5/Mo

Absorption rates in Rancho Cordova are fairly consistent. New home projects in this region are somewhat distant from freeways, which is inferior as compared to the other regions.

COMPARISONS

The subject property includes three pricing delineations. There are 3 smaller lot projects summarized as follows.

PROJECT	SHOR	LAKELET	V14/20
Average Lot Size	2,768 SF	3,690 SF	3,690 SF
Average Home Size	1,982 SF	2,233 SF	1,640 SF
Average Net Price	$563,740	$606,990	$526,750
Price Per Square Foot	$284	$272	$321

The three projects reflect an overall price per square foot reference from $272 to $321. The upper end of this range is for V14/20, which has the smallest home size. As compared to the other projects noted throughout the region with similar pricing, the following conclusions were developed.

AVERAGE PRICE	**ROSEVILLE**	**FOLSOM**	**LAGUNA**	**ELK GROVE**	**RANCHO CORDOVA**
Number of Projects	10	1	5	7	6
Average Lot Size	4,333 SF	Attached	3,018 SF	4,540 SF	3,288 SF
Average Home Size	1,824 SF	1,421 SF	1,861 SF	2,405 SF	1,904 SF
Average Net Price	$557,820	$547,328	$571,178	$644,750	$550,241
2Q Total Sales	117	0	51	72	52
Rate Per Month, Per Project	3.6/Mo.	N/A	3.1/Mo.	4.4/Mo.	2.7/Mo.
Net Price Per Square Foot	$305.82	$385.17	$306.92	$268.09	$288.99

Absorption of these projects at 4.0 sales per month is supported by these project areas. Folsom is an outlier based on the higher pricing structure, whereas Rancho Cordova is a lower indicator based on the location and distance from freeways. Roseville, Laguna, and Elk Grove show 2Q 2024 absorption rates from 3.1 to 4.4 sales per month, per project.

The 3 projects on standard lots (4,000 sf to 4,675 sf) are identified as follows.

PROJECT	**WATERSYDE**	**WAVMOR**	**CRESTVIEW**
Average Lot Size	4,000 SF	4,500 SF	4,675 SF
Average Home Size	2,650 SF	2,484 SF	2,557 SF
Average Net Price	$662,390	$652,990	$670,790
Price Per Square Foot	$250	$263	$262

These projects reflect an overall price per square foot reference from $250 to $263. As compared to the other projects noted throughout the region with similar pricing, the following conclusions were developed.

AVERAGE PRICE	**ROSEVILLE**	**FOLSOM**	**LAGUNA**	**ELK GROVE**	**RANCHO CORDOVA**
Number of Projects	14	4	10	4	14
Average Lot Size	4,718 SF	2,821 SF	4,128 SF	4,540 SF	4,604 SF
Average Home Size	2,224 SF	1,863 SF	2,104 SF	2,405 SF	2,344 SF
Average Net Price	$628,571	$651,268	$643,310	$644,750	$642,367
2Q Total Sales	170	37	72	72	171
Rate Per Month, Per Project	4.7/Mo.	2.8/Mo.	2.2/Mo	4.4/Mo.	3.8/Mo.
Net Price Per Square Foot	$282.63	$349.58	$305.76	$268.09	$274.05

Absorption of these project at 3.0 sales per month is supported by these project areas. Folsom is an outlier based on the higher pricing structure, whereas Rancho Cordova is a lower indicator based on the location and distance from freeways. Roseville, Laguna, and Elk Grove show 2Q 2024 absorption rates from 2.2 to 4.4 sales per month, per project.

There are 2 projects with larger unit sizes. They are summarized as follows.

PROJECT	BLEAU	DRIFTON
Average Lot Size	5,000 SF	5,500 SF
Average Home Size	2,923 SF	3,037 SF
Average Net Price	$735,157	$735,657
Price Per Square Foot	$252	$242

These project shows an overall price per square foot range from $242 to $252. As compared to the other projects noted throughout the region with similar pricing, the following conclusions were developed.

AVERAGE PRICE	ROSEVILLE	FOLSOM	LAGUNA	ELK GROVE	RANCHO CORDOVA
Number of Projects	16	16	13	5	6
Average Lot Size	8,745 SF	5,197 SF	5,235 SF	5,950 SF	6,167 SF
Average Home Size	2,859 SF	2,589 SF	2,658 SF	2,695 SF	2,909 SF
Average Net Price	$858,170	$827,476	$757,906	$771,545	$760,313
2Q Total Sales	148	159	97	38	30
Rate Per Month, Per Project	2.8/Mo	3.0/Mo	2.3/Mo	2.3/Mo	1.5/Mo
Net Price Per Square Foot	$300.16	$319.72	$285.14	$286.29	$261.37

Absorption of these project at 2.0 sales per month is lower than identified in these areas. However, price points for the subject projects is much lower than these comparable areas. Granted, home sizes are larger, but an advantage is noted for pricing between $242 and $252 per square foot. Absorption is reconciled to 3 sales per month for these projects. This is at the upper end of this range, however, with recent reductions in interest rates, absorption levels could accelerate.

Interaction of Existing Supply and Demand

In deriving potential absorption for the subject, the following elements are considered:

- Regional absorption trends trended downward in 2022 due to rising interest rates and inflationary environment. Sales trends escalated in 2023 slightly with recovery in pricing and fewer incentives.

- Northlake sold 127 homes in 2024. This is toward the lower end of historic sales, but was influenced by the transition from Phase 1 (nearing completion with 39 units left) to Phase 2 (with recently completed model homes).

- Subject lots are primary short term lots in Natomas which can capture healthy market share. Panhandle has potential to compete with the subject, but is a secondary location in Natomas.

- Pricing and absorption conclusions identified in the Market Study provided for review are consistent with other primary growth regions in Sacramento.

- Resale home trends in Zip Code 95834 and 95835 show pricing from $294 to $309 per square foot.

Absorption trends noted from the competing projects show potential absorption characteristics from approximately 2 to 5 sales per month. This is consistent with projections from the Absorption Study prepared by The Gregory Group as of May 2024 with absorption rates from 2 to 4 sales per month. On an overall basis, the following conclusions were developed in the Absorption Study.

			Absorption Per Week					
PRODUCT TYPE	**LOT SIZE**	**# OF UNITS**	**ABSORPTION**	**2024**	**2025**	**2026**	**2027**	**2028**
Bleau	5,000 SF	110	3/Mo.	23	39	39	9	0
Crestvue	4,675 SF	138	3/Mo.	23	39	39	37	0
Drifton	5,500 SF	108	2/Mo.	15	26	26	26	15
Lakelet	3,690 SF	173	4/Mo.	30	52	52	39	0
Shor	2,788 SF	193	4/Mo.	30	52	52	52	7
Watersyde	4,000 SF	153	3/Mo.	23	39	39	39	13
Wavmor	4,500 SF	163	3/Mo.	23	39	39	39	23
V14/20	3,690 SF	139	4/Mo.	30	52	52	5	0
TOTALS		**1,177**		**197**	**338**	**338**	**246**	**58**

This absorption schedule takes into consideration seven months of sales in 2024. It is noted that the absorption study provided for review is based on home sales. Absorption presented later in this report is based on lot sales to a builder. The main difference in the absorption schedules is that the appraiser's calculations are based on consideration of site development costs, as well as absorption considerations for the Phase 1 project offering the same product lines.

The overall absorption of homes identified in tables above equates to 26 sales per month. On an annualized basis, this equates to 312 sales per annum. As noted, Drifton has been increased by the appraiser to 3 sales per month, this escalating total sales to 27 sales per month, or 324 sales per annum. Based on this rate of sales, potential absorption is noted as follows.

YEAR	1	2	3	4	TOTALS
Subject Lots Absorbed Schedule of Takedowns	324	324	324	205	1,177

This absorption rate assumes no impact from Phase 1 sales. As noted in this section, there are 42 units remaining in Phase 1 as of the effective date of valuation. This is taken off of Year 1 absorption which shows the following parameters.

YEAR	1	2	3	4	TOTALS
Subject Lots Absorbed	282	324	324	247	1,177

The impact of 42 lots in Phase 1 are impacted in year 1.

In addition, the current takedown schedule of the subject lots, modified March 4, 2024 is noted as follows.

YEAR	1	2	3	4	5	TOTAL
Subject Lots Absorbed Schedule of Takedowns	286	320	314	199	58	1,177

The takedown schedule is fairly consistent with absorption noted above. As noted earlier, historic absorption is between 282 and 372 sales per annum. The schedule by the developer is based on each individual project. However, remaining projects (based on their size) toward the end of this project include Shor (2,768 SF lot size), Lakelet (3,690 SF lot size), Wavmor (4,500 SF lot size). Given that these projects offer pricing toward the lower end of the projections, absorption near the end of the project will likely accelerate.

As noted earlier in this report, Lennar has already acquired 208 lots which is considered in this analysis. Since the various dates of acquisition, they have constructed 11 model homes, and commenced construction on the majority of these lots including acquiring the necessary permits from the City of Sacramento. The net result in 969 lots identified under the Integral Ownership. This is allocated as follows.

YEAR	1	2	3	4	TOTALS
Subject Lots Absorbed Schedule of Takedowns	282	324	324	247	1,177
Integral Ownership	74	324	324	247	969
Lennar Ownership	208	0	0	0	208

As noted earlier, the Natomas sub-market has shown sales between 479 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. Sales were at lower levels in the past two years (479 sales in 2022 and 541 in 2023) due to impacts from rising interest rates and inflationary impacts. Absorption considerations for the subject are based on rates for each product type which ranges from 212 to 362 per annum. Year 1 is lower as the 42 remaining lots in phase 1 are a consideration. Still, with limited competition for the subject lots in Natomas, absorption is a reasonable conclusion.

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.

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. However, since the building permit has been issued for this component, no restrictions are applicable to 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. This includes the recent approval of the Third Amendment to the Development Agreement. This document calls for the construction of the SVO as part of legally permissible land uses.

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, including the SVO, 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, including the SVO, 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 Income Approach were reconciled in order to provide the finished lot value for each village.

These conclusions are used in developing the overall value by ownership.

For the Lennar Ownership, conclusions are derived from each of the reported villages and allocated amongst the 208 lots currently owned. In addition, there is added value for these lots as Permits and Fees paid as of the effective date of valuation, as well as for the completed model homes and production homes.

For the Integral component, 969 lots, 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. It provides a conclusion of the value for 969 lots as sold to a single purchaser or investor.

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	Parcel 8, Delta Shores Phase 2 S. side of Cosumnes River Blvd., N. of Delta Shores Cir. Sacramento, CA 95832	$4,500,000 **$44,554** March 21, 2024	DS-6 LLC (Signature Homes) M&H Realty LLC 20240321/0825	Paper Lots 101 Lots 1,612 SF	$1,892 per annum	$85,436 $59,546	**$189,536**
	Comments: This transaction represents the purchase of 101 lots within Delta Shores by Signature Homes. The property includes 101 proposed lots, with a typical lot size at 1,612 square feet (26' x 62'). It includes special assessments identified at $1,892 per annum and assumed with the finished lots. Site development costs, including profit identified at $85,436 per lot, whereas permits and fees reported at $59,546 per unit. Developer is proposing attached construction (duet and 3-plex) with homes ranging in size from approximately 1,600 to 2,000 square feet with pricing starting in the mid $500s.						
2	Broadstone Estates N/S side of Dewey Oak Dr., S. of Highway 50 Folsom, CA 95630	$14,400,000 **$360,000** November 20, 2023	Woodside 05N, LP Elliott Homes, Inc. 20231120/0343	Finished Lots 40 Lots 10,200 SF	$3,215 per annum	$0 $110,000	**$470,000**
	Comments: This transaction represents the purchase of 40 finished lots in Broadstone Estates by Woodside Homes. In addition to this transaction, an affiliated company with Woodside Homes, or Shawood Communities LLC, purchased the adjacent 41 lots as part of this transaction. However, separate deeds were recorded, and each project is identified for the development of different product lines. The property includes 40 finished lots with a typical size at 10,200 square feet, near project averages. It includes special assessments identified at $3,215 per annum and assumed with the finished lots. Permits and fees noted at $110,000 per unit. Proposed homes are identified between 2,616 and 3,952 square feet.						
3	Broadstone Estates N/S side of Dehone Circle Folsom, CA 95630	$14,760,000 **$360,000** November 20, 2023	Shawood Communities LLC Elliott Homes, Inc. 20231120/0345	Finished Lots 41 Lots 10,200 SF	$3,215 per annum	$0 $110,000	**$470,000**
	Comments: This transaction represents the purchase of 41 finished lots in Broadstone Estates by Shawood Communities. In addition to this transaction, an affiliated company with the buyer, Woodside Homes purchased the adjacent 40 lots as part of this transaction. However, separate deeds were recorded, and each project is identified for the development of different product lines. The property includes 41 finished lots with a typical size at 10,200 square feet, near project averages. It includes special assessments identified at $3,215 per annum and assumed with the finished lots. Permits and fees reported at $110,000 per unit. Proposed homes are identified between 2,996 and 4,359 square feet. Pricing has yet to be determined, but will be in excess of $1.2 million.						
4	Amoruso Ranch - Phase 1, Subphase A1 S. Side of Amoruso Ranch Road Roseville, CA 95747	$28,980,000 **$210,000** December 14, 2023	Richmond American Homes Brookfield Sacramento Holdings 2023-0067641	Finished Lots 138 Lots 6,000 SF	$3,150 per annum	In Price $93,000	**$303,000**
	Comments: This transaction represents the purchase of 138 finished lots in Amoruso Ranch by Richmond American Homes. The property includes 138 finished lots with a typical size at 6,000 square feet. It includes special assessments identified at $3,150 per annum and assumed with the finished lots. Permits and fees noted at $93,000 per unit.						
5	Amoruso Ranch - Phase 1, Subphase A1 S. Side of Amoruso Ranch Road Roseville, CA 95747	$33,798,500 **$176,034** December 28, 2023	DR Horton CA2, Inc. Brookfield Sacramento Holdings 2023-0069641	Finished Lots 192 Lots 4,500 SF	$3,150 per annum	In Price $93,000	**$269,034**
	Comments: This transaction represents the purchase of 192 finished lots in Amoruso Ranch by DR Horton. The property includes 192 finished lots with a typical size at 4,500 square feet. This is based on a weighted average as it includes 2 villages with lots at 3,200 square feet, and 5,000 square feet, respectively. It includes special assessments identified at $3,150 per annum and assumed with the finished lots. Permits and fees noted at $93,000 per unit.						
6	Montelena (Villages 5, 7 & 8) SWC of Douglas Road & Montelena Drive Rancho Cordova, 95742	$27,531,000 **$151,269** July 27, 2023	Montelena Development LLC MDRE Development LLC 20230727/0140	Finished Lots 182 Lots 4,060 SF	$3,032 per annum	In Price $84,000	**$235,269**
	Comments: This transaction represents the July 2023 acquisition of 182 finished lots in the Montelena Community in the City of Rancho Cordova. It was an all cash sale for $151,269 per finished lot. Permits and fees are identified at $84,000 per unit and included in the loaded unit price at $235,269 per finished lot. Lots were within three villages with a weighted average lot size at 4,060 SF. Special assessments are noted at $3,032 per lot, per annum.						

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
7	Mangini Ranch - Phase 1C (Villages 1-3) NWQ of Mangini Parkway and Savannah Parkway Folsom, CA 95630	$22,650,000 **$128,693** June 12, 2023	Tri Pointe Holdings, Inc. Arcadian Improvement Company 20230612/0482	Finished Lots 176 Lots 3,292 SF	$2,522 per annum	In Price $51,600	**$180,293**
	Comments: This transaction represents the June 2023 acquisition of 176 finished lots in Folsom Ranch in the City of Folsom. It was an all cash sale for $128,693 per finished lot. Permits and fees identified at $51,600 per unit. Tri Pointe purchased Village 1-3, with pricing identified at $100,000 per lot for Village 1, and $144,000 per lot for Villages 2-3 for total price of $22,650,000. Deal points were structured in 3Q 2022 and includes profit participation to the seller upon close of escrow of the homes. Seller anticipates an additional $10,000 to $30,000 per lot for this element. Special assessments are noted at $2,522 per lot, per annum.						
8	Mangini Ranch - Phase 1C (Village 4) NWQ of White Rock Road and Savannah Parkway Folsom, CA 95630	$17,000,000 **$147,826** July 18, 2023	Lennar Homes of California Arcadian Improvement Company 20230718/0923	Finished Lots 115 Lots 3,300 SF	$2,522 per annum	In Price $51,600	**$199,426**
	Comments: This transaction represents the July 2023 acquisition of 115 finished lots in Folsom Ranch in the City of Folsom. It was an all cash sale for $147,826 per finished lot. Permits and fees identified at $51,600 per unit. Deal points were structured in 3Q 2022 and includes profit participation to the seller upon close of escrow of the homes. This is identified at 30% of the home price, less the initial payment at $147,826 per lot. This PAPA is capped at $71,300 per lot. Special assessments are noted at $2,522 per lot, per annum.						
9	Winding Creek (C-21) S. side of Vibrant Drive at Shady Tree Circle Roseville, CA 95747	$9,047,500 **$117,500** April 20, 2023	Winding Creek C-21 (Roseville LP) Anthem United 2023-0020655	Finished Lots 77 Lots 3,000 SF	$2,448 per annum	In Price $86,286	**$203,786**
	Comments: This transaction represents the April 2023 acquisition of 77 finished lots in the Winding Creek Community in the City of Roseville. It was an all cash sale for $117,500 per finished lot. Permits and fees are identified at $86,286 per unit and included in the loaded unit price at $203,786 per finished lot. Lots are smaller lots typically 3,000 square feet. Special assessments are noted at $2,448 per lot, per annum.						
10	MDR-1, LDR-1 (Delta Shores West) S. side of Cosumnes River Blvd., W. of I-5 Sacramento, CA 95832	$12,484,436 **$65,364** April 29, 2022	KB Homes M&H Realty LLC 20220429-0746	Paper Lots 192 Lots 3,833 SF	$1,963 per annum	$132,229 $48,640	**$246,233**
	Comments: This transaction represents the purchase of MDR-1 and LDR-2 within Delta Shores West by KB Homes. The property includes 192 proposed lots, with minimum lot sizes of 2,975 and 5,000 square feet, respectively. The weighted average lot size is identified at 3,833 square feet. It includes special assessments identified at $1,962.88 per annum (blended) and assumed with the finished lots. Site development costs, including profit identified at $132,229 per lot, whereas permits and fees reported at $48,640 per unit.						
11	MDR-8A - Delta Shores S. side of Cosumnes River Blvd. Sacramento, CA 95832	$3,825,000 **$50,329** June 30, 2022	Signature Homes M&H Realty LLC 20220630/1103	Paper Lots 76 Lots 3,116 SF	$1,780 per annum	$84,036 $64,000	**$198,365**
	Comments: This transaction represents the June 2022 closing of MDR-8A within Delta Shores by Signature Homes. The property includes 76 proposed lots, with a minimum lot size of 3,116 square feet. The property went into contract in September, 2021. It includes special assessments identified at $1,779.90 per annum and assumed with the finished lots. Site development costs, including profit identified at $84,036 per lot, whereas permits and fees reported at $64,000 per unit.						
SP	**Greenbriar CFD NO. 2018-3, IA #2 Single-Family Residential Component Sacramento, CA**		**Benchmark Village**	**Assumed Finished 100 Lots 4,500 SF**	**$2,741 per annum**	**Assumed Finished $29,209**	

APPLICATION OF ADJUSTMENTS

Prior to adjustments, the comparable sales ranged from $180,293 to $470,000 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 April 2022 to current transactions. They reflect the most recent transactions, and most were transacted subsequent to the increase in interest rates starting in 2022. 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. The table below summarizes home prices in the entire region, Sacramento County, as well as the Natomas Submarket since 2022. It is based on 2nd 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
2024	215	$734,952	2,418	$303.95	112	$678,964	2,330	$291.40	9	$647,884	2,455	$263.90
2023	206	$717,759	2,437	$294.53	103	$681,261	2,378	$286.48	14	$640,611	2,433	$263.30
2022	208	$733,911	2,372	$309.41	98	$725,423	2,328	$311.61	16	$658,480	2,365	$278.43
Total Change 2022-2024 ($/SF)				**-1.8%**				**-6.5%**				**-5.2%**
Compounded Annual Change (2022-2024)				**-0.6%**				**-2.2%**				**-1.8%**
Total Change 2023-2024 ($/SF)				**3.2%**				**1.7%**				**0.2%**

According to information identified by The Gregory Group, home pricing in the entire region has declined 1.8% since 2022 (Based on 2Q comparisons). This is higher on average for Sacramento County at 6.5%, with the Natomas submarket reflecting an overall change at 5.2%. In the second quarter of 2022, interest rates were still at low levels with rising rates thereafter. Toward the end of 2023, there was some stability in rates and pricing began to climb. As of 2Q 2024, pricing is trending upward toward levels identified in 2Q 2022. This is identified in changes over the past year from 1.7% to 3.2%.

Changes in pricing for these regions in the past year are identified as follows.

	SACRAMENTO REGION (4-County)				SACRAMENTO COUNTY				NATOMAS SUB-MARKET			
QTR.	# 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
2Q 24	215	$734,952	2,418	$303.95	112	$678,964	2,330	$291.40	9	$647,884	2,455	$263.90
1Q 24	218	$727,824	2,440	$298.29	111	$675,135	2,365	$285.47	10	$636,019	2,508	$253.60
4Q 23	208	$716,182	2,417	$296.31	112	$677,919	2,370	$286.04	12	$670,421	2,519	$266.15
3Q 23	210	$722,077	2,450	$294.73	107	$680,855	2,392	$284.64	13	$659,527	2,482	$265.72
Total Change 3Q23-2Q24 ($/SF)				**3.1%**				**2.4%**				**-0.7%**
Total Change 1Q24-2Q24 ($/SF)				**1.9%**				**2.1%**				**4.1%**

Information for the Sacramento region and Sacramento County shows level increases in pricing over the past year. Homes prices are trending in Natomas, but lagging behind these two regions with reduced pricing since 3Q 2023, but up 4.1% from levels noted in 1Q 2024. However, this is a byproduct of minimal projects offering homes on the market and the short-term supply of lots.

In addition, data compiled from the California Association of Realtors is identified. The following changes are identified in home pricing since July 2023.

MON-YR.	CA	EL DORADO	PLACER	SACRAMENTO	YOLO
July-23	$832,340	$650,000	$660,000	$547,000	$625,000
August-23	$859,800	$657,000	$669,000	$535,000	$622,500
September-23	$843,340	$685,000	$665,000	$545,000	$608,640
October-23	$840,360	$660,000	$685,000	$550,000	$629,900
November-23	$822,200	$650,000	$659,000	$522,290	$620,000
December-23	$819,740	$660,000	$633,020	$535,000	$630,000
January-24	$788,940	$650,000	$620,000	$515,000	$600,360
February-24	$806,490	$647,500	$650,000	$530,000	$918,940
March-24	$854,490	$677,000	$659,000	$530,000	$635,830
April-24	$904,910	$757,000	$671,740	$548,580	$615,000
May-24	$908,040	$699,000	$675,000	$555,000	$653,980
June-24	$900,720	$709,000	$685,000	$560,000	$649,500
July-24	$886,560	$695,000	$670,000	$560,000	$610,000
August-24	$888,740	$650,000	$675,000	$559,000	$620,960

Pricing characteristics are noted above since July 2023. Overall pricing has trended upward in 2024. Rising interest rates and inflation caught up to the housing market in the latter half of 2022 with some signs of recovery seen in 2023 and into 2024. With stability in interest rates, coupled with lack of inventory for resale homes, new home sales have captured buyers and builders have been able to raise pricing. The subject property is located in Sacramento County. It shows pricing is up 4.5% over the past 12 months.

The adjustment for market conditions is two-fold. Pricing in the region deteriorated from April 2022 to March 2023. Recognizing the reduced pricing, increasing concessions, caused by rising interest rates, downward adjustments of 6% are noted for this element. Excluding sales 10 and 11, the comparable transactions were from April 2023 to March 2024. No adjustments are noted for these sales as they demonstrate parallel market conditions to those identified for the subject property as of the effective date of valuation. As such, only downward adjustments of 6% are noted for sales 10 and 11. This adjustment is noted as follows. This adjustments is applied to the land components only and excludes fees and permits.

ITEM	COMP 10	COMP 11
Land Price	$65,364	$50,329
Site Costs	$132,228	$84,036
Finished Lot Indicator	$197,593	$134,365
Transaction Date	4-2022	6-2022
Adjustment to Current	(6%)	(6%)
$ ADJUSTMENT	**($11,856)**	**($8,062)**
ROUNDED	**($11,900)**	**($8,100)**

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 comparable sales were derived from Folsom, Laguna, Roseville, and Rancho Cordova. There were no recent transactions in Natomas viewed as comparable to the subject's location. Information from The Gregory Group 2nd Quarter 2024 for these various sub-markets are illustrated as follows. All prices are net of concessions.

SUBMARKET	AVERAGE NET PRICE	SIZE (SF)	PRICE/SF
Natomas	$647,884	2,455	$263.90
Roseville	$700,662	2,372	$295.39
Folsom	$786,134	2,418	$325.12
Rancho Cordova	$647,079	2,367	$273.38
Laguna	$686,955	2,330	$294.83

Information for Natomas is based on all projects. As noted in the market analysis section, pricing for the subject is from $242 to $321 per square foot, with overall project averages near $266 per square foot. For this analysis, projects from Rancho Cordova and Laguna do not require any adjustments. Sales 1, 10, and 11 are from the Delta Shores project, which offers a similar location to the subject. Based on overall comparisons noted above, Roseville pricing is approximately 9.5% higher than Natomas, whereas Folsom is 17.8% higher than Natomas. For this analysis, downward adjustments of 10% are applied for the Roseville locations (Sales 4, 5, 9), whereas Folsom is adjusted downward 12% (Sales 2, 3, 7, 8). Adjustments for this analysis are predicated on the land component only (Excluding Fees) and are calculated as follows.

ITEM	SALES 2&3	SALE 4	SALE 5	SALE 7	SALE 8	SALE 9
Land Price	$360,000	$210,000	$176,034	$128,693	$147,826	$117,500
Site Costs	$0	$0	$0	$0	$0	$0
Market Conditions Adj.	($0)	($0)	($0)	($0)	($0)	$0
Finished Lot Indicator	$360,000	$210,000	$176,034	$128,693	$147,726	$117,500
Location Adjustment	(15%)	(10%)	(10%)	(15%)	(15%)	(10%)
TOTAL ADJUSTMENT	**($54,000)**	**($21,000)**	**($17,603)**	**($19,303)**	**($22,159)**	**($11,750)**
ROUNDED	**($54,000)**	**($21,000)**	**($17,600)**	**($19,300)**	**($22,200)**	**($11,500)**

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 40 to 192 lots. Sales 2 and 3 are at the lower end of the range from 40 to 41 lots. However, it was identified that both of these sites were negotiated in one transaction. They included separate recording references as they both will effectively be developed by Woodside Homes. Shawood Communities is a subsidiary of Woodside Homes. The transactions with higher number of lots include purchases for multiple product lines. No adjustments were applied for this element.

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 $2,741 per annum. This is based on the weighted average for the subject project. 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 6%. Adjustments are noted as follows. It is noted that no adjustments are applicable for comparable sales 7-9.

ITEM	SALE 1	SALES 2/3	SALES 4/5	SALE 6	SALE 10	SALE 11
Annual CFD's	$1,892	$3,215	$3,150	$3,032	$1,963	$1,780
Subject CFD's	$2,741	$2,741	$2,741	$2,741	$2,741	$2,741
Variance	$849	$474	$409	$291	$778	$961
PV Factor **(1)**	5.582	5.582	5.582	5.582	5.582	5.582
ADJUSTMENT	**($5,297)**	**$2,646**	**$2,283**	**$1,624**	**($4,343)**	**($5,364)**
ROUNDED	**($5,300)**	**$2,700**	**$2,300**	**$1,600**	**($4,300)**	**($5,400)**

(1) PV factor reflects the PV of $1 for 7 years at 6%

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	10	11
Indicated Price per Lot (Loaded)		**$189,536**	**$470,000**	**$470,000**	**$303,000**	**$269,034**	**$235,269**	**$180,293**	**$199,426**	**$203,786**	**$246,266**	**$198,365**
Property Rights Conveyed	Fee Simple	Fee Simple	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	$0	$0
-Adjusted Base		$189,536	$470,000	$470,000	$303,000	$269,034	$235,269	$180,293	$199,426	$203,786	$246,266	$198,365
Financing Terms	Cash	Cash Equiv.	Cash Equiv.	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	$0	$0
-Adjusted Base		$189,536	$470,000	$470,000	$303,000	$269,034	$235,269	$180,293	$199,426	$203,786	$246,266	$198,365
Conditions of Sale	Arms-Length	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
-Adjustment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
-Adjusted Base		$189,536	$470,000	$470,000	$303,000	$269,034	$235,269	$180,293	$199,426	$203,786	$246,266	$198,365
Market Conditions	Sep-24	Mar-24	Nov-23	Nov-23	Dec-23	Dec-23	Jul-23	Jun-23	Jul-23	Apr-23	Apr-22	Jun-22
-Adjustment		$0	$0	$0	$0	$0	$0	$0	$0	$0	-$11,900	-$8,100
-Adjusted Base		$189,536	$470,000	$470,000	$303,000	$269,034	$235,269	$180,293	$199,426	$203,786	$234,366	$190,265
Adjusted Price per Lot (Loaded)		**$189,536**	**$470,000**	**$470,000**	**$303,000**	**$269,034**	**$235,269**	**$180,293**	**$199,426**	**$203,786**	**$234,366**	**$190,265**
Physical Characteristics												
Location	Good	Similar	Superior	Superior	Superior	Superior	Similar	Superior	Superior	Superior	Similar	Similar
-Adjustment		**$ -**	**$ (54,000)**	**$ (54,000)**	**$ (21,000)**	**$ (17,600)**	**$ -**	**$ (19,300)**	**$ (22,200)**	**$ (11,500)**	**$ -**	**$ -**
Number of Lots	100 Lots	101 Lots	40 Lots	41 Lots	138 Lots	192 Lots	182 Lots	176 Lots	115 Lots	77 Lots	192 Lots	77 Lots
-Adjustment	"Benchmark"	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Typical Lot Size	4,500 SF	1,612 SF	10,200 SF	10,200 SF	6,000 SF	4,500 SF	4,060 SF	3,292 SF	3,300 SF	3,000 SF	3,833 SF	3,116 SF
-Adjustment		**$ 34,700**	**$ (68,400)**	**$ (68,400)**	**$ (18,000)**	**$ -**	**$ 5,280**	**$ 15,000**	**$ 14,400**	**$ 18,000**	**$ 8,000**	**$ 16,600**
Annual Special Taxes	$2,741/Yr.	$1,892/Yr.	$3,215/Yr.	$3,215/Yr.	$3,150/Yr.	$3,150/Yr.	$3,032/Yr.	$2,522/Yr.	$2,522/Yr.	$2,448/Yr.	$1,963/Yr.	$1,780/Yr.
-Adjustment		**$ (5,300)**	**$ 2,700**	**$ 2,700**	**$ 2,300**	**$ 2,300**	**$ 1,600**	**$ -**	**$ -**	**$ -**	**$ (4,300)**	**$ (5,400)**
Net Adjustment		**$ 29,400**	**$ (119,700)**	**$ (119,700)**	**$ (36,700)**	**$ (15,300)**	**$ 6,880**	**$ (4,300)**	**$ (7,800)**	**$ 6,500**	**$ 3,700**	**$ 11,200**
Indicated Price per Lot (Loaded)		**$218,936**	**$350,300**	**$350,300**	**$266,300**	**$253,734**	**$242,149**	**$175,993**	**$191,626**	**$210,286**	**$238,066**	**$201,465**

Conclusion – Sales Comparison Approach

The eleven transactions demonstrate an adjusted price per finished lot range from $175,993 to $350,300 per lot, including fees. They reflect the most applicable sales for comparison. As noted, land transactions are scarce in this environment with rising interest rates and overall inflationary environment. All of the transactions in the overall validity in deriving the "benchmark" value. They demonstrate a mean (Average) price per finished lot at $245,378 with an overall median price per finished lot at $238,066. 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.

- Minimal competition for the subject lots in the short-run.

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 **$230,000 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	$230,000	4,500 SF	($20,544)	$209,456	($24,572)	$184,884	**$185,000**
Lakelet	3,690 SF	$230,000	4,500 SF	($9,720)	$220,280	($26,153)	$194,127	**$195,000**
Watersyde	4,000 SF	$230,000	4,500 SF	($6,000)	$224,000	($28,174)	$195,826	**$195,000**
Wavmor	4,500 SF	$230,000	4,500 SF	$0	$230,000	($27,685)	$202,315	**$202,000**
Crestvue	4,675 SF	$230,000	4,500 SF	$0	$230,000	($28,105)	$201,895	**$202,000**
Bleau	5,000 SF	$230,000	4,500 SF	$6,000	$236,000	($29,245)	$206,755	**$207,000**
Drifton	5,500 SF	$230,000	4,500 SF	$12,000	$242,000	($30,638)	$211,362	**$212,000**
V14/20	3,690 SF	$230,000	4,500 SF	($9,720)	$220,280	($42,335)	$177,945	**$178,000**

While the Crestvue lots are slightly larger than the benchmark lot size, no adjusted could be quantified for the additional lot size.

INCOME APPROACH

The income approach involves discounting the retail value of the finished production units and discounts them at an appropriate rate over time. Elements considered in this model include all costs of development of these homes including construction costs, taxes over the holding period, sales, and marketing costs, overhead, as well as an allowance for entrepreneurship. These net revenues are discounted to a present value in order to develop an overall value for the finished lots. This value is presented in conjunction with the hypothetical condition that site improvements are completed to this project as of the effective date of valuation.

Valuation for the finished lots was identified utilizing two methods including extraction based on static methodology and discounted cash flow analysis.

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. The following table summarizes the price points for the individual villages identified for review. This is based on the net pricing which is after concessions.

PROJECT	MIN LOT SIZE (SF)	AVERAGE BASE PRICE (NET)	AVERAGE SIZE (SF)	PRICE/SF
Shor	2,768 SF	**$570,240**	1,982	$288
Lakelet	3,690 SF	**$619,657**	2,233	$277
Watersyde	4,000 SF	**$681,190**	2,650	$257
Wavmor	4,500 SF	**$652,990**	2,484	$263
Crestvue	4,675 SF	**$679,590**	2,557	$266
Bleau	5,000 SF	**$751,823**	2,923	$257
Drifton	5,500 SF	**$735,657**	3,037	$242
V14/20	3,690 SF	**$528,740**	1,640	$322
TOTALS	**4,099 SF**	**$643,455**	**2,387**	**$270**

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 $60,000 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	193	2,788 SF	0	$60,000	$0	$0
Lakelet	173	3,690 SF	0	$60,000	$0	$0
Watersyde	153	4,000 SF	28	$60,000	$1,680,000	$10,980
Wavmor	163	4,500 SF	19	$60,000	$1,140,000	$6,994
Crestvue	138	4,675 SF	15	$60,000	$900,000	$6,522
Bleau	110	5,000 SF	40	$60,000	$2,400,000	$21,818
Drifton	108	5,500 SF	13	$60,000	$780,000	$7,222
V14/20	139	3,690 SF	0	$60,000	$0	$0
PROJECT	**1,177**	**4,594 SF**	**115**		**$6,900,000**	**$5,862**

The total lot premiums identified for the overall location adjacent to the lake front are identified at $6,900,000 or $5,862 per lot.

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 $60,000 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, Wavmor, Crestvue, and V14/20 product lines. Model upgrade costs for the Bleau and Drifton 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 upgrades for the production homes are not included in this analysis. These additional revenues are often buyer preference. While the absorption study provided for review in preparation of this assignment identifies typical upgrades, they are excluded from this analysis.

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 $105 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
Regional	2024	50+	1,706	6,100	$106.40
Regional	2024	80+	1,910	2,640	$105.20
Regional	2024	50+	2,428	4,725	$103.37
Regional	2024	50+	1,389	4,875	$100.00
Regional	2024	40+	2,035	3,500	$102.00
Regional	2024	80+	1,499	4,500	$93.66
Regional	2024	100+	1,529	2,412	$94.58
Regional	2024	100+	1,791	2,400	$102.90
Regional	2024	50+	2,242	3,000	$101.67
Regional	2023	60+	1,691	4,500	$95.53
Regional	2023	80+	2,271	5,500	$91.79
Regional	2023	60+	1,815	5,000	$89.61
Regional	2023	50+	1,738	4,000	$88.39
Regional	2023	100+	1,551	4,250	$95.50
Regional	2023	200+	2,834	6,000	$84.64
Regional	2023	70+	2,818	4,590	$80.24
AVERAGES			**1,953**		**$95.97**

These projects show direct construction costs from $80.24 to $106.40 per square foot. The overall costs for the subject are applied at $90 to $100 per square foot. The weighted average construction costs for the project in its entirety are $94.66 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	193	2,788 SF	1,982	$95	$188,290
Lakelet	173	3,690 SF	2,233	$95	$212,135
Watersyde	153	4,000 SF	2,650	$95	$251,750
Wavmor	163	4,500 SF	2,484	$95	$235,980
Crestvue	138	4,675 SF	2,557	$95	$242,915
Bleau	110	5,000 SF	2,923	$90	$263,070
Drifton	108	5,500 SF	3,037	$90	$273,330
V14/20	139	3,690 SF	1,640	$100	$164,000
PROJECT	**1,177**	**4,099 SF**	**2,387**		**$224,977**

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	Shor	Lakelet	Watersyde	Wavmor	Crestvue	Bleau	Drifton	V14/20
DIMENSIONS	41' x 68'	41' x 90'	50' x 80'	45' x 100'	55' x 85'	50' x 100'	55' x 100'	41' x 90'
MIN. LOT SIZE (SF)	2,788 SF	3,690 SF	4,000 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	3,690 SF
# LOTS	193	173	153	163	138	110	108	139
City Impact Fees/Lot	$19,136	$19,851	$21,038	$20,565	$20,776	$21,397	$22,123	$17,298
Greenbriar Fees	$3,800	$3,800	$3,800	$3,800	$3,800	$3,800	$3,800	$3,800
Agency Fees	$13,510	$14,494	$15,526	$15,431	$15,675	$16,297	$17,085	$13,374
School Fees	$0	$0	$0	$0	$0	$0	$0	$18,916
Total Fees	$36,446	$38,145	$40,364	$39,796	$40,251	$41,494	$43,008	$53,388
Less Credits	($11,874)	($11,992)	($12,190)	($12,111)	($12,146)	($12,249)	($12,370)	($11,053)
Total Fees Per Lot	**$24,572**	**$26,153**	**$28,174**	**$27,685**	**$28,105**	**$29,245**	**$30,638**	**$42,335**

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 1.1438% 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	V14/20
LOT SIZE	**2,768 SF**	**3,690 SF**	**4,000 SF**	**4,500 SF**	**4,675 SF**	**5,000 SF**	**5,500 SF**	**3,690 SF**
AVERAGE HOME SIZE	**1,982 SF**	**2,233 SF**	**2,650 SF**	**2,484 SF**	**2,557 SF**	**2,923 SF**	**3,037 SF**	**1,640 SF**
Land Value Conclusion	$185,100	$195,500	$194,900	$188,200	$198,100	$234,200	$205,300	$164,100
Annual Base Taxes (1.1438%)	$2,117.17	$2,236.13	$2,229.27	$2,152.63	$2,265.87	$2,678.78	$2,348.22	$1,876.98
Per Month	$176.43	$186.34	$185.77	$179.39	$188.82	$223.23	$195.69	$156.41
Absorption Period - Months **(A)**	25	25	33	33	33	33	33	25
Total Expenditure/Lot	$4,410.78	$4,658.60	$6,130.48	$5,919.74	$6,231.14	$7,366.64	$6,457.61	$3,910.37
# of Units	100	100	100	100	100	100	100	100
Overall Totals	$441,078	$465,860	$613,048	$591,974	$623,114	$736,664	$645,761	$391,037
50% basis due to Absorption	$220,539	$232,930	$306,524	$295,987	$311,557	$368,332	$322,880	$195,518
Per Unit **(A)**	**$2,205**	**$2,329**	**$3,065**	**$2,960**	**$3,116**	**$3,683**	**$3,229**	**$1,955**

(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 at $396.67 identified as follows.

DIRECT LEVIES	TOTALS
0168/Sac Area Flood Control	$10.90
0169/Natomas Basin	$1.50
0198/SAFCA	$2.00
0659/Sac. Additional Library	$1.82
1111/Sac. Service Zone #1	$278.04
0673/N. Natomas TMA CFD	$88.66
0738/RD #1000	$10.00
0739/RD #1000 Stormwater	$3.75
TOTALS	**$396.67**

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	V14/20
LOT SIZE	**2,768 SF**	**3,690 SF**	**4,000 SF**	**4,500 SF**	**4,675 SF**	**5,000 SF**	**5,500 SF**	**3,690 SF**
AVERAGE HOME SIZE	**1,982 SF**	**2,233 SF**	**2,650 SF**	**2,484 SF**	**2,557 SF**	**2,923 SF**	**3,037 SF**	**1,640 SF**
Direct Levies Per Annum	$396.67	$396.67	$396.67	$396.67	$396.67	$396.67	$396.67	$396.67
Per Month	$33.06	$33.06	$33.06	$33.06	$33.06	$33.06	$33.06	$33.06
Absorption Period - Months **(A)**	25	25	33	33	33	33	33	25
Total Expenditure/Lot	$826.40	$826.40	$1,090.84	$1,090.84	$1,090.84	$1,090.84	$1,090.84	$826.40
# of Units	100	100	100	100	100	100	100	100
Overall Totals	$82,640	$82,640	$109,084	$109,084	$109,084	$109,084	$109,084	$82,640
50% basis due to Absorption	$41,320	$41,320	$54,542	$54,542	$54,542	$54,542	$54,542	$41,320
Per Unit **(A)**	**$413**	**$413**	**$545**	**$545**	**$545**	**$545**	**$545**	**$413**

(A) Total absorption Period Based on 100 Units

Special Taxes

The subject project is proposed for a 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 LOT SIZE	SHOR 2,768 SF	LAKELET 3,690 SF	WATERSYDE 4,250 SF	WAVMORE 4,500 SF	CRESTVIEW 4,675 SF	BLEAU 5,000 SF	DRIFTON 5,500 SF	V14/20 3,690 SF
CFD 2018-03 - 1A#2	$2,264.62	$2,578.74	$2,936.36	$2,828.12	$3,204.85	$3,256.85	$3,550.80	$1,792.38
Villages	1 & 2	4, 5 & 11	3, 6 & 8	14-17	7, 9 & 10	12 & 13	18 & 19	V14/20

Based on the overall calculations on value identified for each product area, the allocation of special assessments is calculated as follows.

PROJECT LOT SIZE AVERAGE HOME SIZE	SHOR 2,768 SF 1,982 SF	LAKELET 3,690 SF 2,233 SF	WATERSYDE 4,000 SF 2,650 SF	WAVMORE 4,500 SF 2,484 SF	CRESTVIEW 4,675 SF 2,557 SF	BLEAU 5,000 SF 2,923 SF	DRIFTON 5,500 SF 3,037 SF	V14/20 3,690 SF 1,640 SF
Special District Per Annum	$2,264.62	$2,578.74	$2,936.36	$2,828.12	$3,204.85	$3,256.85	$3,550.80	$1,792.38
Per Month	$188.72	$214.90	$244.70	$235.68	$267.07	$271.40	$295.90	$149.37
Absorption Period - Months **(A)**	25	25	33	33	33	33	33	25
Total Expenditure/Lot	$4,717.96	$5,372.38	$8,074.99	$7,777.33	$8,813.34	$8,956.34	$9,764.70	$3,734.13
# of Units	100	100	100	100	100	100	100	100
Overall Totals	$471,796	$537,238	$807,499	$777,733	$881,334	$895,634	$976,470	$373,413
50% basis due to Absorption	$235,898	$268,619	$403,750	$388,867	$440,667	$447,817	$488,235	$186,706
Per Unit **(A)**	**$2,359**	**$2,686**	**$4,037**	**$3,889**	**$4,407**	**$4,478**	**$4,882**	**$1,867**

(A) Total absorption Period Based on 100 Units

HOA Dues

HOA is projected to be $90 per month, per unit for the lots in Phase 2, whereas dues are identified at $83.50 for the V14.20 lots. 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 LOT SIZE AVERAGE HOME SIZE	SHOR 2,768 SF 1,982 SF	LAKELET 3,690 SF 2,233 SF	WATERSYDE 4,000 SF 2,650 SF	WAVMORE 4,500 SF 2,484 SF	CRESTVIEW 4,675 SF 2,557 SF	BLEAU 5,000 SF 2,923 SF	DRIFTON 5,500 SF 3,031 SF	V14/20 3,690 SF 1,640 SF
HOA Per Annum	$1,080.00	$1,080.00	$1,080.00	$1,080.00	$1,080.00	$1,080.00	$1,080.00	$1,002.00
Per Month	$90.00	$90.00	$90.00	$90.00	$90.00	$90.00	$90.00	$83.50
Absorption Period - Months **(A)**	25	25	33	33	33	33	33	25
Total Expenditure/Lot	$2,250.00	$2,250.00	$2,970.00	$2,970.00	$2,970.00	$2,970.00	$2,970.00	$2,087.50
# of Units	100	100	100	100	100	100	100	100
Overall Totals	$225,000	$225,000	$297,000	$297,000	$297,000	$297,000	$297,000	$208,750
50% basis due to Absorption	$112,500	$112,500	$148,500	$148,500	$148,500	$148,500	$148,500	$104,375
Per Unit **(A)**	**$1,125**	**$1,125**	**$1,485**	**$1,485**	**$1,485**	**$1,485**	**$1,485**	**$1,044**

(A) Total absorption Period Based on 100 Units

DEVELOPER'S INCENTIVE

Developers surveyed in this market climate noted that projects are being looked at based on profit requirements. Urban projects typically require much higher profits, as capital outlays for construction are nearly double that of suburban projects. The expectations noted below reflect bottom line profit for the project.

PRO-FORMA **Based on Market Acquisition**	**AREA**	**EXPECTATION**
Regional Homebuilder 1,000+ Lots (2024 Pro-Forma) Paper Lots	Sacramento MSA	19.0% total IRR based on finished lots
Regional Homebuilder 50+ Lots (2024 Pro-Forma) Paper Lots	Sacramento MSA	13.1% profit from production homes priced From the low $400s to mid $500s
Regional Homebuilder 50+ Lots (2024 Pro-Forma) Finished	East Bay Area	12.75% profit from production homes priced Above $1.0 million. BMR requirement with 15.0% of units.
Regional Homebuilder 100+Lots (2024 Pro-Forma) Finished	East Bay Area	20.2% profit from production homes priced above $800,000. Developer acquired project in early 2021. BMR requirement with 8.0% of units.
Regional Homebuilder 100+ Lots (2023 Pro-Forma) Finished	Central Valley	15.6% profit from production homes priced above $650,000. Developer acquired project in early 2020.
Regional Homebuilder 100+ Lots (2023 Pro-Forma) Finished	Central Valley	12.97% profit from production homes priced above $600,000.
Regional Homebuilder 100+ Lots (2023 Pro-Forma) Finished	Central Valley	13.5% profit from production homes priced Above $1,000,000.
Regional Homebuilder 50+ Lots (2023 Pro-Forma) Finished	Central Valley	17.7% profit from production homes priced Above $600,000.

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 10% of revenues (gross sales proceeds) are projected for each product line. While two of these projects (Bleau, Drifton) 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. It is noted that profit levels are commensurate with home development, including direct construction costs, permits, and fees, as well as all agents of production involved with vertical improvements.

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 6.50% is assigned 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**	**V14/20**
LOT SIZE	**2,768 SF**	**3,690 SF**	**4,000 SF**	**4,500 SF**	**4,675 SF**	**5,000 SF**	**5,500 SF**	**3,690 SF**
AVERAGE HOME SIZE	**1,982 SF**	**2,233 SF**	**2,650 SF**	**2,484 SF**	**2,557 SF**	**2,923 SF**	**3,037 SF**	**1,640 SF**
Net Income/Lot After Profit	$214,148	$226,074	$237,331	$229,221	$241,180	$285,165	$250,029	$189,749
Absorption Period - Months **(A)**	25	25	33	33	33	33	33	25
Rate (6.5% applied Monthly)	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%
Overall Totals	**$28,999**	**$30,614**	**$42,423**	**$40,973**	**$43,111**	**$50,973**	**$44,693**	**$25,695**

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**	**V14/20**
LOT SIZE	**2,768 SF**	**3,690 SF**	**4,000 SF**	**4,500 SF**	**4,675 SF**	**5,000 SF**	**5,500 SF**	**3,690 SF**
AVERAGE HOME SIZE	**1,982 SF**	**2,233 SF**	**2,650 SF**	**2,484 SF**	**2,557 SF**	**2,923 SF**	**3,037 SF**	**1,640 SF**
Developer's Incentive	$57,204	$62,146	$69,397	$66,178	$68,791	$77,604	$74,528	$53,054
Cost of Funds	$28,999	$30,614	$42,423	$40,973	$43,111	$50,973	$44,693	$25,695
TOTAL	**$86,203**	**$92,760**	**$111,820**	**$107,152**	**$111,902**	**$128,577**	**$119,221**	**$78,749**
Gross Sales Proceeds	$572,040	$621,457	$693,970	$661,784	$687,912	$776,041	$745,279	$530,540
% of GSP	**15.1%**	**14.9%**	**16.1%**	**16.2%**	**16.3%**	**16.6%**	**16.0%**	**14.8%**

The overall profit expectation for each village ranges from 14.8% to 16.6% of gross sales proceeds. This is supportive of the project feasibility and is attractive to home builders. In addition, these parameters were tested in Discount Cash Flow models based on the overall conclusions noted in the prior sections. The only variance is that costs were inflated over time at 2% per annum, as well as the inclusion of appreciation (2%/Year beginning in Quarter 5). These net revenues based on entrepreneurship at 8% of gross sales proceeds, whereas discount rates from 11% to 12% were applied. Conclusions are noted below along with the resultant IRR projections.

PROJECT	CONCLUSION/LOT	IRR
Shor	$186,300	22.9%
Lakelet	$196,600	23.2%
Watersyde	$198,900	21.6%
Wavmor	$192,200	21.5%
Crestvue	$202,300	21.4%
Bleau	$234,800	22.1%
Drifton	$204,800	22.7%
V14/20	$164,900	23.3%

These conclusions reinforce those identified through extraction. Calculations of the overall lot value based on each product type based on calculations noted in this section are identified on the following table. Individual cash flow models follow this chart.

PROJECT		SHOR	LAKELET	WATERSYDE	WAVMOR	CRESTVUE	BLEAU	DRIFTON	V14/20
Average Home Size		1,982	2,233	2,650	2,484	2,557	2,923	3,037	1,640
Number of Lots		100	100	100	100	100	100	100	100
Direct Construction Costs/SF		$95	$95	$95	$95	$95	$90	$90	$100
# 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	$150,000
REVENUE									
--Base Home Revenue		$570,240	$619,657	$681,190	$652,990	$679,590	$751,823	$735,657	$528,740
--Lot Premium		$0	$0	$10,980	$6,994	$6,522	$21,818	$7,222	$0
--Model Recapture (40%)		$1,800	$1,800	$1,800	$1,800	$1,800	$2,400	$2,400	$1,800
TOTAL REVENUE (Gross Sales Proceeds)		**$572,040**	**$621,457**	**$693,970**	**$661,784**	**$687,912**	**$776,041**	**$745,279**	**$530,540**
EXPENSES									
-Sales Commissions	3.00%	$17,161	$18,644	$20,819	$19,854	$20,637	$23,281	$22,358	$15,916
-Closing, Title, Escrow	0.25%	$1,430	$1,554	$1,735	$1,654	$1,720	$1,940	$1,863	$1,326
-Warranty	1.00%	$5,720	$6,215	$6,940	$6,618	$6,879	$7,760	$7,453	$5,305
-Direct Construction Costs		$188,290	$212,135	$251,750	$235,980	$242,915	$263,070	$273,330	$164,000
-Permits and Fees		$24,572	$26,153	$28,174	$27,685	$28,105	$29,245	$30,638	$42,335
-General and Administrative	3.00%	$17,161	$18,644	$20,819	$19,854	$20,637	$23,281	$22,358	$15,916
-Marketing	1.25%	$7,151	$7,768	$8,675	$8,272	$8,599	$9,701	$9,316	$6,632
-Other Indirects (Construction/Insurance/Contingency)	5.00%	$28,602	$31,073	$34,699	$33,089	$34,396	$38,802	$37,264	$26,527
-Model Costs		$4,500	$4,500	$4,500	$4,500	$4,500	$6,000	$6,000	$4,500
-Ad Valorem Taxes	1.1438%	$2,204	$2,329	$3,065	$2,960	$3,116	$3,683	$3,229	$1,955
-Direct Levies		$413	$413	$545	$545	$545	$545	$545	$413
-Special Taxes		$2,359	$2,686	$4,037	$3,889	$4,407	$4,478	$4,882	$1,867
-HOA (at 50%)		$1,125	$1,125	$1,485	$1,485	$1,485	$1,485	$1,485	$1,044
TOTAL EXPENSES		**$300,688**	**$333,238**	**$387,242**	**$366,385**	**$377,941**	**$413,272**	**$420,722**	**$287,737**
NET INCOME BEFORE PROFIT		$271,352	$288,219	$306,728	$295,399	$309,971	$362,769	$324,557	$242,803
-Implied Developer's Incentive	10.0%	$57,204	$62,146	$69,397	$66,178	$68,791	$77,604	$74,528	$53,054
NET INCOME AFTER PROFIT		$214,148	$226,074	$237,331	$229,221	$241,180	$285,165	$250,029	$189,749
-Implied Costs of Funds	6.5%	$28,999	$30,614	$42,423	$40,973	$43,111	$50,973	$44,693	$25,695
VALUE INDICATION (PER LOT)		**$185,148**	**$195,459**	**$194,908**	**$188,248**	**$198,069**	**$234,192**	**$205,337**	**$164,054**
ROUNDED		**$185,100**	**$195,500**	**$194,900**	**$188,200**	**$198,100**	**$234,200**	**$205,300**	**$164,100**

SHOR - QUARTERLY DISCOUNTING ITEM		PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10	TOTALS
SINGLE-FAMILY RESIDENTIAL												
Total Number Developed		100	100	88	76	64	52	40	28	16	4	
Total Number Constructed		15	12	12	12	12	12	12	12	1	0	100
Number of Units sold		0	12	12	12	12	12	12	12	12	4	100
Number of Units Unsold		100	88	76	64	52	40	28	16	4	0	
Average Selling Price - Including Lot Premium		$570,240	$570,240	$570,240	$570,240	$570,240	$570,240	$570,240	$570,240	$570,240	$570,240	
Total Revenues - Base Plans		$0	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$2,280,960	$57,024,000
Model Home Recapture		$0	$0	$0	$0	$0	$0	$0	$0	$0	$180,000	$180,000
TOTAL PROJECT REVENUES		$0	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$6,842,880	$2,460,960	$57,204,000
Market Appreciation (Quarterly)	0.50%	$0	$0	$0	$0	$34,214	$68,600	$103,157	$137,887	$172,791	$74,758	$591,408
TOTAL REVENUE		**$0**	**$6,842,880**	**$6,842,880**	**$6,842,880**	**$6,877,094**	**$6,911,480**	**$6,946,037**	**$6,980,767**	**$7,015,671**	**$2,535,718**	**$57,795,408**
FIXED EXPENSES												
Construction Costs	$ 188,290	$2,824,350	$2,259,480	$2,259,480	$2,259,480	$2,259,480	$2,259,480	$2,259,480	$2,259,480	$188,290	$0	$18,829,000
Model Upgrades		$450,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$450,000
Permits & Fees	$ 24,572	$368,580	$294,864	$294,864	$294,864	$294,864	$294,864	$294,864	$294,864	$24,572	$0	$2,457,200
Total Construction Costs		$3,642,930	$2,554,344	$2,554,344	$2,554,344	$2,554,344	$2,554,344	$2,554,344	$2,554,344	$212,862	$0	$21,736,200
Inflation (Home Construction)	0.50%	$0	$12,772	$25,607	$38,507	$51,471	$64,500	$77,595	$90,754	$8,665	$0	$369,872
TOTAL CONSTRUCTION COSTS		**$3,642,930**	**$2,567,116**	**$2,579,951**	**$2,592,851**	**$2,605,815**	**$2,618,844**	**$2,631,939**	**$2,645,098**	**$221,527**	**$0**	**$22,106,072**
VARIABLE EXPENSES												
Property Taxes (1.1438%)	$535.00	$53,500	$47,080	$40,660	$34,240	$28,376	$21,828	$15,280	$8,731	$2,226	$0	$251,922
Direct Levies (Per Quarter)	$99.17	$9,917	$8,727	$7,537	$6,347	$5,260	$4,046	$2,832	$1,618	$413	$0	$46,697
HOA	$270.00	$27,000	$23,760	$20,520	$17,280	$14,040	$10,800	$7,560	$4,320	$1,080	$0	$126,360
Special Taxes (Per Quarter)	$566.16	$56,616	$49,822	$43,028	$36,234	$30,029	$23,099	$16,170	$9,240	$2,356	$0	$266,594
Other Indirect Costs	5.00%	$0	$342,144	$342,144	$342,144	$343,855	$345,574	$347,302	$349,038	$350,784	$126,786	$2,889,770
Marketing	1.25%	$0	$85,536	$85,536	$85,536	$85,964	$86,393	$86,825	$87,260	$87,696	$31,696	$722,443
Closing Costs, Warranty	1.25%	$0	$85,536	$85,536	$85,536	$85,964	$86,393	$86,825	$87,260	$87,696	$31,696	$722,443
Commissions	3.0%	$0	$205,286	$205,286	$205,286	$206,313	$207,344	$208,381	$209,423	$210,470	$76,072	$1,733,862
Admin. and Overhead	3.0%	$173,386	$173,386	$173,386	$173,386	$173,386	$173,386	$173,386	$173,386	$173,386	$173,386	$1,733,862
TOTAL VARIABLE EXPENSES		**$320,419**	**$1,021,278**	**$1,003,634**	**$985,990**	**$973,187**	**$958,865**	**$944,562**	**$930,276**	**$916,107**	**$439,637**	**$8,493,953**
TOTAL FIXED AND VARIABLE EXPENSES		**$3,963,349**	**$3,588,393**	**$3,583,585**	**$3,578,841**	**$3,579,002**	**$3,577,709**	**$3,576,500**	**$3,575,374**	**$1,137,634**	**$439,637**	**$30,600,025**
NET SALES REVENUE (BEFORE PROFIT)		**($3,963,349)**	**$3,254,487**	**$3,259,295**	**$3,264,039**	**$3,298,092**	**$3,333,770**	**$3,369,537**	**$3,405,393**	**$5,878,037**	**$2,096,081**	**$27,195,383**
Entrepreneurial Profit	8%	$0	$547,430	$547,430	$547,430	$550,168	$552,918	$555,683	$558,461	$561,254	$202,857	$4,623,633
Net Proceeds		**($3,963,349)**	**$2,707,056**	**$2,711,865**	**$2,716,609**	**$2,747,925**	**$2,780,852**	**$2,813,854**	**$2,846,932**	**$5,316,784**	**$1,893,224**	**$22,571,750**
Discount Rate	11%	0.97324	0.94719	0.92184	0.89717	0.87315	0.84978	0.82704	0.80491	0.78336	0.76240	
Net Cash Flow		($3,857,274)	$2,564,092	$2,499,899	$2,437,248	$2,399,362	$2,363,126	$2,327,174	$2,291,513	$4,164,976	$1,443,390	

NET PRESENT VALUE	**$18,633,506**
ROUNDED	**$18,630,000**
PER LOT	**$186,300**

IRR CALCULATIONS	VALUE	PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10
NET INCOME (BEFORE PROFIT)	($18,633,506)	($3,963,349)	$3,254,487	$3,259,295	$3,264,039	$3,298,092	$3,333,770	$3,369,537	$3,405,393	$5,878,037	$2,096,081
IRR (quarterly)	**5.73%**										
Annualized	**22.9%**										

LAKELET - QUARTERLY DISCOUNTING ITEM		PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10	TOTALS
SINGLE-FAMILY RESIDENTIAL												
Total Number Developed		100	100	88	76	64	52	40	28	16	4	
Total Number Constructed		15	12	12	12	12	12	12	12	1	0	100
Number of Units sold		0	12	12	12	12	12	12	12	12	4	100
Number of Units Unsold		100	88	76	64	52	40	28	16	4	0	
Average Selling Price - Including Lot Premium		$619,657	$619,657	$619,657	$619,657	$619,657	$619,657	$619,657	$619,657	$619,657	$619,657	
Total Revenues - Base Plans		$0	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$2,478,628	$61,965,700
Model Home Recapture		$0	$0	$0	$0	$0	$0	$0	$0	$0	$180,000	$180,000
TOTAL PROJECT REVENUES		$0	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$7,435,884	$2,658,628	$62,145,700
Market Appreciation (Quarterly)	0.50%	$0	$0	$0	$0	$37,179	$74,545	$112,097	$149,837	$187,765	$80,762	$642,186
TOTAL REVENUE		**$0**	**$7,435,884**	**$7,435,884**	**$7,435,884**	**$7,473,063**	**$7,510,429**	**$7,547,981**	**$7,585,721**	**$7,623,649**	**$2,739,390**	**$62,787,886**
FIXED EXPENSES												
Construction Costs	$ 212,135	$3,182,025	$2,545,620	$2,545,620	$2,545,620	$2,545,620	$2,545,620	$2,545,620	$2,545,620	$212,135	$0	$21,213,500
Model Upgrades		$450,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$450,000
Permits & Fees	$ 26,153	$392,295	$313,836	$313,836	$313,836	$313,836	$313,836	$313,836	$313,836	$26,153	$0	$2,615,300
Total Construction Costs		$4,024,320	$2,859,456	$2,859,456	$2,859,456	$2,859,456	$2,859,456	$2,859,456	$2,859,456	$238,288	$0	$24,278,800
Inflation (Home Construction)	0.50%	$0	$14,297	$28,666	$43,107	$57,619	$72,205	$86,863	$101,595	$9,700	$0	$414,052
TOTAL CONSTRUCTION COSTS		**$4,024,320**	**$2,873,753**	**$2,888,122**	**$2,902,563**	**$2,917,075**	**$2,931,661**	**$2,946,319**	**$2,961,051**	**$247,988**	**$0**	**$24,692,852**
VARIABLE EXPENSES												
Property Taxes (1.1438%)	$560.00	$56,000	$49,280	$42,560	$35,840	$29,702	$22,848	$15,994	$9,139	$2,330	$0	$263,694
Direct Levies (Per Quarter)	$99.17	$9,917	$8,727	$7,537	$6,347	$5,260	$4,046	$2,832	$1,618	$413	$0	$46,697
HOA	$270.00	$27,000	$23,760	$20,520	$17,280	$14,040	$10,800	$7,560	$4,320	$1,080	$0	$126,360
Special Taxes (Per Quarter)	$644.69	$64,469	$56,733	$48,996	$41,260	$34,194	$26,303	$18,412	$10,521	$2,683	$0	$303,573
Other Indirect Costs	5.00%	$0	$371,794	$371,794	$371,794	$373,653	$375,521	$377,399	$379,286	$381,182	$136,970	$3,139,394
Marketing	1.25%	$0	$92,949	$92,949	$92,949	$93,413	$93,880	$94,350	$94,822	$95,296	$34,242	$784,849
Closing Costs, Warranty	1.25%	$0	$92,949	$92,949	$92,949	$93,413	$93,880	$94,350	$94,822	$95,296	$34,242	$784,849
Commissions	3.0%	$0	$223,077	$223,077	$223,077	$224,192	$225,313	$226,439	$227,572	$228,709	$82,182	$1,883,637
Admin. and Overhead	3.0%	$188,364	$188,364	$188,364	$188,364	$188,364	$188,364	$188,364	$188,364	$188,364	$188,364	$1,883,637
TOTAL VARIABLE EXPENSES		**$345,750**	**$1,107,631**	**$1,088,745**	**$1,069,859**	**$1,056,232**	**$1,040,956**	**$1,025,700**	**$1,010,463**	**$995,353**	**$476,000**	**$9,216,688**
TOTAL FIXED AND VARIABLE EXPENSES		**$4,370,070**	**$3,981,384**	**$3,976,867**	**$3,972,421**	**$3,973,308**	**$3,972,617**	**$3,972,019**	**$3,971,514**	**$1,243,341**	**$476,000**	**$33,909,540**
NET SALES REVENUE (BEFORE PROFIT)		**($4,370,070)**	**$3,454,500**	**$3,459,017**	**$3,463,463**	**$3,499,756**	**$3,537,812**	**$3,575,962**	**$3,614,207**	**$6,380,308**	**$2,263,391**	**$28,878,345**
Entrepreneurial Profit	8%	$0	$594,871	$594,871	$594,871	$597,845	$600,834	$603,838	$606,858	$609,892	$219,151	$5,023,031
Net Proceeds		**($4,370,070)**	**$2,859,629**	**$2,864,146**	**$2,868,592**	**$2,901,911**	**$2,936,977**	**$2,972,123**	**$3,007,349**	**$5,770,416**	**$2,044,240**	**$23,855,314**
Discount Rate	11%	0.97324	0.94719	0.92184	0.89717	0.87315	0.84978	0.82704	0.80491	0.78336	0.76240	
Net Cash Flow		($4,253,109)	$2,708,607	$2,640,278	$2,573,603	$2,533,815	$2,495,799	$2,458,069	$2,420,634	$4,520,336	$1,558,524	

NET PRESENT VALUE	**$19,656,556**
ROUNDED	**$19,660,000**
PER LOT	**$196,600**

IRR CALCULATIONS	**VALUE**	**PERIOD 1**	**PERIOD 2**	**PERIOD 3**	**PERIOD 4**	**PERIOD 5**	**PERIOD 6**	**PERIOD 7**	**PERIOD 8**	**PERIOD 9**	**PERIOD 10**
NET INCOME (BEFORE PROFIT)	($19,656,556)	($4,370,070)	$3,454,500	$3,459,017	$3,463,463	$3,499,756	$3,537,812	$3,575,962	$3,614,207	$6,380,308	$2,263,391
IRR (quarterly)	**5.79%**										
Annualized	**23.2%**										

WATERSYDE - QUARTERLY DISCOUNTING		PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	
ITEM		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**TOTALS**
SINGLE-FAMILY RESIDENTIAL														
Total Number Developed		100	100	91	82	73	64	55	46	37	28	19	10	
Total Number Constructed		12	9	9	9	9	9	9	9	9	9	7	0	100
Number of Units sold		0	9	9	9	9	9	9	9	9	9	9	10	100
Number of Units Unsold		100	91	82	73	64	55	46	37	28	19	10	0	
Average Selling Price - Including Lot Premium		$692,170	$692,170	$692,170	$692,170	$692,170	$692,170	$692,170	$692,170	$692,170	$692,170	$692,170	$692,170	
Total Revenues - Base Plans		$0	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,921,700	$69,217,000
Model Home Recapture		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$180,000	$180,000
TOTAL PROJECT REVENUES		$0	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$6,229,530	$7,101,700	$69,397,000
Market Appreciation (Quarterly)	0.50%	$0	$0	$0	$0	$31,148	$62,451	$93,911	$125,528	$157,303	$189,238	$221,331	$289,089	$1,169,999
TOTAL REVENUE		**$0**	**$6,229,530**	**$6,229,530**	**$6,229,530**	**$6,260,678**	**$6,291,981**	**$6,323,441**	**$6,355,058**	**$6,386,833**	**$6,418,768**	**$6,450,861**	**$7,390,789**	**$70,566,999**
FIXED EXPENSES														
Construction Costs	$ 251,750	$3,021,000	$2,265,750	$2,265,750	$2,265,750	$2,265,750	$2,265,750	$2,265,750	$2,265,750	$2,265,750	$2,265,750	$1,762,250	$0	$25,175,000
Model Upgrades		$450,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$450,000
Permits & Fees	$ 28,174	$338,088	$253,566	$253,566	$253,566	$253,566	$253,566	$253,566	$253,566	$253,566	$253,566	$197,218	$0	$2,817,400
Total Construction Costs		$3,809,088	$2,519,316	$2,519,316	$2,519,316	$2,519,316	$2,519,316	$2,519,316	$2,519,316	$2,519,316	$2,519,316	$1,959,468	$0	$28,442,400
Inflation (Home Construction)	0.50%	$0	$12,597	$25,256	$37,979	$50,765	$63,616	$76,531	$89,510	$102,554	$115,663	$100,207	$0	$674,678
TOTAL CONSTRUCTION COSTS		**$3,809,088**	**$2,531,913**	**$2,544,572**	**$2,557,295**	**$2,570,081**	**$2,582,932**	**$2,595,847**	**$2,608,826**	**$2,621,870**	**$2,634,979**	**$2,059,675**	**$0**	**$29,117,078**
VARIABLE EXPENSES														
Property Taxes (1.1438%)	$570.00	$57,000	$51,870	$46,740	$41,610	$37,210	$31,977	$26,744	$21,512	$16,605	$11,268	$5,930	$0	$348,465
Direct Levies (Per Quarter)	$99.17	$9,917	$9,024	$8,132	$7,239	$6,474	$5,563	$4,653	$3,743	$2,889	$1,960	$1,032	$0	$60,627
HOA	$270.00	$27,000	$24,570	$22,140	$19,710	$17,280	$14,850	$12,420	$9,990	$7,560	$5,130	$2,700	$0	$163,350
Special Taxes (Per Quarter)	$734.09	$73,409	$66,802	$60,195	$53,589	$47,921	$41,182	$34,444	$27,705	$21,385	$14,511	$7,637	$0	$448,781
Other Indirect Costs	5.00%	$0	$311,477	$311,477	$311,477	$313,034	$314,599	$316,172	$317,753	$319,342	$320,938	$322,543	$369,539	$3,528,350
Marketing	1.25%	$0	$77,869	$77,869	$77,869	$78,258	$78,650	$79,043	$79,438	$79,835	$80,235	$80,636	$92,385	$882,087
Closing Costs, Warranty	1.25%	$0	$77,869	$77,869	$77,869	$78,258	$78,650	$79,043	$79,438	$79,835	$80,235	$80,636	$92,385	$882,087
Commissions	3.0%	$0	$186,886	$186,886	$186,886	$187,820	$188,759	$189,703	$190,652	$191,605	$192,563	$193,526	$221,724	$2,117,010
Admin. and Overhead	3.0%	$176,417	$176,417	$176,417	$176,417	$176,417	$176,417	$176,417	$176,417	$176,417	$176,417	$176,417	$176,417	$2,117,010
TOTAL VARIABLE EXPENSES		**$343,743**	**$982,785**	**$967,725**	**$952,666**	**$942,673**	**$930,648**	**$918,640**	**$906,648**	**$895,474**	**$883,257**	**$871,057**	**$952,450**	**$10,547,768**
TOTAL FIXED AND VARIABLE EXPENSES		**$4,152,831**	**$3,514,697**	**$3,512,298**	**$3,509,961**	**$3,512,755**	**$3,513,580**	**$3,514,486**	**$3,515,473**	**$3,517,344**	**$3,518,236**	**$2,930,733**	**$952,450**	**$39,664,846**
NET SALES REVENUE (BEFORE PROFIT)		**($4,152,831)**	**$2,714,833**	**$2,717,232**	**$2,719,569**	**$2,747,923**	**$2,778,401**	**$2,808,955**	**$2,839,585**	**$2,869,490**	**$2,900,531**	**$3,520,129**	**$6,438,339**	**$30,902,154**
Entrepreneurial Profit	8%	$0	$498,362	$498,362	$498,362	$500,854	$503,358	$505,875	$508,405	$510,947	$513,501	$516,069	$591,263	$5,645,360
Net Proceeds		**($4,152,831)**	**$2,216,470**	**$2,218,870**	**$2,221,206**	**$2,247,068**	**$2,275,042**	**$2,303,079**	**$2,331,180**	**$2,358,543**	**$2,387,030**	**$3,004,060**	**$5,847,076**	**$25,256,794**
Discount Rate	11%	0.97324	0.94719	0.92184	0.89717	0.87315	0.84978	0.82704	0.80491	0.78336	0.76240	0.74199	0.72213	
Net Cash Flow		($4,041,685)	$2,099,415	$2,045,438	$1,992,790	$1,962,037	$1,933,297	$1,904,742	$1,876,382	$1,847,597	$1,819,866	$2,228,991	$4,222,375	

NET PRESENT VALUE		**$19,891,245**
ROUNDED		**$19,890,000**
PER LOT		**$198,900**

IRR CALCULATIONS	**VALUE**	**PERIOD 1**	**PERIOD 2**	**PERIOD 3**	**PERIOD 4**	**PERIOD 5**	**PERIOD 6**	**PERIOD 7**	**PERIOD 8**	**PERIOD 9**	**PERIOD 10**	**PERIOD 11**	**PERIOD 12**
NET INCOME (BEFORE PROFIT)	($19,891,245)	($4,152,831)	$2,714,833	$2,717,232	$2,719,569	$2,747,923	$2,778,401	$2,808,955	$2,839,585	$2,869,490	$2,900,531	$3,520,129	$6,438,339
IRR (quarterly)	**5.39%**												
Annualized	**21.6%**												

WAVMOR - QUARTERLY DISCOUNTING		PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	
ITEM		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**TOTALS**
SINGLE-FAMILY RESIDENTIAL														
Total Number Developed		100	100	91	82	73	64	55	46	37	28	19	10	
Total Number Constructed		12	9	9	9	9	9	9	9	9	9	7	0	100
Number of Units sold		0	9	9	9	9	9	9	9	9	9	9	10	100
Number of Units Unsold		100	91	82	73	64	55	46	37	28	19	10	0	
Average Selling Price - Including Lot Premium		$659,984	$659,984	$659,984	$659,984	$659,984	$659,984	$659,984	$659,984	$659,984	$659,984	$659,984	$659,984	
Total Revenues - Base Plans		$0	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$6,599,840	$65,998,400
Model Home Recapture		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$180,000	$180,000
TOTAL PROJECT REVENUES		$0	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$5,939,856	$6,779,840	$66,178,400
Market Appreciation (Quarterly)	0.50%	$0	$0	$0	$0	$29,699	$59,547	$89,544	$119,691	$149,989	$180,438	$211,040	$275,987	$1,115,935
TOTAL REVENUE		**$0**	**$5,939,856**	**$5,939,856**	**$5,939,856**	**$5,969,555**	**$5,999,403**	**$6,029,400**	**$6,059,547**	**$6,089,845**	**$6,120,294**	**$6,150,896**	**$7,055,827**	**$67,294,335**
FIXED EXPENSES														
Construction Costs	$ 235,980	$2,831,760	$2,123,820	$2,123,820	$2,123,820	$2,123,820	$2,123,820	$2,123,820	$2,123,820	$2,123,820	$2,123,820	$1,651,860	$0	$23,598,000
Model Upgrades		$450,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$450,000
Permits & Fees	$ 27,685	$332,220	$249,165	$249,165	$249,165	$249,165	$249,165	$249,165	$249,165	$249,165	$249,165	$193,795	$0	$2,768,500
Total Construction Costs		$3,613,980	$2,372,985	$2,372,985	$2,372,985	$2,372,985	$2,372,985	$2,372,985	$2,372,985	$2,372,985	$2,372,985	$1,845,655	$0	$26,816,500
Inflation (Home Construction)	0.50%	$0	$11,865	$23,789	$35,773	$47,817	$59,921	$72,085	$84,311	$96,597	$108,945	$94,387	$0	$635,490
TOTAL CONSTRUCTION COSTS		**$3,613,980**	**$2,384,850**	**$2,396,774**	**$2,408,758**	**$2,420,802**	**$2,432,906**	**$2,445,070**	**$2,457,296**	**$2,469,582**	**$2,481,930**	**$1,940,042**	**$0**	**$27,451,990**
VARIABLE EXPENSES														
Property Taxes (1.1438%)	$550.00	$55,000	$50,050	$45,100	$40,150	$35,904	$30,855	$25,806	$20,757	$16,022	$10,872	$5,722	$0	$336,239
Direct Levies (Per Quarter)	$99.17	$9,917	$9,024	$8,132	$7,239	$6,474	$5,563	$4,653	$3,743	$2,889	$1,960	$1,032	$0	$60,627
HOA	$270.00	$27,000	$24,570	$22,140	$19,710	$17,280	$14,850	$12,420	$9,990	$7,560	$5,130	$2,700	$0	$163,350
Special Taxes (Per Quarter)	$707.03	$70,703	$64,340	$57,976	$51,613	$46,155	$39,664	$33,174	$26,683	$20,597	$13,976	$7,356	$0	$432,238
Other Indirect Costs	5.00%	$0	$296,993	$296,993	$296,993	$298,478	$299,970	$301,470	$302,977	$304,492	$306,015	$307,545	$352,791	$3,364,717
Marketing	1.25%	$0	$74,248	$74,248	$74,248	$74,619	$74,993	$75,368	$75,744	$76,123	$76,504	$76,886	$88,198	$841,179
Closing Costs, Warranty	1.25%	$0	$74,248	$74,248	$74,248	$74,619	$74,993	$75,368	$75,744	$76,123	$76,504	$76,886	$88,198	$841,179
Commissions	3.0%	$0	$178,196	$178,196	$178,196	$179,087	$179,982	$180,882	$181,786	$182,695	$183,609	$184,527	$211,675	$2,018,830
Admin. and Overhead	3.0%	$168,236	$168,236	$168,236	$168,236	$168,236	$168,236	$168,236	$168,236	$168,236	$168,236	$168,236	$168,236	$2,018,830
TOTAL VARIABLE EXPENSES		**$330,856**	**$939,905**	**$925,269**	**$910,633**	**$900,852**	**$889,106**	**$877,376**	**$865,661**	**$854,737**	**$842,806**	**$830,890**	**$909,098**	**$10,077,188**
TOTAL FIXED AND VARIABLE EXPENSES		**$3,944,836**	**$3,324,755**	**$3,322,043**	**$3,319,391**	**$3,321,654**	**$3,322,012**	**$3,322,446**	**$3,322,957**	**$3,324,319**	**$3,324,736**	**$2,770,932**	**$909,098**	**$37,529,179**
NET SALES REVENUE (BEFORE PROFIT)		**($3,944,836)**	**$2,615,101**	**$2,617,813**	**$2,620,465**	**$2,647,902**	**$2,677,391**	**$2,706,954**	**$2,736,590**	**$2,765,525**	**$2,795,558**	**$3,379,964**	**$6,146,730**	**$29,765,156**
Entrepreneurial Profit	8%	$0	$475,188	$475,188	$475,188	$477,564	$479,952	$482,352	$484,764	$487,188	$489,624	$492,072	$564,466	$5,383,547
Net Proceeds		**($3,944,836)**	**$2,139,913**	**$2,142,624**	**$2,145,276**	**$2,170,337**	**$2,197,439**	**$2,224,602**	**$2,251,826**	**$2,278,338**	**$2,305,935**	**$2,887,892**	**$5,582,263**	**$24,381,610**
Discount Rate	11%	0.97324	0.94719	0.92184	0.89717	0.87315	0.84978	0.82704	0.80491	0.78336	0.76240	0.74199	0.72213	
Net Cash Flow		($3,839,256)	$2,026,900	$1,975,152	$1,924,668	$1,895,039	$1,867,351	$1,839,838	$1,812,509	$1,784,767	$1,758,040	$2,142,796	$4,031,144	

NET PRESENT VALUE	**$19,218,948**
ROUNDED	**$19,220,000**
PER LOT	**$192,200**

IRR CALCULATIONS	VALUE	PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10	PERIOD 11	PERIOD 12
NET INCOME (BEFORE PROFIT)	($19,218,948)	($3,944,836)	$2,615,101	$2,617,813	$2,620,465	$2,647,902	$2,677,391	$2,706,954	$2,736,590	$2,765,525	$2,795,558	$3,379,964	$6,146,730
IRR (quarterly)	**5.37%**												
Annualized	**21.5%**												

CRESTVUE- QUARTERLY DISCOUNTING ITEM		PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10	PERIOD 11	PERIOD 12	TOTALS
SINGLE-FAMILY RESIDENTIAL														
Total Number Developed		100	100	91	82	73	64	55	46	37	28	19	10	
Total Number Constructed		12	9	9	9	9	9	9	9	9	9	7	0	100
Number of Units sold		0	9	9	9	9	9	9	9	9	9	9	10	100
Number of Units Unsold		100	91	82	73	64	55	46	37	28	19	10	0	
Average Selling Price - Including Lot Premium		$686,112	$686,112	$686,112	$686,112	$686,112	$686,112	$686,112	$686,112	$686,112	$686,112	$686,112	$686,112	
Total Revenues - Base Plans		$0	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,861,120	$68,611,200
Model Home Recapture		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$180,000	$180,000
TOTAL PROJECT REVENUES		$0	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$6,175,008	$7,041,120	$68,791,200
Market Appreciation (Quarterly)	0.50%	$0	$0	$0	$0	$30,875	$61,904	$93,089	$124,430	$155,927	$187,581	$219,394	$286,623	$1,159,824
TOTAL REVENUE		**$0**	**$6,175,008**	**$6,175,008**	**$6,175,008**	**$6,205,883**	**$6,236,912**	**$6,268,097**	**$6,299,438**	**$6,330,935**	**$6,362,589**	**$6,394,402**	**$7,327,743**	**$69,951,024**
FIXED EXPENSES														
Construction Costs	$ 242,915	$2,914,980	$2,186,235	$2,186,235	$2,186,235	$2,186,235	$2,186,235	$2,186,235	$2,186,235	$2,186,235	$2,186,235	$1,700,405	$0	$24,291,500
Model Upgrades		$450,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$450,000
Permits & Fees	$ 28,105	$337,260	$252,945	$252,945	$252,945	$252,945	$252,945	$252,945	$252,945	$252,945	$252,945	$196,735	$0	$2,810,500
Total Construction Costs		$3,702,240	$2,439,180	$2,439,180	$2,439,180	$2,439,180	$2,439,180	$2,439,180	$2,439,180	$2,439,180	$2,439,180	$1,897,140	$0	$27,552,000
Inflation (Home Construction)	0.50%	$0	$12,196	$24,453	$36,771	$49,151	$61,592	$74,096	$86,663	$99,292	$111,984	$97,020	$0	$653,217
TOTAL CONSTRUCTION COSTS		**$3,702,240**	**$2,451,376**	**$2,463,633**	**$2,475,951**	**$2,488,331**	**$2,500,772**	**$2,513,276**	**$2,525,843**	**$2,538,472**	**$2,551,164**	**$1,994,160**	**$0**	**$28,205,217**
VARIABLE EXPENSES														
Property Taxes (1.1438%)	$580.00	$58,000	$52,780	$47,560	$42,340	$37,862	$32,538	$27,214	$21,889	$16,896	$11,465	$6,034	$0	$354,579
Direct Levies (Per Quarter)	$99.17	$9,917	$9,024	$8,132	$7,239	$6,474	$5,563	$4,653	$3,743	$2,889	$1,960	$1,032	$0	$60,627
HOA	$270.00	$27,000	$24,570	$22,140	$19,710	$17,280	$14,850	$12,420	$9,990	$7,560	$5,130	$2,700	$0	$163,350
Special Taxes (Per Quarter)	$801.21	$80,121	$72,910	$65,699	$58,488	$52,303	$44,948	$37,593	$30,238	$23,340	$15,838	$8,336	$0	$489,814
Other Indirect Costs	5.00%	$0	$308,750	$308,750	$308,750	$310,294	$311,846	$313,405	$314,972	$316,547	$318,129	$319,720	$366,387	$3,497,551
Marketing	1.25%	$0	$77,188	$77,188	$77,188	$77,574	$77,961	$78,351	$78,743	$79,137	$79,532	$79,930	$91,597	$874,388
Closing Costs, Warranty	1.25%	$0	$77,188	$77,188	$77,188	$77,574	$77,961	$78,351	$78,743	$79,137	$79,532	$79,930	$91,597	$874,388
Commissions	3.0%	$0	$185,250	$185,250	$185,250	$186,176	$187,107	$188,043	$188,983	$189,928	$190,878	$191,832	$219,832	$2,098,531
Admin. and Overhead	3.0%	$174,878	$174,878	$174,878	$174,878	$174,878	$174,878	$174,878	$174,878	$174,878	$174,878	$174,878	$174,878	$2,098,531
TOTAL VARIABLE EXPENSES		**$349,916**	**$982,538**	**$966,785**	**$951,031**	**$940,414**	**$927,653**	**$914,907**	**$902,178**	**$890,311**	**$877,343**	**$864,392**	**$944,291**	**$10,511,758**
TOTAL FIXED AND VARIABLE EXPENSES		**$4,052,156**	**$3,433,914**	**$3,430,417**	**$3,426,982**	**$3,428,745**	**$3,428,425**	**$3,428,183**	**$3,428,021**	**$3,428,783**	**$3,428,507**	**$2,858,552**	**$944,291**	**$38,716,975**
NET SALES REVENUE (BEFORE PROFIT)		**($4,052,156)**	**$2,741,094**	**$2,744,591**	**$2,748,026**	**$2,777,138**	**$2,808,487**	**$2,839,914**	**$2,871,417**	**$2,902,152**	**$2,934,082**	**$3,535,851**	**$6,383,453**	**$31,234,048**
Entrepreneurial Profit	8%	$0	$494,001	$494,001	$494,001	$496,471	$498,953	$501,448	$503,955	$506,475	$509,007	$511,552	$586,219	$5,596,082
Net Proceeds		**($4,052,156)**	**$2,247,093**	**$2,250,590**	**$2,254,025**	**$2,280,667**	**$2,309,534**	**$2,338,466**	**$2,367,462**	**$2,395,677**	**$2,425,075**	**$3,024,298**	**$5,797,233**	**$25,637,966**
Discount Rate	11%	0.97324	0.94719	0.92184	0.89717	0.87315	0.84978	0.82704	0.80491	0.78336	0.76240	0.74199	0.72213	
Net Cash Flow		($3,943,704)	$2,128,421	$2,074,679	$2,022,234	$1,991,374	$1,962,608	$1,934,008	$1,905,585	$1,876,687	$1,848,872	$2,244,009	$4,186,381	
NET PRESENT VALUE		**$20,231,153**												
ROUNDED		**$20,230,000**												
PER LOT		**$202,300**												

IRR CALCULATIONS	**VALUE**	**PERIOD 1**	**PERIOD 2**	**PERIOD 3**	**PERIOD 4**	**PERIOD 5**	**PERIOD 6**	**PERIOD 7**	**PERIOD 8**	**PERIOD 9**	**PERIOD 10**	**PERIOD 11**	**PERIOD 12**
NET INCOME (BEFORE PROFIT)	($20,231,153)	($4,052,156)	$2,741,094	$2,744,591	$2,748,026	$2,777,138	$2,808,487	$2,839,914	$2,871,417	$2,902,152	$2,934,082	$3,535,851	$6,383,453
IRR (quarterly)	**5.35%**												
Annualized	**21.4%**												

BLEAU - QUARTERLY DISCOUNTING ITEM		PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10	PERIOD 11	PERIOD 12	TOTALS
SINGLE-FAMILY RESIDENTIAL														
Total Number Developed		100	100	91	82	73	64	55	46	37	28	19	10	
Total Number Constructed		12	9	9	9	9	9	9	9	9	9	7	0	100
Number of Units sold		0	9	9	9	9	9	9	9	9	9	9	10	100
Number of Units Unsold		100	91	82	73	64	55	46	37	28	19	10	0	
Average Selling Price - Including Lot Premium		$773,641	$773,641	$773,641	$773,641	$773,641	$773,641	$773,641	$773,641	$773,641	$773,641	$773,641	$773,641	
Total Revenues - Base Plans		$0	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$7,736,410	$77,364,100
Model Home Recapture		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$240,000	$240,000
TOTAL PROJECT REVENUES		$0	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$6,962,769	$7,976,410	$77,604,100
Market Appreciation (Quarterly)	0.50%	$0	$0	$0	$0	$34,814	$69,802	$104,965	$140,303	$175,819	$211,512	$247,383	$324,696	$1,309,293
TOTAL REVENUE		**$0**	**$6,962,769**	**$6,962,769**	**$6,962,769**	**$6,997,583**	**$7,032,571**	**$7,067,734**	**$7,103,072**	**$7,138,588**	**$7,174,281**	**$7,210,152**	**$8,301,106**	**$78,913,393**
FIXED EXPENSES														
Construction Costs	$ 263,070	$3,156,840	$2,367,630	$2,367,630	$2,367,630	$2,367,630	$2,367,630	$2,367,630	$2,367,630	$2,367,630	$2,367,630	$1,841,490	$0	$26,307,000
Model Upgrades		$600,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$600,000
Permits & Fees	$ 29,245	$350,940	$263,205	$263,205	$263,205	$263,205	$263,205	$263,205	$263,205	$263,205	$263,205	$204,715	$0	$2,924,500
Total Construction Costs		$4,107,780	$2,630,835	$2,630,835	$2,630,835	$2,630,835	$2,630,835	$2,630,835	$2,630,835	$2,630,835	$2,630,835	$2,046,205	$0	$29,831,500
Inflation (Home Construction)	0.50%	$0	$13,154	$26,374	$39,660	$53,013	$66,432	$79,918	$93,472	$107,094	$120,783	$104,643	$0	$704,543
TOTAL CONSTRUCTION COSTS		**$4,107,780**	**$2,643,989**	**$2,657,209**	**$2,670,495**	**$2,683,848**	**$2,697,267**	**$2,710,753**	**$2,724,307**	**$2,737,929**	**$2,751,618**	**$2,150,848**	**$0**	**$30,536,043**
VARIABLE EXPENSES														
Property Taxes (1.1438%)	$670.00	$67,000	$60,970	$54,940	$48,910	$43,738	$37,587	$31,436	$25,286	$19,518	$13,244	$6,971	$0	$409,600
Direct Levies (Per Quarter)	$99.17	$9,917	$9,024	$8,132	$7,239	$6,474	$5,563	$4,653	$3,743	$2,889	$1,960	$1,032	$0	$60,627
HOA	$270.00	$27,000	$24,570	$22,140	$19,710	$17,280	$14,850	$12,420	$9,990	$7,560	$5,130	$2,700	$0	$163,350
Special Taxes (Per Quarter)	$814.21	$81,421	$74,093	$66,765	$59,437	$53,152	$45,677	$38,203	$30,728	$23,719	$16,095	$8,471	$0	$497,761
Other Indirect Costs	5.00%	$0	$348,138	$348,138	$348,138	$349,879	$351,629	$353,387	$355,154	$356,929	$358,714	$360,508	$415,055	$3,945,670
Marketing	1.25%	$0	$87,035	$87,035	$87,035	$87,470	$87,907	$88,347	$88,788	$89,232	$89,679	$90,127	$103,764	$986,417
Closing Costs, Warranty	1.25%	$0	$87,035	$87,035	$87,035	$87,470	$87,907	$88,347	$88,788	$89,232	$89,679	$90,127	$103,764	$986,417
Commissions	3.0%	$0	$208,883	$208,883	$208,883	$209,927	$210,977	$212,032	$213,092	$214,158	$215,228	$216,305	$249,033	$2,367,402
Admin. and Overhead	3.0%	$197,283	$197,283	$197,283	$197,283	$197,283	$197,283	$197,283	$197,283	$197,283	$197,283	$197,283	$197,283	$2,367,402
TOTAL VARIABLE EXPENSES		**$382,621**	**$1,097,032**	**$1,080,351**	**$1,063,671**	**$1,052,673**	**$1,039,381**	**$1,026,108**	**$1,012,853**	**$1,000,521**	**$987,013**	**$973,523**	**$1,068,900**	**$11,784,646**
TOTAL FIXED AND VARIABLE EXPENSES		**$4,490,401**	**$3,741,021**	**$3,737,561**	**$3,734,166**	**$3,736,520**	**$3,736,648**	**$3,736,861**	**$3,737,160**	**$3,738,449**	**$3,738,631**	**$3,124,371**	**$1,068,900**	**$42,320,689**
NET SALES REVENUE (BEFORE PROFIT)		**($4,490,401)**	**$3,221,748**	**$3,225,208**	**$3,228,603**	**$3,261,062**	**$3,295,923**	**$3,330,873**	**$3,365,912**	**$3,400,138**	**$3,435,650**	**$4,085,781**	**$7,232,206**	**$36,592,704**
Entrepreneurial Profit	8%	$0	$557,022	$557,022	$557,022	$559,807	$562,606	$565,419	$568,246	$571,087	$573,942	$576,812	$664,088	$6,313,071
Net Proceeds		**($4,490,401)**	**$2,664,726**	**$2,668,187**	**$2,671,581**	**$2,701,256**	**$2,733,317**	**$2,765,454**	**$2,797,667**	**$2,829,051**	**$2,861,707**	**$3,508,969**	**$6,568,118**	**$30,279,632**
Discount Rate	12%	0.97087	0.94260	0.91514	0.88849	0.86261	0.83748	0.81309	0.78941	0.76642	0.74409	0.72242	0.70138	
Net Cash Flow		($4,359,613)	$2,511,760	$2,441,769	$2,373,665	$2,330,127	$2,289,110	$2,248,567	$2,208,504	$2,168,232	$2,129,379	$2,534,954	$4,606,746	

NET PRESENT VALUE	**$23,483,201**
ROUNDED	**$23,480,000**
PER LOT	**$234,800**

IRR CALCULATIONS	**VALUE**	**PERIOD 1**	**PERIOD 2**	**PERIOD 3**	**PERIOD 4**	**PERIOD 5**	**PERIOD 6**	**PERIOD 7**	**PERIOD 8**	**PERIOD 9**	**PERIOD 10**	**PERIOD 11**	**PERIOD 12**
NET INCOME (BEFORE PROFIT)	($23,483,201)	($4,490,401)	$3,221,748	$3,225,208	$3,228,603	$3,261,062	$3,295,923	$3,330,873	$3,365,912	$3,400,138	$3,435,650	$4,085,781	$7,232,206
IRR (quarterly)	**5.53%**												
Annualized	**22.1%**												

DRIFTON- QUARTERLY DISCOUNTING ITEM		PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10	PERIOD 11	PERIOD 12	TOTALS
SINGLE-FAMILY RESIDENTIAL														
Total Number Developed		100	100	91	82	73	64	55	46	37	28	19	10	
Total Number Constructed		12	9	9	9	9	9	9	9	9	9	7	0	100
Number of Units sold		0	9	9	9	9	9	9	9	9	9	9	10	100
Number of Units Unsold		100	91	82	73	64	55	46	37	28	19	10	0	
Average Selling Price - Including Lot Premium		$742,879	$742,879	$742,879	$742,879	$742,879	$742,879	$742,879	$742,879	$742,879	$742,879	$742,879	$742,879	
Total Revenues - Base Plans		$0	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$7,428,790	$74,287,900
Model Home Recapture		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$240,000	$240,000
TOTAL PROJECT REVENUES		$0	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$6,685,911	$7,668,790	$74,527,900
Market Appreciation (Quarterly)	0.50%	$0	$0	$0	$0	$33,430	$67,026	$100,791	$134,724	$168,828	$203,101	$237,546	$312,174	$1,257,620
TOTAL REVENUE		**$0**	**$6,685,911**	**$6,685,911**	**$6,685,911**	**$6,719,341**	**$6,752,937**	**$6,786,702**	**$6,820,635**	**$6,854,739**	**$6,889,012**	**$6,923,457**	**$7,980,964**	**$75,785,520**
FIXED EXPENSES														
Construction Costs	$ 273,330	$3,279,960	$2,459,970	$2,459,970	$2,459,970	$2,459,970	$2,459,970	$2,459,970	$2,459,970	$2,459,970	$2,459,970	$1,913,310	$0	$27,333,000
Model Upgrades		$600,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$600,000
Permits & Fees	$ 30,638	$367,656	$275,742	$275,742	$275,742	$275,742	$275,742	$275,742	$275,742	$275,742	$275,742	$214,466	$0	$3,063,800
Total Construction Costs		$4,247,616	$2,735,712	$2,735,712	$2,735,712	$2,735,712	$2,735,712	$2,735,712	$2,735,712	$2,735,712	$2,735,712	$2,127,776	$0	$30,996,800
Inflation (Home Construction)	0.50%	$0	$13,679	$27,426	$41,241	$55,126	$69,080	$83,104	$97,198	$111,363	$125,598	$108,815	$0	$732,629
TOTAL CONSTRUCTION COSTS		**$4,247,616**	**$2,749,391**	**$2,763,138**	**$2,776,953**	**$2,790,838**	**$2,804,792**	**$2,818,816**	**$2,832,910**	**$2,847,075**	**$2,861,310**	**$2,236,591**	**$0**	**$31,729,429**
VARIABLE EXPENSES														
Property Taxes (1.1438%)	$585.00	$58,500	$53,235	$47,970	$42,705	$38,189	$32,819	$27,448	$22,078	$17,042	$11,564	$6,086	$0	$357,636
Direct Levies (Per Quarter)	$99.17	$9,917	$9,024	$8,132	$7,239	$6,474	$5,563	$4,653	$3,743	$2,889	$1,960	$1,032	$0	$60,627
HOA	$270.00	$27,000	$24,570	$22,140	$19,710	$17,280	$14,850	$12,420	$9,990	$7,560	$5,130	$2,700	$0	$163,350
Special Taxes (Per Quarter)	$887.80	$88,780	$80,790	$72,800	$64,809	$57,956	$49,806	$41,656	$33,506	$25,863	$17,550	$9,237	$0	$542,750
Other Indirect Costs	5.00%	$0	$334,296	$334,296	$334,296	$335,967	$337,647	$339,335	$341,032	$342,737	$344,451	$346,173	$399,048	$3,789,276
Marketing	1.25%	$0	$83,574	$83,574	$83,574	$83,992	$84,412	$84,834	$85,258	$85,684	$86,113	$86,543	$99,762	$947,319
Closing Costs, Warranty	1.25%	$0	$83,574	$83,574	$83,574	$83,992	$84,412	$84,834	$85,258	$85,684	$86,113	$86,543	$99,762	$947,319
Commissions	3.0%	$0	$200,577	$200,577	$200,577	$201,580	$202,588	$203,601	$204,619	$205,642	$206,670	$207,704	$239,429	$2,273,566
Admin. and Overhead	3.0%	$189,464	$189,464	$189,464	$189,464	$189,464	$189,464	$189,464	$189,464	$189,464	$189,464	$189,464	$189,464	$2,273,566
TOTAL VARIABLE EXPENSES		**$373,661**	**$1,059,104**	**$1,042,526**	**$1,025,948**	**$1,014,893**	**$1,001,560**	**$988,244**	**$974,947**	**$962,565**	**$949,014**	**$935,482**	**$1,027,465**	**$11,355,408**
TOTAL FIXED AND VARIABLE EXPENSES		**$4,621,277**	**$3,808,494**	**$3,805,664**	**$3,802,901**	**$3,805,731**	**$3,806,352**	**$3,807,060**	**$3,807,857**	**$3,809,639**	**$3,810,324**	**$3,172,072**	**$1,027,465**	**$43,084,837**
NET SALES REVENUE (BEFORE PROFIT)		**($4,621,277)**	**$2,877,417**	**$2,880,247**	**$2,883,010**	**$2,913,610**	**$2,946,585**	**$2,979,641**	**$3,012,779**	**$3,045,099**	**$3,078,688**	**$3,751,385**	**$6,953,499**	**$32,700,683**
Entrepreneurial Profit	8%	$0	$534,873	$534,873	$534,873	$537,547	$540,235	$542,936	$545,651	$548,379	$551,121	$553,877	$638,477	$6,062,842
Net Proceeds		**($4,621,277)**	**$2,342,544**	**$2,345,375**	**$2,348,137**	**$2,376,063**	**$2,406,350**	**$2,436,705**	**$2,467,128**	**$2,496,720**	**$2,527,567**	**$3,197,508**	**$6,315,022**	**$26,637,842**
Discount Rate	12%	0.97087	0.94260	0.91514	0.88849	0.86261	0.83748	0.81309	0.78941	0.76642	0.74409	0.72242	0.70138	
Net Cash Flow		($4,486,677)	$2,208,072	$2,146,350	$2,086,289	$2,049,612	$2,015,281	$1,981,264	$1,947,573	$1,913,528	$1,880,747	$2,309,948	$4,429,229	

NET PRESENT VALUE	**$20,481,218**
ROUNDED	**$20,480,000**
PER LOT	**$204,800**

IRR CALCULATIONS	**VALUE**	**PERIOD 1**	**PERIOD 2**	**PERIOD 3**	**PERIOD 4**	**PERIOD 5**	**PERIOD 6**	**PERIOD 7**	**PERIOD 8**	**PERIOD 9**	**PERIOD 10**	**PERIOD 11**	**PERIOD 12**
NET INCOME (BEFORE PROFIT)	($20,481,218)	($4,621,277)	$2,877,417	$2,880,247	$2,883,010	$2,913,610	$2,946,585	$2,979,641	$3,012,779	$3,045,099	$3,078,688	$3,751,385	$6,953,499
IRR (quarterly)	**5.69%**												
Annualized	**22.7%**												

V14/20 - QUARTERLY DISCOUNTING ITEM		PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10	TOTALS
SINGLE-FAMILY RESIDENTIAL												
Total Number Developed		100	100	88	76	64	52	40	28	16	4	
Total Number Constructed		15	12	12	12	12	12	12	12	1	0	100
Number of Units sold		0	12	12	12	12	12	12	12	12	4	100
Number of Units Unsold		100	88	76	64	52	40	28	16	4	0	
Average Selling Price - Including Lot Premium		$528,740	$528,740	$528,740	$528,740	$528,740	$528,740	$528,740	$528,740	$528,740	$528,740	
Total Revenues - Base Plans		$0	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$2,114,960	$52,874,000
Model Home Recapture		$0	$0	$0	$0	$0	$0	$0	$0	$0	$180,000	$180,000
TOTAL PROJECT REVENUES		$0	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$6,344,880	$2,294,960	$53,054,000
Market Appreciation (Quarterly)	0.50%	$0	$0	$0	$0	$31,724	$63,607	$95,650	$127,853	$160,216	$69,715	$548,766
TOTAL REVENUE		**$0**	**$6,344,880**	**$6,344,880**	**$6,344,880**	**$6,376,604**	**$6,408,487**	**$6,440,530**	**$6,472,733**	**$6,505,096**	**$2,364,675**	**$53,602,766**
FIXED EXPENSES												
Construction Costs	$ 164,000	$2,460,000	$1,968,000	$1,968,000	$1,968,000	$1,968,000	$1,968,000	$1,968,000	$1,968,000	$164,000	$0	$16,400,000
Model Upgrades		$450,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$450,000
Permits & Fees	$ 42,335	$635,025	$508,020	$508,020	$508,020	$508,020	$508,020	$508,020	$508,020	$42,335	$0	$4,233,500
Total Construction Costs		$3,545,025	$2,476,020	$2,476,020	$2,476,020	$2,476,020	$2,476,020	$2,476,020	$2,476,020	$206,335	$0	$21,083,500
Inflation (Home Construction)	0.50%	$0	$12,380	$24,822	$37,326	$49,893	$62,523	$75,215	$87,971	$8,399	$0	$358,530
TOTAL CONSTRUCTION COSTS		**$3,545,025**	**$2,488,400**	**$2,500,842**	**$2,513,346**	**$2,525,913**	**$2,538,543**	**$2,551,235**	**$2,563,991**	**$214,734**	**$0**	**$21,442,030**
VARIABLE EXPENSES												
Property Taxes (1.1438%)	$470.00	$47,000	$41,360	$35,720	$30,080	$24,929	$19,176	$13,423	$7,670	$1,956	$0	$221,314
Direct Levies (Per Quarter)	$99.17	$9,917	$8,727	$7,537	$6,347	$5,260	$4,046	$2,832	$1,618	$413	$0	$46,697
HOA	$250.50	$25,050	$22,044	$19,038	$16,032	$13,026	$10,020	$7,014	$4,008	$1,002	$0	$117,234
Special Taxes (Per Quarter)	$448.10	$44,810	$39,433	$34,056	$28,678	$23,767	$18,282	$12,798	$7,313	$1,865	$0	$211,002
Other Indirect Costs	5.00%	$0	$317,244	$317,244	$317,244	$318,830	$320,424	$322,026	$323,637	$325,255	$118,234	$2,680,138
Marketing	1.25%	$0	$79,311	$79,311	$79,311	$79,708	$80,106	$80,507	$80,909	$81,314	$29,558	$670,035
Closing Costs, Warranty	1.25%	$0	$79,311	$79,311	$79,311	$79,708	$80,106	$80,507	$80,909	$81,314	$29,558	$670,035
Commissions	3.0%	$0	$190,346	$190,346	$190,346	$191,298	$192,255	$193,216	$194,182	$195,153	$70,940	$1,608,083
Admin. and Overhead	3.0%	$160,808	$160,808	$160,808	$160,808	$160,808	$160,808	$160,808	$160,808	$160,808	$160,808	$1,608,083
TOTAL VARIABLE EXPENSES		**$287,585**	**$938,584**	**$923,371**	**$908,158**	**$897,334**	**$885,224**	**$873,131**	**$861,055**	**$849,079**	**$409,099**	**$7,832,621**
TOTAL FIXED AND VARIABLE EXPENSES		**$3,832,610**	**$3,426,985**	**$3,424,213**	**$3,421,504**	**$3,423,247**	**$3,423,767**	**$3,424,366**	**$3,425,047**	**$1,063,813**	**$409,099**	**$29,274,651**
NET SALES REVENUE (BEFORE PROFIT)		**($3,832,610)**	**$2,917,895**	**$2,920,667**	**$2,923,376**	**$2,953,358**	**$2,984,721**	**$3,016,163**	**$3,047,686**	**$5,441,283**	**$1,955,576**	**$24,328,114**
Entrepreneurial Profit	8%	$0	$507,590	$507,590	$507,590	$510,128	$512,679	$515,242	$517,819	$520,408	$189,174	$4,288,221
Net Proceeds		**($3,832,610)**	**$2,410,305**	**$2,413,076**	**$2,415,785**	**$2,443,229**	**$2,472,042**	**$2,500,921**	**$2,529,867**	**$4,920,875**	**$1,766,402**	**$20,039,893**
Discount Rate	11%	0.97324	0.94719	0.92184	0.89717	0.87315	0.84978	0.82704	0.80491	0.78336	0.76240	
Net Cash Flow		($3,730,034)	$2,283,013	$2,224,465	$2,167,360	$2,133,315	$2,100,704	$2,068,365	$2,036,306	$3,854,836	$1,346,701	

NET PRESENT VALUE	**$16,485,031**
ROUNDED	**$16,490,000**
PER LOT	**$164,900**

IRR CALCULATIONS	VALUE	PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10
NET INCOME (BEFORE PROFIT)	($16,485,031)	($3,832,610)	$2,917,895	$2,920,667	$2,923,376	$2,953,358	$2,984,721	$3,016,163	$3,047,686	$5,441,283	$1,955,576
IRR (quarterly)	**5.82%**										
Annualized	**23.3%**										

RECONCILIATION – INCOME APPROACH
FINISHED LOT VALUES

The extraction approach and discounted cash flow analysis were utilized to develop an opinion of value as finished lots through the income approach. The following table shows this overall relationship.

PRODUCT TYPE	MINIMUM LOT SIZE (SF)	EXTRACTION	DCF	CONCLUDED LOT VALUE
Shor	2,788 SF	$185,100	$186,300	**$186,000**
Lakelet	3,690 SF	$195,500	$196,600	**$196,000**
Watersyde	4,000 SF	$194,900	$198,900	**$196,000**
Wavmor	4,500 SF	$188,200	$192,200	**$190,000**
Crestvue	4,675 SF	$198,100	$202,300	**$200,000**
Bleau	5,000 SF	$234,200	$234,800	**$234,500**
Drifton	5,500 SF	$205,300	$204,800	**$205,000**
V14/20	3,690 SF	$164,100	$164,900	**$164,500**

The concluded lot values noted above reflect reconciliation from the Income Approach.

RECONCILIATION – TOTAL REVENUES

The sales comparison approach and the income approach 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	INCOME APPROACH	CONCLUDED LOT VALUE
Shor	2,788 SF	$185,000	$186,000	**$185,000**
Lakelet	3,690 SF	$195,000	$196,000	**$195,000**
Watersyde	4,000 SF	$195,000	$196,000	**$195,000**
Wavmor	4,500 SF	$202,000	$190,000	**$200,000**
Crestvue	4,675 SF	$202,000	$200,000	**$200,000**
Bleau	5,000 SF	$207,000	$234,500	**$225,000**
Drifton	5,500 SF	$212,000	$205,000	**$210,000**
V 14/20	3,690 SF	$178,000	$164,500	**$170,000**

These conclusions are utilized in the development of values by ownership.

HYPOTHETICAL MARKET VALUE
208 LOTS - LENNAR HOMES OF CALIFORNIA LLC

As noted in this report, the Lennar Homes ownership includes 208 lots in three takedowns. This includes the following.

First Takedown – 76 Lots

LEGAL	APNs
Lots 1..4, 7..29, 34..53, 72..84 Greenbriar Phase 2, Village South 60 Finished Lots	201-1520-001..004, 007..014 201-1530-001..018, 023..026 201-1540-001..016 201-1550-010..019
Lots 19, 20, 45..58 Greenbriar Phase 2, Village 5 16 Finished Lots	201-1590-019, 020, 201-1590-045..058

Values for this segment are based on finished lot values identified in the prior section. The overall allocation of lots is as follows.

LEGAL	APNs	PROJECT	# OF LOTS	LOT VALUE	CONCLUDED VALUE
Lots 1..4, 7..11, 72..81 Phase 2 South	201-1520-001..004 201-1520-007..011 201-1550-010..019	Watersyde	19	$195,000/Lot	$3,705,000
Lots 12..29, 34..37 Phase 2 South	201-1530-001..018 201-1530-023..026	Crestvue	22	$200,000/Lot	$4,400,000
Lots 38..53 Phase 2 South	201-1540-001..016	Shor	16	$185,000/Lot	$2,960,000
Lots 82..84 Phase 2 South Lots 19, 20, 45..58 Phase 2, Village 5	201-1520-012..014 201-1590-019, 020, 201-1590-045..058	Lakelet	19	$195,000/Lot	$3,705,000
TOTALS			**76**		**$14,770,000**

The land component is identified at $14,770,000. In addition, Lennar Homes of California has completed 17 model homes, 9 production homes, and paid permits on the remaining lots. For the completed homes including the model homes, as well as those with a final permit, the assessed valuation for the improvements (As stipulated on the Permit) is assigned. For the homes without a final permit, the cost paid for the permit is assigned. The total allocation in value for the completed homes and permits is identified at $12,336,123 as of the effective date of valuation. These permits were verified through the City of Sacramento. The overall value for 76 Lots (Lennar Ownership) is calculated as follows.

ITEM	TOTALS
Land Component	$14,770,000
Completed Homes/Permits & Fees (Paid)	$12,336,123
TOTAL VALUE	**$27,106,123**
ROUNDED	**$27,105,000**

A copy of the allocation of completed homes and fees paid is noted as follows.

PERMITS AND FEES - FIRST TAKEDOWN						
APN	**PERMIT DATE**	**TOTAL PAID**	**FINAL PERMIT**	**VALUATION**	**COST USED**	**TOTALS**
201-1520-001	2/29/2024	$22,305	Model Home	$325,720	Valuation	$325,720
201-1520-002	2/29/2024	$23,776	Model Home	$359,995	Valuation	$359,995
201-1520-003	2/29/2024	$22,714	Model Home	$371,785	Valuation	$371,785
201-1520-004	2/28/2024	$25,020	Model Home	$395,728	Valuation	$395,728
201-1520-007	3/5/2024	$31,002	Model Home	$546,770	Valuation	$546,770
201-1520-008	3/5/2024	$26,179	Model Home	$511,822	Valuation	$511,822
201-1520-009	3/5/2024	$25,677	Model Home	$491,837	Valuation	$491,837
201-1520-010	3/5/2024	$24,812	Model Home	$460,829	Valuation	$460,829
201-1520-011	3/5/2024	$26,568	Model Home	$428,718	Valuation	$428,718
201-1520-012	3/26/2024	$24,604	Model Home	$392,724	Valuation	$392,724
201-1520-013	3/26/2024	$23,726	Model Home	$407,788	Valuation	$407,788
201-1520-014	3/26/2024	$24,438	Model Home	$446,119	Valuation	$446,119
201-1530-001	2/29/2024	$28,406	Model Home	$535,826	Valuation	$535,826
201-1530-002	2/29/2024	$22,340	Model Home	$333,525	Valuation	$333,525
201-1530-003	3/1/2024	$25,644	Model Home	$441,545	Valuation	$441,545
201-1530-004	2/29/2024	$27,457	Model Home	$504,918	Valuation	$504,918
201-1530-005	2/29/2024	$29,829	Model Home	$588,278	Valuation	$588,278
201-1530-006	3/22/2024	$27,456	No	$0	Total Paid	$27,456
201-1530-007	3/22/2024	$20,807	Yes	$333,525	Valuation	$333,525
201-1530-008	4/29/2024	$24,193	No	$0	Total Paid	$24,193
201-1530-009	4/29/2024	$26,006	No	$0	Total Paid	$26,006
201-1530-010	4/17/2024	$28,137	No	$0	Total Paid	$28,137
201-1530-011	4/17/2024	$28,400	No	$0	Total Paid	$28,400
201-1530-012	4/17/2024	$22,422	No	$0	Total Paid	$22,422
201-1530-013	4/17/2024	$24,111	No	$0	Total Paid	$24,111
201-1530-014	4/17/2024	$28,208	No	$0	Total Paid	$28,208
201-1530-015	4/29/2024	$26,867	No	$0	Total Paid	$26,867
201-1530-016	4/29/2024	$26,113	No	$0	Total Paid	$26,113
201-1530-017	3/22/2024	$24,111	Yes	$441,545	Valuation	$441,545
201-1530-018	3/22/2024	$22,586	Yes	$333,525	Valuation	$333,525
201-1530-023	5/31/2024	$28,409	No	$0	Total Paid	$28,409
201-1530-024	5/31/2024	$26,125	No	$0	Total Paid	$26,125
201-1530-025	5/31/2024	$24,312	No	$0	Total Paid	$24,312
201-1530-026	5/31/2024	$28,601	No	$0	Total Paid	$28,601
201-1540-001	3/29/2024	$20,489	Yes	$325,713	Valuation	$325,713
201-1540-002	3/29/2024	$21,960	Yes	$359,995	Valuation	$359,995
201-1540-003	3/29/2024	$22,513	No	$0	Total Paid	$22,513
201-1540-004	3/29/2024	$23,286	No	$0	Total Paid	$23,286
201-1540-005	4/10/2024	$20,571	No	$0	Total Paid	$20,571
201-1540-006	4/10/2024	$22,042	No	$0	Total Paid	$22,042
201-1540-007	4/10/2024	$22,010	No	$0	Total Paid	$22,010
201-1540-008	4/10/2024	$23,286	No	$0	Total Paid	$23,286
201-1540-009	4/24/2024	$20,772	No	$0	Total Paid	$20,772
201-1540-010	4/24/2024	$22,796	No	$0	Total Paid	$22,796
201-1540-011	4/24/2024	$23,487	No	$0	Total Paid	$23,487
201-1540-012	4/24/2024	$22,243	No	$0	Total Paid	$22,243
201-1540-013	6/25/2024	$22,134	No	$0	Total Paid	$22,134
201-1540-014	6/25/2024	$24,158	No	$0	Total Paid	$24,158
201-1540-015	6/25/2024	$22,134	No	$0	Total Paid	$22,134
201-1540-016	6/25/2024	$23,605	No	$0	Total Paid	$23,605
201-1550-010	4/2/2024	$24,138	Yes	$424,715	Valuation	$424,715
201-1550-011	3/27/2024	$25,960	Yes	$491,837	Valuation	$491,837
201-1550-012	3/27/2024	$26,622	No	$0	Total Paid	$26,622
201-1550-013	3/27/2024	$24,145	No	$0	Total Paid	$24,145
201-1550-014	3/27/2024	$25,403	No	$0	Total Paid	$25,403
201-1550-015	4/4/2024	$27,568	No	$0	Total Paid	$27,568
201-1550-016	4/5/2024	$24,148	No	$0	Total Paid	$24,148
201-1550-017	4/4/2024	$26,454	No	$0	Total Paid	$26,454
201-1550-018	4/4/2024	$23,714	No	$0	Total Paid	$23,714
201-1550-019	4/4/2024	$24,216	No	$0	Total Paid	$24,216
201-1590-019	5/31/2024	$26,336	No	$0	Total Paid	$26,336
201-1590-020	6/3/2024	$23,726	No	$0	Total Paid	$23,726
201-1590-045	5/31/2024	$25,341	No	$0	Total Paid	$25,341
201-1590-046	5/31/2024	$26,336	No	$0	Total Paid	$26,336
201-1590-047	5/29/2024	$23,726	No	$0	Total Paid	$23,726
201-1590-048	5/29/2024	$23,272	No	$0	Total Paid	$23,272
201-1590-049	4/10/2024	$23,525	No	$0	Total Paid	$23,525
201-1590-050	4/10/2024	$24,520	No	$0	Total Paid	$24,520
201-1590-051	4/10/2024	$23,525	No	$0	Total Paid	$23,525
201-1590-052	4/5/2024	$22,353	No	$0	Total Paid	$22,353
201-1590-053	4/5/2024	$24,520	No	$0	Total Paid	$24,520
201-1590-054	4/3/2024	$23,525	Yes	$407,788	Valuation	$407,788
201-1590-055	4/3/2024	$19,440	Yes	$446,119	Valuation	$446,119
201-1590-056	4/10/2024	$23,525	No	$0	Total Paid	$23,525
201-1590-057	5/29/2024	$24,721	No	$0	Total Paid	$24,721
201-1590-058	5/29/2024	$25,341	No	$0	Total Paid	$25,341
TOTALS						**$12,336,123**

Second Takedown – 68 Lots

LEGAL	APNs
Lots 54..62, 66..71 Greenbriar Phase 2, Village South 15 Finished Lots	201-1540-017..025 201-1550-004..009
Lots 21..25, 42..44 Greenbriar Phase 2, Village 5 8 Finished Lots	201-1590-021..025 201-1590-042..044
Lots 1..4, 15, 16, 40..50 Greenbriar Phase 2, Village 6 17 Finished Lots	201-1640-001..004, 201-1640-015, 016, 201-1640-040..050
Lots 30..36 Greenbriar Phase 2, Village 10 7 Finished Lots	201-1550-024..030
Lots 29..45, 75..78 Greenbriar Phase 1, Village 14A 21 Finished Lots	TBD

Values for this segment are based on finished lot values identified in the prior section. The overall allocation of lots is as follows.

LEGAL	APNs	PROJECT	# OF LOTS	LOT VALUE	CONCLUDED VALUE
Lots 54..62, 66..71 Phase 2 South	201-1540-017..025 201-1550-004-009	Shor Crestvue	9 6	$185,000/Lot $200,000/Lot	$1,665,000 $1,200,000
Lots 21..25, 42..44 Phase 2, Village 5	201-1590-021..025 201-1590-042..044	Lakelet	8	$195,000/Lot	$1,560,000
Lots 1..4, 15, 16, 40..50 Phase 2, Village 6	201-1640-001..004, 201-1640-015, 016, 201-1640-040..050	Watersyde	17	$195,000/Lot	$3,315,000
Lots 30..36 Phase 2, Village 10	201-1550-024..030	Crestvue	7	$200,000/Lot	$1,400,000
Lots 29..45, 75..78 Phase 1, Village 14A	TBD	V14/20	21	$170,000/Lot	$3,570,000
TOTALS			**68**		**$12,710,000**

The land component is identified at $12,710,000. In addition, Lennar Homes of California has paid permits totaling $1,678,425 as of the effective date of valuation. These permits were verified through the City of Sacramento. There are no complete homes, or homes with a final permit in the second takedown. The overall value for 68 Lots (Lennar Ownership) is calculated as follows.

ITEM	TOTALS
Land Component	$12,710,000
Permits & Fees (Paid)	$1,678,425
TOTAL VALUE	**$14,388,425**
ROUNDED	**$14,390,000**

A copy of the allocation of fees paid is noted as follows.

PERMITS AND FEES - SECOND TAKEDOWN							
APN	OWNER	PERMIT DATE	TOTAL PAID	FINAL PERMIT	VALUATION	COST USED	TOTALS
201-1540-017	Lennar	7/17/2024	$22,177	No	$0	Total Paid	$22,177
201-1540-018	Lennar	7/17/2024	$24,200	No	$0	Total Paid	$24,200
201-1540-019	Lennar	7/17/2024	$24,891	No	$0	Total Paid	$24,891
201-1540-020	Lennar	7/17/2024	$23,648	No	$0	Total Paid	$23,648
201-1540-021	Lennar	8/15/2024	$26,073	No	$0	Total Paid	$26,073
201-1540-022	Lennar	8/15/2024	$28,311	No	$0	Total Paid	$28,311
201-1540-023	Lennar	8/22/2024	$29,002	No	$0	Total Paid	$29,002
201-1540-024	Lennar	8/15/2024	$28,268	No	$0	Total Paid	$28,268
201-1540-025	Lennar	8/15/2024	$29,002	No	$0	Total Paid	$29,002
201-1550-004	Lennar	8/7/2024	$24,034	No	$0	Total Paid	$24,034
201-1550-005	Lennar	7/10/2024	$29,145	No	$0	Total Paid	$29,145
201-1550-006	Lennar	7/10/2024	$29,813	No	$0	Total Paid	$29,813
201-1550-007	Lennar	7/10/2024	$25,716	No	$0	Total Paid	$25,716
201-1550-008	Lennar	7/10/2024	$24,027	No	$0	Total Paid	$24,027
201-1550-009	Lennar	7/10/2024	$30,006	No	$0	Total Paid	$30,006
201-1590-021	Lennar	7/9/2024	$28,530	No	$0	Total Paid	$28,530
201-1590-022	Lennar	7/9/2024	$25,130	No	$0	Total Paid	$25,130
201-1590-023	Lennar	7/23/2024	$26,126	No	$0	Total Paid	$26,126
201-1590-024	Lennar	7/23/2024	$25,130	No	$0	Total Paid	$25,130
201-1590-025	Lennar	7/23/2024	$26,126	No	$0	Total Paid	$26,126
201-1590-042	Lennar	7/23/2024	$26,126	No	$0	Total Paid	$26,126
201-1590-043	Lennar	7/9/2024	$25,130	No	$0	Total Paid	$25,130
201-1590-044	Lennar	7/9/2024	$26,126	No	$0	Total Paid	$26,126
201-1640-001	Lennar	4/25/2024	$28,241	No	$0	Total Paid	$28,241
201-1640-002	Lennar	5/30/2024	$25,007	No	$0	Total Paid	$25,007
201-1640-003	Lennar	6/25/2024	$28,717	No	$0	Total Paid	$28,717
201-1640-004	Lennar	7/17/2024	$27,866	No	$0	Total Paid	$27,866
201-1640-015	Lennar	7/17/2024	$26,624	No	$0	Total Paid	$26,624
201-1640-016	Lennar	7/17/2024	$27,298	No	$0	Total Paid	$27,298
201-1640-040	Lennar	7/17/2024	$27,369	No	$0	Total Paid	$27,369
201-1640-041	Lennar	6/25/2024	$28,130	No	$0	Total Paid	$28,130
201-1640-042	Lennar	6/25/2024	$27,322	No	$0	Total Paid	$27,322
201-1640-043	Lennar	6/25/2024	$25,517	No	$0	Total Paid	$25,517
201-1640-044	Lennar	6/25/2024	$27,823	No	$0	Total Paid	$27,823
201-1640-045	Lennar	5/30/2024	$24,103	No	$0	Total Paid	$24,103
201-1640-046	Lennar	5/30/2024	$25,965	No	$0	Total Paid	$25,965
201-1640-047	Lennar	5/31/2024	$26,340	No	$0	Total Paid	$26,340
201-1640-048	Lennar	4/25/2024	$26,165	No	$0	Total Paid	$26,165
201-1640-049	Lennar	4/24/2024	$24,319	No	$0	Total Paid	$24,319
201-1640-050	Lennar	4/25/2024	$26,626	No	$0	Total Paid	$26,626
201-1550-024	Lennar	8/29/2024	$28,491	No	$0	Total Paid	$28,491
201-1550-025	Lennar	8/29/2024	$29,974	No	$0	Total Paid	$29,974
201-1550-026	Lennar	8/7/2024	$27,536	No	$0	Total Paid	$27,536
201-1550-027	Lennar	8/6/2024	$25,716	No	$0	Total Paid	$25,716
201-1550-028	Lennar	8/6/2024	$24,027	No	$0	Total Paid	$24,027
201-1550-029	Lennar	8/29/2024	$28,491	No	$0	Total Paid	$28,491
201-1550-030	Lennar	7/15/2024	$25,773	No	$0	Total Paid	$25,773
14A - Lot 29	Lennar	7/29/2024	$21,139	No	$0	Total Paid	$21,139
14A - Lot 30	Lennar	7/3/2024	$20,595	No	$0	Total Paid	$20,595
14A - Lot 31	Lennar	7/3/2024	$19,680	No	$0	Total Paid	$19,680
14A - Lot 32	Lennar	6/25/2024	$21,261	No	$0	Total Paid	$21,261
14A - Lot 33	Lennar	6/25/2024	$23,403	No	$0	Total Paid	$23,403
14A - Lot 34	Lennar	6/3/2024	$19,297	No	$0	Total Paid	$19,297
14A - Lot 35	Lennar	6/3/2024	$18,281	No	$0	Total Paid	$18,281
14A - Lot 36	Lennar	5/29/2024	$19,698	No	$0	Total Paid	$19,698
14A - Lot 37	Lennar	5/30/2024	$19,398	No	$0	Total Paid	$19,398
14A - Lot 38	Lennar	5/29/2024	$18,281	No	$0	Total Paid	$18,281
14A - Lot 39	Lennar	5/29/2024	$21,882	No	$0	Total Paid	$21,882
14A - Lot 40	Lennar	6/3/2024	$19,698	No	$0	Total Paid	$19,698
14A - Lot 41	Lennar	6/3/2024	$18,281	No	$0	Total Paid	$18,281
14A - Lot 42	Lennar	6/25/2024	$20,887	No	$0	Total Paid	$20,887
14A - Lot 43	Lennar	6/25/2024	$23,445	No	$0	Total Paid	$23,445
14A - Lot 44	Lennar	7/3/2024	$20,595	No	$0	Total Paid	$20,595
14A - Lot 45	Lennar	7/29/2024	$21,139	No	$0	Total Paid	$21,139
14A - Lot 75	Lennar	4/24/2024	$22,165	No	$0	Total Paid	$22,165
14A - Lot 76	Lennar	4/24/2024	$20,145	No	$0	Total Paid	$20,145
14A - Lot 77	Lennar	4/24/2024	$19,414	No	$0	Total Paid	$19,414
14A - Lot 78	Lennar	4/24/2024	$19,564	No	$0	Total Paid	$19,564
TOTALS							$1,678,425

Third Takedown – 64 Lots

LEGAL	APNs
Lots 30..33 Greenbriar Phase 2, Village South 4 Finished Lots	201-1530-019..022
Lots 1..12 Greenbriar Phase 2, Village 1A 12 Finished Lots	201-1540-026..031 201-1600-001..006
Lots 26..32, 37..41 Greenbriar Phase 2, Village 5 12 Finished Lots	201-1590-026..032 201-1590-037..041
Lots 5..8, 17..21, 35..39 Greenbriar Phase 2, Village 6 14 Finished Lots	201-1640-005..008 201-1640-017..021 201-1640-035..039
Lots 26..29, 37..40 Greenbriar Phase 2, Village 10 8 Finished Lots	201-1550-020..023 201-1550-031..034
Lots 17..28, 46, 47 Greenbriar Phase 1, Village 14A 14 Finished Lots	TBD (Parcel 14/20)

Values for this segment are based on finished lot values identified in the prior section. The overall allocation of lots is as follows.

LEGAL	APNs	PROJECT	# OF LOTS	LOT VALUE	CONCLUDED VALUE
Lots 30..33 Phase 2, Village South	201-1530-019..022	Crestvue	4	$200,000/Lot	$800,000
Lots 1..12 Phase 2, Village 1A	201-1540-026..031 201-1600-001..006	Shor	12	$185,000/Lot	$2,220,000
Lots 26..32, 37..41 Phase 2, Village 5	201-1590-026..032 201-1590-037..041	Lakelet	12	$195,000/Lot	$2,340,000
Lots 5..8, 17..21, 35..39 Phase 2, Village 6	201-1640-005..008 201-1640-017..021 201-1640-035..039	Watersyde	14	$195,000/Lot	$2,730,000
Lots 26..29, 37..40 Phase 2, Village 10	201-1550-020..023 201-1550-031..034	Crestvue	8	$200,000/Lot	$1,600,000
Lots 17..28, 46, 47 Phase 1, Village 14A	TBD	V14/20	14	$170,000/Lot	$2,380,000
TOTALS			**64**		**$12,070,000**

The land component is identified at $12,070,000. In addition, Lennar Homes of California has paid permits totaling $1,162,288 as of the effective date of valuation. These permits were verified through the City of Sacramento. There are no complete homes, or homes with a final permit in the second takedown. The overall value for 64 Lots (Lennar Ownership) is calculated as follows.

ITEM	TOTALS
Land Component	$12,070,000
Permits & Fees (Paid)	$1,162,288
TOTAL VALUE	**$13,232,288**
ROUNDED	**$13,230,000**

A copy of the allocation of fees paid is noted on the following page.

CONCLUSION – LENNAR OWNERSHIP – 208 LOTS

Based on these calculations, the overall value for the Lennar ownership is as follows.

ITEM	TOTALS
1st Takedown	$27,105,000
2nd Takedown	$14,390,000
3rd Takedown	$13,230,000
TOTAL VALUE	**$54,725,000**

Overall, the ownership for Lennar Homes of California, LLC, comprises 208 lots. The benchmark conclusions for the finished lots in prior sections were predicated on 100 lots for each village. However, in that the acquisition of lots in these takedowns was from several individual villages, absorption would be escalated due to sourcing from multiple villages. No adjustment or discount is necessary or could be quantified when comparing the lot count. In addition, a typical buyer of this component would pay the same values as noted for the permits to date. Absorption in this market is proven and a typical buyer would replicate the same floor plans for development of vertical improvements.

PERMITS AND FEES - THIRD TAKEDOWN						
APN	PERMIT DATE	TOTAL PAID	FINAL PEMIT	VALUATION	COST USED	TOTALS
201-1530-019	6/27/2024	$31,386	No	$0	Total Paid	$31,386
201-1530-020	6/27/2024	$27,487	No	$0	Total Paid	$27,487
201-1530-021	6/27/2024	$29,527	No	$0	Total Paid	$29,527
201-1530-022	6/27/2024	$22,370	No	$0	Total Paid	$22,370
201-1540-026	8/16/2024	$5,514	No	$0	Total Paid	$5,514
201-1540-027	8/16/2024	$5,553	No	$0	Total Paid	$5,553
201-1540-028	8/16/2024	$5,358	No	$0	Total Paid	$5,358
201-1540-029	8/16/2024	$4,905	No	$0	Total Paid	$4,905
201-1540-030	9/20/2024	$5,553	No	$0	Total Paid	$5,553
201-1540-031	9/20/2024	$5,514	No	$0	Total Paid	$5,514
201-1600-001	9/20/2024	$1,905	No	$0	Total Paid	$1,905
201-1600-002	9/20/2024	$5,553	No	$0	Total Paid	$5,553
201-1600-003	N/A	$0	No	$0	N/A	$0
201-1600-004	N/A	$0	No	$0	N/A	$0
201-1600-005	N/A	$0	No	$0	N/A	$0
201-1600-006	N/A	$0	No	$0	N/A	$0
201-1590-026	8/22/2024	$25,686	No	$0	Total Paid	$25,686
201-1590-027	8/22/2024	$26,345	No	$0	Total Paid	$26,345
201-1590-028	8/29/2024	$25,538	No	$0	Total Paid	$25,538
201-1590-029	8/29/2024	$26,534	No	$0	Total Paid	$26,534
201-1590-030	9/20/2024	$29,440	No	$0	Total Paid	$29,440
201-1590-031	9/20/2024	$28,781	No	$0	Total Paid	$28,781
201-1590-032	9/20/2024	$30,435	No	$0	Total Paid	$30,435
201-1590-037	9/20/2024	$30,435	No	$0	Total Paid	$30,435
201-1590-038	8/29/2024	$25,538	No	$0	Total Paid	$25,538
201-1590-039	8/29/2024	$26,534	No	$0	Total Paid	$26,534
201-1590-040	8/22/2024	$25,339	No	$0	Total Paid	$25,339
201-1590-041	8/22/2024	$24,886	No	$0	Total Paid	$24,886
201-1640-005	8/6/2024	$26,411	No	$0	Total Paid	$26,411
201-1640-006	8/22/2024	$27,574	No	$0	Total Paid	$27,574
201-1640-007	9/11/2024	$30,105	No	$0	Total Paid	$30,105
201-1640-008	9/20/2024	$5,743	No	$0	Total Paid	$5,743
201-1640-017	8/6/2024	$27,866	No	$0	Total Paid	$27,866
201-1640-018	8/22/2024	$25,769	No	$0	Total Paid	$25,769
201-1640-019	8/22/2024	$28,075	No	$0	Total Paid	$28,075
201-1640-020	9/11/2024	$27,170	No	$0	Total Paid	$27,170
201-1640-021	9/11/2024	$28,274	No	$0	Total Paid	$28,274
201-1640-035	9/20/2024	$5,607	No	$0	Total Paid	$5,607
201-1640-036	9/11/2024	$27,714	No	$0	Total Paid	$27,714
201-1640-037	8/22/2024	$27,507	No	$0	Total Paid	$27,507
201-1640-038	8/6/2024	$29,478	No	$0	Total Paid	$29,478
201-1640-039	8/6/2024	$27,787	No	$0	Total Paid	$27,787
201-1550-020	N/A	$0	No	$0	N/A	$0
201-1550-021	N/A	$0	No	$0	N/A	$0
201-1550-022	9/20/2024	$25,222	No	$0	Total Paid	$25,222
201-1550-023	9/20/2024	$22,750	No	$0	Total Paid	$22,750
201-1550-031	9/25/2024	$27,970	No	$0	Total Paid	$27,970
201-1550-032	9/25/2024	$30,226	No	$0	Total Paid	$30,226
201-1550-033	N/A	$0	No	$0	N/A	$0
201-1550-034	N/A	$0	No	$0	N/A	$0
14A - Lot 17	9/13/2024	$20,539	No	$0	Total Paid	$20,539
14A - Lot 18	9/13/2024	$21,908	No	$0	Total Paid	$21,908
14A - Lot 19	9/13/2024	$24,095	No	$0	Total Paid	$24,095
14A - Lot 20	9/13/2024	$21,405	No	$0	Total Paid	$21,405
14A - Lot 21	8/14/2024	$25,310	No	$0	Total Paid	$25,310
14A - Lot 22	8/14/2024	$27,846	No	$0	Total Paid	$27,846
14A - Lot 23	8/14/2024	$25,660	No	$0	Total Paid	$25,660
14A - Lot 24	8/14/2024	$25,157	No	$0	Total Paid	$25,157
14A - Lot 25	N/A	$0	No	$0	N/A	$0
14A - Lot 26	N/A	$0	No	$0	N/A	$0
14A - Lot 27	N/A	$0	No	$0	N/A	$0
14A - Lot 28	N/A	$0	No	$0	N/A	$0
14A - Lot 46	7/29/2024	$19,680	No	$0	Total Paid	$19,680
14A - Lot 47	7/29/2024	$23,324	No	$0	Total Paid	$23,324
TOTALS						**$1,162,288**

HYPOTHETICAL MARKET VALUE
969 RESIDENTIAL LOTS – GREENBRIAR PHASE 2, LLC

The 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. These revenues are net of the lots identified in the Lennar takedowns. The total revenues are illustrated as follows.

PRODUCT TYPE	MINIMUM LOT SIZE (SF)	CONCLUDED LOT VALUE	NUMBER OF LOTS	TOTALS
Shor	2,788 SF	$185,000	156	$28,860,000
Lakelet	3,690 SF	$195,000	134	$26,130,000
Watersyde	4,000 SF	$195,000	103	$20,085,000
Wavmor	4,500 SF	$200,000	163	$32,600,000
Crestvue	4,675 SF	$200,000	91	$18,200,000
Bleau	5,000 SF	$225,000	110	$24,750,000
Drifton	5,500 SF	$210,000	108	$22,680,000
V14/20	3,690 SF	$170,000	104	$17,680,000
TOTALS			**969**	**$190,985,000**
PER LOT				**$197,095**

Revenues for this model include appreciation at a factor of 2.0% per annum. This element commences in period 2. 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	TOTALS
Subject Lots Absorbed Schedule of Takedowns	74	324	324	247	969

The absorption rate for the subject project is identified over a 4-year period.

Expenses

There are ongoing expenses associated with this analysis which are included in the cash flow model. They are summarized as follows.

The total entitlement costs for this project are identified at $4,663,939. Based on the schedule of costs provided by the developer, $3,883,163 have been incurred with remaining costs identified at **$780,776.**

BACKBONE COSTS

The total backbone costs for this project were identified at $92,658,798 including applicable contingencies, bonds, and soft costs. 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	$9,932,446	$9,690,000	$242,446	97.6%
SEWER	$4,694,743	$4,667,786	$26,957	99.4%
DRAINAGE	$12,024,770	$11,993,625	$31,145	99.7%
WATER	$10,252,345	$8,320,123	$1,932,222	81.2%
CONCRETE/ROADWAY	$9,986,512	$8,696,375	$1,290,137	87.1%
LANDSCAPING	$3,344,746	$342,452	$3,002,294	10.2%
WALLS AND FENCING	$2,031,067	$1,206,737	$824,330	59.4%
DRY UTILITIES	$6,755,523	$6,316,502	$439,021	93.5%
DEVELOPMENT (SOFT COSTS)	$3,652,513	$3,070,503	$582,010	84.1%
DEVELOPMENT FEES	$1,651,139	$1,202,903	$448,236	72.9%
BUILDERS FEES	$16,614,317	$16,583,817	$30,500	99.8%
PROJECT (SOFT COSTS)	$4,484,000	$3,407,974	$1,076,026	76.0%
PERFORMANCE BONDS	$1,101,337	$1,395,596	-$294,259	126.7%
SUB-TOTAL	**$86,525,458**	**$76,894,393**	**$9,631,065**	**88.9%**
Hard Cost Contingency	$6,133,340	$0	$6,133,340	0.0%
TOTAL BACKBONE COSTS	**$92,658,798**	**$76,894,393**	**$15,764,405**	**83.0%**

The total backbone costs for this project are identified at $92,658,798. These costs include contingencies at $6,133,340 or approximately 7.1% of total hard costs. Development has commenced as of the effective date of valuation, as the developer has completed $76,894,393 in costs, or approximately 83.0% of the total hard costs (including contingencies). The remaining costs are identified at **$15,764,405.**

SHORE VISTA OVERCROSSING

The development of this project includes allocation of the Shore Vista Overcrossing. Total costs are identified at $22,101,730. These costs are consistent with the engineers costs prepared by Wood Rodgers, dated November 7, 2023 as provided for review in preparation of this assignment.

It was identified that these improvements will occur starting in the Summer of 2025. With rising costs caused by inflation, these costs are likely a low indicator to the actual costs, especially based on the proposed completion date. As such, these costs are escalated at 8% due this element and total costs are projected at $23,869,868. This escalation is consistent with the rising costs. Original estimates in 2016 were noted at $11,805,277. The 2023 costs prepared by Wood Rodgers were identified at $22,006,078. The difference between the 2016 costs and the 2023 costs are noted at 86.4%, which equates to 8.1% per annum.

In addition, while not included in these costs, based upon review of the Third Amendment to the Development Agreement for Greenbriar (P11-093), performance bonds are included in the costs and established at 2.5% of the total project cost, or $596,747. As such, total costs for the Shore Vista Overcrossing are identified at $24,466,615. As part of the Third Amendment, the City of Sacramento will reimburse costs identified at $6,112,239. Based on the allocation of costs, net costs to the developer are identified at $18,354,376. Lastly, the developer has completed $885,946 in costs for this component, and remaining costs are identified at **$17,468,430.**

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. These costs are allocated as follows.

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
NEIGHBORHOOD PARK	$1,152,612	$176,732	$975,880	15.3%
COMMUNITY PARK	$883,209	$159,165	$724,044	18.0%
COMMUNITY PARK	$2,502,770	$169,657	$2,333,113	6.8%
SUB-TOTAL	**$4,538,591**	**$505,554**	**$4,033,037**	**11.1%**

The total remaining costs for project amenities are identified at **$4,033,037.**

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. These budgets are as follows.

VILLAGE	# OF LOTS	MINIMUM LOT SIZE (SF)	TOTAL COSTS	TOTAL COSTS/LOT	COSTS INCURRED	% INCURRED	REMAINING COSTS
Village 1 (Shor)	104	41' x 68' (2,788 SF)	$6,068,141	$58,348	$3,126,682	51.5%	$2,941,459
Village 2 (Shor)	89	41' x 68' (2,788 SF)	$3,625,063	$40,731	$155,664	4.3%	$3,469,399
Village 3 (Watersyde)	11	50' x 80' (4,000 SF)	$76,725	$6,975	$32,881	42.9%	$43,844
Village 4 (Lakelet)	68	41' x 90' (3,690 SF)	$3,458,418	$50,859	$706,507	20.4%	$2,751,911
Village 5 (Lakelet)	61	41' x 90' (3,690 SF)	$3,588,864	$58,834	$3,525,637	98.2%	$63,227
Village 6 (Watersyde)	54	50' x 80' (4,000 SF)	$3,297,402	$61,063	$3,171,823	96.2%	$125,579
Village 7 (Crestvue)	26	55' x 85' (4,675 SF)	$173,970	$6,691	$69,292	39.8%	$104,678
Village 8 (Watersyde)	88	50' x 80' (4,000 SF)	$3,267,986	$37,136	$463,300	14.2%	$2,804,686
Village 9 (Crestvue)	53	55' x 85' (4,675 SF)	$2,454,795	$46,317	$259,614	10.6%	$2,195,181
Village 10 (Crestvue)	59	55' x 85' (4,675 SF)	$3,134,860	$53,133	$3,004,083	95.8%	$130,777
Village 11 (Lakelet)	44	41' x 90' (3,690 SF)	$4,637,875	$105,406	$141,585	3.1%	$4,496,290
Village 12 (Bleau)	60	50' x 100' (5,000 SF)	$3,381,924	$56,365	$2,354,290	69.6%	$1,027,634
Village 13 (Bleau)	50	50' x 100' (5,000 SF)	$2,056,957	$41,139	$228,827	11.1%	$1,828,130
Village 14 (Wavmor)	54	45' x 100' (4,500 SF)	$2,519,053	$46,649	$267,871	10.6%	$2,251,182
Village 15 (Wavmor)	31	45' x 100' (4,500 SF)	$1,502,557	$48,470	$73,159	4.9%	$1,429,398
Village 16 (Wavmor)	34	45' x 100' (4,500 SF)	$1,584,091	$46,591	$75,639	4.8%	$1,508,452
Village 17 (Wavmor)	44	45' x 100' (4,500 SF)	$4,263,019	$96,887	$3,185,236	74.7%	$1,077,783
Village 18 (Drifton)	59	55' x 100' (5,500 SF)	$5,555,720	$94,165	$4,098,410	73.8%	$1,457,310
Village 19 (Drifton)	49	55' x 100' (5,500 SF)	$2,299,999	$46,939	$275,224	12.0%	$2,024,775
Village 14/20 (14/20)	139	41' x 90' (3,690 SF)	$9,774,012	$70,317	$5,413,332	0.0%	$4,360,680
Intract Contingency			$240,757			0.0%	$240,757
SUB-TOTAL	**1,177**		**$66,962,188**		**$30,629,056**	**45.7%**	**$36,333,132**

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

ITEM	TOTAL COSTS	COSTS INCURRED	REMAINING COSTS	% INCURRED
Entitlement Costs	$4,663,939	$3,883,163	$780,776	83.3%
Backbone Costs	$92,658,798	$76,894,393	$15,764,405	83.0%
Shore Vista Overcrossing	$18,354,376	$885,946	$17,468,430	4.8%
Amenities	$4,538,591	$505,554	$4,033,037	11.1%
In-Tract Costs	$66,962,188	$30,629,056	$36,333,132	45.7%
TOTALS	**$187,177,892**	**$112,798,112**	**$74,379,780**	**60.3%**

The remaining site development costs for this project, as of the effective date of valuation equate to $74,379,780. For this analysis, the overall costs for Shore Vista Overcrossing are considered separately.

The overall costs for the performance bond at $596,747 are included in Year 1. Total construction costs are noted at $23,869,868. It is reiterated that these are inflated costs higher than the developer's, as well as projections by the engineers based on total costs. The cost incurred to date at $885,946 are deducted from this total which equate to $22,983,922. These costs are segregated equally in Periods 2-4 or $7,661,307 per period. Lastly, the City contribution is applied in Period 4 at $6,112,239. It is in the form of a credit.

The remaining site development costs (excluding Shore Vista Overcrossing) for this project, as of the effective date of valuation equate to $56,911,350, or approximately $58,732 per lot. 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. Total contingencies reflected in the total costs noted above, equate to $6,374,097 ($6,133,340 backbone + $240,757 intract. This is approximately 11.2% of the hard costs and is sufficient to cover inflationary expenses for site improvements.

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 1.1438%. 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	$79,880,000
Per Potential Lot	$82,435.51
Base Taxes (1.1438%)	$942.90
TAXES PER LOT	**$940**

Property taxes are allocated on an annual basis and increased at 2% per annum. It is noted that since this model utilizes finished lots as the revenues, HOA charges are not included. These costs were considered in the overall analysis of revenues.

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 at $396.67 per annum. These costs are escalated at 2% per annum.

The proposed payments for the CFD's show annualized expense from $1,792.38 to $3,550.80 per annum. The weighted average equates to $2,741 per annum. Calculations are noted as follows.

PROJECT	SHOR	LAKELET	WATERSYDE	WAVMORE	CRESTVIEW	BLEAU	DRIFTON	V14/20	
LOT SIZE	2,768 SF	3,690 SF	4,250 SF	4,500 SF	4,675 SF	5,000 SF	5,500 SF	3,690 SF	WEIGHTED
AVERAGE HOME SIZE	1,982 SF	2,233 SF	2,650 SF	2,484 SF	2,558 SF	2,776 SF	3,031 SF	1,640 SF	AVERAGE
Special Districts Per Annum	$2,264.62	$2,578.74	$2,936.36	$2,828.12	$3,204.85	$3,256.85	$3,550.80	$1,792.38	$2,741.00
# LOTS	193	173	153	163	138	110	108	139	

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.

It is noted that this model is based on annual discounting. Allowances for Taxes, Direct Levies, and Special assessments are based on inventory levels at the end of each period.

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)	$197,821,823
Administration and Overhead (1%)	$1,978,218
# of Periods	4
Costs Per Period	**$494,555**

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 2024), free-and-clear discount rates including developer's profit ran from 14.00% to 30.00% and average 19.13% this quarter. This is slightly below the past two reporting periods (2Q 23 and 4Q 23) averaging 19.13%. Historic figures dating back to 2012 are noted on the following table.

DISCOUNT RATES (IRRs)[a]
2012 to 2024

	DISCOUNT RATE	
Quarter	**Range**	**Average**
2Q12	15.00% – 30.00%	20.42%
4Q12	10.00% – 25.00%	19.17%
2Q13	10.00% – 25.00%	18.90%
4Q13	10.00% – 25.00%	18.31%
2Q14	10.00% – 25.00%	18.15%
4Q14	10.00% – 25.00%	16.75%
2Q15	10.00% – 20.00%	15.90%
4Q15	10.00% – 20.00%	15.50%
2Q16	10.00% – 20.00%	15.50%
4Q16	10.00% – 20.00%	16.00%
2Q17	10.00% – 20.00%	16.00%
4Q17	10.00% – 20.00%	15.40%
2Q18	10.00% – 20.00%	15.40%
4Q18	10.00% – 20.00%	15.80%
2Q19	10.00% – 20.00%	15.50%
4Q19	10.00% – 20.00%	15.90%
2Q20	10.00% – 25.00%	15.20%
4Q20	10.00% – 25.00%	15.60%
2Q21	10.00% – 25.00%	16.70%
4Q21	10.00% – 30.00%	16.80%
2Q22	10.00% – 30.00%	17.20%
4Q22	12.00% – 30.00%	18.70%
2Q23	12.00% – 30.00%	19.20%
4Q23	12.00% – 30.00%	19.20%
2Q24	14.00% – 30.00%	19.13%

a. Rate on unleveraged, all-cash transactions; including developer's profit

For additional support, current rates were identified from RealtyRates for development models. These factors reflect applicable rates for California/Pacific Islands for First Quarter 2024 and are noted on the following table.

RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2024 California/Pacific Islands - Subdivisions & PUDs	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	17.91%	39.06%	26.43%	17.20%	37.50%	25.38%
-100 Units	17.91%	33.67%	25.28%	17.20%	32.33%	24.27%
100-500 Units	18.36%	37.04%	26.59%	17.63%	35.56%	25.53%
500+ Units	18.81%	38.72%	27.04%	18.06%	37.18%	25.96%
Mixed Use	19.26%	39.06%	26.83%	18.49%	37.50%	25.75%
Manufactured Housing	18.48%	42.68%	28.37%	17.74%	40.97%	27.24%
-100 Units	18.48%	37.11%	27.24%	17.74%	35.63%	26.15%
100-500 Units	18.94%	40.83%	28.69%	18.19%	39.19%	27.54%
500+ Units	19.41%	42.68%	29.18%	18.63%	40.97%	28.01%
Business Parks	18.43%	39.66%	26.98%	17.69%	38.07%	25.90%
-100 Acres	18.43%	34.48%	25.93%	17.69%	33.11%	24.89%
100-500 Acres	18.89%	37.93%	27.27%	18.13%	36.42%	26.18%
500+ Acres	19.35%	39.66%	27.73%	18.57%	38.07%	26.62%
Industrial Parks	18.53%	34.42%	24.66%	17.79%	33.05%	23.68%
-100 Acres	18.53%	29.93%	23.75%	17.79%	28.74%	22.80%
100-500 Acres	18.99%	32.93%	24.92%	18.23%	31.61%	23.92%
500+ Acres	19.46%	34.42%	25.32%	18.68%	33.05%	24.31%

*1st Quarter 2024 Data

The information from RealtyRates is applicable for Ground-up construction through completed improvements. For site built residential, the IRR ranges from 17.91% to 39.06% based on average rates noted throughout. **These rates are likely overstated as the subject revenues are based on finished lots. Furthermore, revenues were projected based on the hypothetical value of finished lots with 100 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. Remaining site development costs for this project include over $6.0 in contingencies or approximately 11.2% of the hard costs, whereas the overall costs for Shore Vista Overcrossing have been inflated to reflect future costs above the costs prepared in 4Q 2023. As such, inflation risk is tempered due to these elements.

Based on these elements, coupled with the lack of competition from other projects, as well as the scheduled take down of lots to Lennar Homes of California LLC, the IRR (profit and discount rate) identified for the subject property is concluded at 12%.

Conclusion

The overall value for 969 Lots (Greenbriar Phase 2, LLC Ownership) is identified at $79,880,000. A copy of this model is noted below.

ANNUAL DISCOUNTING ITEM		YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTALS
Single Family Residential Lots						
Total Lots		969	895	571	247	
Lots Sold		74	324	324	247	969
Lots Unsold		895	571	247	0	
Average Selling Price/Lot		**$197,095**	**$197,095**	**$197,095**	**$197,095**	
Total Revenues		$14,585,030	$63,858,780	$63,858,780	$48,682,410	$190,985,000
Market Appreciation (Annual)	2%	$0	$1,277,176	$2,579,895	$2,979,753	$6,836,823
TOTAL REVENUES		**$14,585,030**	**$65,135,956**	**$66,438,675**	**$51,662,163**	**$197,821,823**
FIXED EXPENSES						
SVO Overcrossing (SVO)		($596,747)	($7,661,307)	($7,661,307)	($7,661,307)	($23,580,668)
City Credit for SVO		$0	$0	$0	$6,112,239	$6,112,239
Site Development Costs	$58,732	($4,346,168)	($19,029,168)	($19,029,168)	($14,506,846)	($56,911,350)
TOTAL FIXED EXPENSES		**($4,942,915)**	**($26,690,475)**	**($26,690,475)**	**($16,055,914)**	**($74,379,779)**
VARIABLE EXPENSES						
Ad Valorem Taxes	$940.00	($841,300)	($547,475)	($241,560)	$0	($1,630,335)
Direct Levies	$396.67	($355,020)	($231,029)	($101,936)	$0	($687,984)
Special Taxes	$2,741	($2,453,195)	($1,596,413)	($704,379)	$0	($4,753,987)
Administration and Overhead	1%	($494,555)	($494,555)	($494,555)	($494,555)	($1,978,218)
Sales and Marketing	2%	($291,701)	($1,302,719)	($1,328,773)	($1,033,243)	($3,956,436)
TOTAL VARIABLE EXPENSES		**($4,435,770)**	**($4,172,190)**	**($2,871,203)**	**($1,527,798)**	**($13,006,961)**
TOTAL FIXED AND VARIABLE EXPENSES		**($9,378,685)**	**($30,862,665)**	**($29,561,678)**	**($17,583,712)**	**($87,386,740)**
NET PROCEEDS		**$5,206,345**	**$34,273,290**	**$36,876,997**	**$34,078,451**	**$110,435,084**
Blended Profit/Discount Rate	**12%**	**0.89286**	**0.79719**	**0.71178**	**0.63552**	
Net Cash Flow		**$4,648,522**	**$27,322,457**	**$26,248,318**	**$21,657,472**	

NET PRESENT VALUE	**$79,876,770**
ROUNDED	**$79,880,000**

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 September 25, 2024, the effective date of valuation, my opinion of value is as follows.

ENTITY	AGGREGATE MARKET VALUE
Hypothetical Market Value Greenbriar Phase 2, LLC 969 Lots	**$79,880,000**
Hypothetical Market Value Lennar Homes of California, LLC 208 Lots/Homes **(A)**	**$54,725,000**
Aggregate, or Cumulative, Value of Appraised Properties	**$134,605,000**

(A) This component comprised of finished lots, as well as 17 completed model homes, 9 production homes with final permits, as well as permits and fees paid on their remaining lots as of the effective date of valuation.

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 estimate of market value, by ownership, accounts for the impact of the proposed lien of the special taxes 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

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

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 performed no services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of 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 inspection of the property that is the subject of this report.

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. 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.

13. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

John E. Carrothers, MAI
State Certified General Real Estate Appraiser
California AG014187, Expiration 04/11/2025

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 RESTRICTION
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)**

John E. Carrothers, MAI

Certified General Real Estate Appraiser

California BREA Appraiser License No. AG014187

SUMMARY

Over thirty 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, 2023
Date Expires: April 11, 2025

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3070536

Update #16

First American Title Company

1250 Corona Pointe Court, Ste 200
Corona, CA 92879

Customer Reference:	APNs 201-1510-001-0000 through 201-1510-029-0000
Order Number:	624883ala (tc)
Title Officer:	Terrell Crutchfield
Phone:	(951)256-5879
Fax No.:	(866)558-2872
E-Mail:	tcrutchfield@firstam.com
Escrow Officer:	Jules Fulop
Phone:	(925)201-6603
Fax No.:	(866)648-7806
E-Mail:	jfulop@firstam.com
Buyer:	Lennar Homes of California, LLC
Owner:	Greenbriar Phase 2, LLC
Property:	
	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.

Please be advised that any provision contained in this document, or in a document that is attached, linked or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.

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 June 14, 2024 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Standard 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:

Greenbriar Phase 2, 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:

A. General and special taxes and assessments for the fiscal year 2024-2025, a lien not yet due or payable.

1. Intentionally Deleted

1a. Intentionally Deleted

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.

   Community Facilities District NORTH NATOMAS TMA CFD #9901.

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.

   Document(s) declaring modifications thereof recorded December 9, 2020 as Instrument No. 202012091286 of Official Records.

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.

   Document(s) declaring modifications thereof recorded December 17, 2021 as Instrument No. 202112170727 of Official Records.

   Document(s) declaring modifications thereof recorded March 14, 2024 as Instrument No. 202403140563 of Official Records.

   Document(s) declaring modifications thereof recorded March 14, 2024 as Instrument No. 202403140564 of Official Records.

   (Affects Parcels A through F and I through K)

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 (via epublic services) at (916) 635-2500, the City of Folsom at (916) 355-7295, the City of Galt at (209) 366-7260, or the City of Sacramento at (916) 808-5454 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. Intentionally Deleted

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. An easement for irrigation and/or drainage and incidental purposes, recorded as Book 5301, Page 467 of Official Records.
    In Favor of: Reclamation District No. 1000
    Affects: Parcel D of Parcel A

    The location of the easement cannot be determined from record information.

    A portion of the above easement was Quitclaimed by document recorded September 29, 1992, Book 920929, Page 1617, Official Records.

12. Abutter's rights of ingress and egress to or from street, highway, or freeway have been relinquished in the document recorded August 6, 1965 as Book 5301, Page 601 of Official Records.

    Waiver of damages as contained in the above document.

    Affects: Parcel D of Parcel A

13. Abutter's rights of ingress and egress to or from street, highway, or freeway have been relinquished in the document recorded September 27, 1968 as Book 680927, Page 495 of Official Records.

    Waiver of damages as contained in the above document.

    Affects: Parcels D and E of Parcel A

14. An easement for public utility facilities and incidental purposes, recorded September 14, 1972 as Book 720914, Page 524 of Official Records.
    In Favor of: The State of California
    Affects: Parcels 4, 5 and E of Parcel A

    A Quitclaim to Reclamation District No. 1000 recorded October 27, 1983 in Book 831027, Page 879, Official Records.

15. Abutter's rights of ingress and egress to or from street, highway, or freeway have been relinquished in the document recorded September 14, 1972 as Book 720914, Page 524 of Official Records.

    Affects: Parcels 4, 5 and E of Parcel A

16. Intentionally Deleted

17. An easement for drainage and irrigation and incidental purposes, recorded as Book 880201, Page 1129 of Official Records.
    In Favor of: Reclamation District No. 1000
    Affects: Parcels D and E of Parcel A

18. Abutter's rights of ingress and egress to or from street, highway, or freeway have been relinquished in the document recorded June 16, 1994 as Book 940616, Page 402 of Official Records.

    Affects: Parcels D and E of Parcel A

19. Abutter's rights of ingress and egress to or from street, highway, or freeway have been relinquished in the document recorded June 16, 1994 as Book 940616, Page 403 of Official Records.

    Affects: Parcels D and E of Parcel A

20. The terms and provisions contained in the document entitled "Memorandum of Agreement" recorded August 24, 2006 as 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.

    The terms and provisions contained in the document entitled Assignment and Assumption of School Agreement recorded August 31, 2021 as Instrument No. 202108311311 of Official Records.

    The terms and provisions contained in the document entitled Assignment and Assumption of School Agreement recorded March 13, 2024 as Instrument No. 202403130583 of Official Records.

    The terms and provisions contained in the document entitled Assignment and Assumption of School Agreement recorded May 31, 2024 as Instrument No. 202405310853 of Official Records.

21. The terms and provisions contained in the document entitled "Development Agreement" recorded August 25, 2017 as Book 20170825, Page 0771 of Official Records.

    Document(s) declaring modifications thereof recorded January 11, 2018 as Book 20180111, Page 0629 of Official Records.

    Document(s) declaring modifications thereof recorded May 22, 2018 as Book 20180522, Page 0534 of Official Records.

    The terms and provisions contained in the document entitled "ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT" recorded December 11, 2020 as INSTRUMENT NO. 202012110932 of Official Records.

    The terms and provisions contained in the document entitled Assignment and Assumption Agreement recorded August 31, 2021 as Instrument No. 202108311310 of Official Records.

The terms and provisions contained in the document entitled Assignment and Assumption Agreement recorded March 13, 2024 as Instrument No. 202403130582 of Official Records.

The terms and provisions contained in the document entitled Assignment and Assumption Development Agreement recorded May 31, 2024 as Instrument No. 202405310852 of Official Records.

22. Intentionally Deleted

23. Intentionally Deleted

24. 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 D and E of Parcel A

Terms and provisions contained in the above document.

25. Intentionally Deleted

26. 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.

Affects: Parcel K and Parcel E of Parcel A

26a. The terms and provisions contained in the document entitled "Memorandum of Agreement" recorded October 3, 2019 as Book 20191003, Page 627 of Official Records.

(Affects Parcel K)

27. Intentionally Deleted

28. 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 D, K and E of Parcel A

29. An easement shown or dedicated on the map filed or recorded December 11, 2019 as Book 238, Page 9 of of maps
For: Sanitary sewer and incidental purposes.

Affects: Parcels 2, 12, 20 and H of Parcel A and Lot D of Parcel B

30. An easement shown or dedicated on the map filed or recorded December 11, 2019 as Book 238, Page 9 of of maps
For: Water line and incidental purposes.

Affects: Parcel D of Parcel A

31. 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.

32. 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.

33. The terms and provisions contained in the document entitled "Memorandum of Agreement" recorded July 07, 2020 as Instrument No. 202007070911 of Official Records.

34. 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.

34a. The terms and provisions contained in the document entitled "Hold Harmless Agreement" recorded August 20, 2020 as Instrument No. 202008201488 of Official Records.

(Affects Parcel K)

34b. The terms and provisions contained in the document entitled "Lake Maintenance Agreement" recorded October 8, 2020 as Instrument No. 202010082066 of Official Records.

(Affects Parcel K)

35. An easement for UTILITY, INGRESS AND EGRESS and incidental purposes, recorded March 15, 2021 as INSTRUMENT NO. 202103150837 of Official Records.
In Favor of: SACRAMENTO MUNICIPAL UTILITY DISTRICT, A MUNICIPAL UTILITY DISTRICT
Affects: AS DESCRIBED THEREIN

The location of the easement cannot be determined from record information.

Terms and provisions contained in the above document.

35a. An easement shown or dedicated on the Greenbriar Phase 2 Map as referred to in the legal description

For: Public utility and incidental purposes.

35b. An easement shown or dedicated on the Greenbriar Phase 2 Map as referred to in the legal description

For: Road Irrevocable Offer of Dedication and incidental purposes.

Affects: Parcels 14, 16 through 21, E, F and H of Parcel A

The above offer of dedication is hereby rejected per City Surveyor's Statement.

35c. An easement shown or dedicated on the Greenbriar Phase 2 Map as referred to in the legal description

For: Regional Transit Irrevocable Offer of Dedication and incidental purposes.

Affects: Parcels 14, 20, 21, E, F and H oF Parcel A

The above offer of dedication is hereby rejected per City Surveyor's Statement.

35d. An easement shown or dedicated on the Greenbriar Phase 2 Map as referred to in the legal description

For: Drainage and incidental purposes.

Affects: Parcels 3, 8, 9, 11, 12, 13, 14, 16, 18, 19 and D of Parcel A

35e. An easement shown or dedicated on the Greenbriar Phase 2 Map as referred to in the legal description

For: Sanitary sewer and incidental purposes.

Affects: Parcels , 14, 16, 18 and 21 of Parcel A

35f. Intentionally Deleted

35g. The following matters shown or disclosed by the filed or recorded Greenbriar Phase 2 map referred to in the legal description:

-PARCELS A, B AND C ARE TO BE GRANTED IOD IN FEE TITLE TO THE CITY OF SACRAMENTO FOR PARK PURPOSES.

-PARCELS D AND E ARE TO BE GRANTED IOD IN FEE TITLE TO THE CITY OF SACRAMENTO FOR OPEN SPACE PURPOSES.

-PARCELS F, G AND H ARE TO BE GRANTED IOD IN FEE TITLE TO THE CITY OF SACRAMENTO AS DETENTION AND WATER QUALITY BASINS/LAKES.

-PARCEL I IS RESERVED AND IS TO BE GRANTED BY SEPARATE DOCUMENT TO THE LOCAL SCHOOL DISTRICT AS A COMMUNITY SCHOOL.

-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.

35h. Intentionally Deleted.

35i. The following matters shown or disclosed by the filed or recorded Greenbriar Phase 2 Village South map referred to in the legal description:

Easement for planting and maintaining trees, installation and maintenance of electroliers, traffic control devices, water, and gas pipes, and for the underground wires and conduits for electrical, telephone and television services, together with any and all appurtenances pertaining thereto on, over, under and across Lots A and B and those strips of land twelve and one half (12.50) feet in width and contiguous to the avenues, ways, drives, circles, and court shown hereon and designated "12.5' public utility easement" (12.5' PUE)

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 avenues, ways, drives, circles, and court shown hereon.

All lots being created by this map include fee title to the centerline of the avenues, ways, drives, circles, and court 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.

Lot B shall be owned and maintained by the homeowners association for landscaping and pedestrian purposes.

Lots C and D to be granted IOD in fee to the City of Sacramento for regional transit purposes.

Lot E is a commercial parcel to be privately owned and maintained.

Lot F shall be privately and maintained for park and ride purposes.

35j. An easement shown or dedicated on the Greenbriar Phase 2 Village South Map as referred to in the legal description

For: landscape and incidental purposes.

35k. An easement shown or dedicated on the Greenbriar Phase 2 Village South Map as referred to in the legal description

For: public regional transit and incidental purposes.

35l. An easement shown or dedicated on the Greenbriar Phase 2 Village South Map as referred to in the legal description

For: public sewer pipes and incidental purposes.

35m. The following matters shown or disclosed by the filed or recorded Greenbriar Phase 2 Village 5 Map referred to in the legal description:

Easement for planting and maintaining trees, installation and maintenance of electroliers, traffic control devices, water, and gas pipes, and for the underground wires and conduits for electrical, telephone and television services, together with any and all appurtenances pertaining thereto on, over, under and across those strips of land twelve and one half (12.50) feet in width and contiguous to the circles, street and drives shown hereon and designated "12.5' public utility easement" (12.5' PUE)

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 circles, street and drives shown hereon.

An easement for pedestrian access together with any and all appurtenances pertaining thereto, on, over, under and across those strips of land five (5.00) feet in width, lying contiguous shown thereon.

35n. An offer of dedication for public and incidental purposes, recorded December 20, 2021 as Instrument No. 202112200362 of Official Records.
To: City of Sacramento

The above dedication subject to the written acceptance by the City of Sacramento.

The location of the easement cannot be determined from record information.

35o. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement " recorded August 12, 2022 as Instrument No. 202208120489 of Official Records.

Affects: Parcel B

35p. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement " recorded August 12, 2022 as Instrument No. 202208120494 of Official Records.

Affects: Parcel C

35q. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement " recorded September 27, 2022 as Instrument No. 202209270836 of Official Records.

Affects: Parcel D

35r. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement " recorded September 27, 2022 as Instrument No. 202209270838 of Official Records.

Affects: Parcel E

35s. The terms and provisions contained in the document entitled "Subdivision Improvement Agreement " recorded September 27, 2022 as Instrument No. 202209270839 of Official Records.

Affects: Parcel F

35t. The following matters shown or disclosed by the filed or recorded Greenbriar Phase 2 Village 1A Map referred to in the legal description:

Easement for planting and maintaining trees, installation and maintenance of electroliers, traffic control devices, water, and gas pipes, and for the underground wires and conduits for electrical, telephone and television services, together with any and all appurtenances pertaining thereto on, over, under and across those strips of land twelve and one half (12.50) feet in width and contiguous to the circles, street and drives shown hereon and designated "12.5' public utility easement" (12.5' PUE)

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 circles, street and drives shown hereon.

35u. The following matters shown or disclosed by the filed or recorded Greenbriar Phase 2 Village 17 Map referred to in the legal description:

Easement for planting and maintaining trees, installation and maintenance of electroliers, traffic control devices, water, and gas pipes, and for the underground wires and conduits for electrical, telephone and television services, together with any and all appurtenances pertaining thereto on, over, under and across those strips of land twelve and one half (12.50) feet in width and contiguous to the circles, street and drives shown hereon and designated "12.5' public utility easement" (12.5' PUE)

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 circles, street and drives shown hereon.

35v. The following matters shown or disclosed by the filed or recorded Greenbriar Phase 2 Village 18 Map referred to in the legal description:

Easement for planting and maintaining trees, installation and maintenance of electroliers, traffic control devices, water, and gas pipes, and for the underground wires and conduits for electrical, telephone and television services, together with any and all appurtenances pertaining thereto on, over, under and across those strips of land twelve and one half (12.50) feet in width and contiguous to the circles, street and drives shown hereon and designated "12.5' public utility easement" (12.5' PUE)

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 circles, street and drives shown hereon.

35w. A notice of nonresponsibility, executed by Greenbriar Phase 2, LLC, a Delaware limited liability company, recorded January 10, 2023 as Instrument No. 202301100346 of Official Records.

(Affects Parcel I of Parcel A)

35x. Any statutory lien for labor or materials arising by reason of a work of improvement, as disclosed by a document recorded January 10, 2023 as Instrument No. 202301100346 of Official Records.

(Affects Parcel I of Parcel A)

35x(a). An easement for electrical and communication facilities and incidental purposes, recorded August 3, 2023 as Instrument No. 202308030562 of Official Records.

In Favor of: Sacramento Municipal Utility District
Affects: Portion of Parcel B and other property

The location of the easement cannot be determined from record information.

35x(b). An easement for Sewer and incidental purposes, recorded December 26, 2023 as Book 20231226 Page 0311 of Official Records.

In Favor of: Sacramento Area Sewer District, a county sanitation district
Affects: Parcel 2 of Parcel A

35x(c). The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded December 26, 2023 as Book 20231226 Page 0371 of Official Records.

Affects: Parcels 10, 11 and D of Parcel A

35x(d). The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded December 26, 2023 as Book 20231226 Page 0372 of Official Records.

Affects: Parcels 8 and 9 of Parcel A

35x(e). The following matters shown or disclosed by the filed or recorded Greenbriar Phase 2 Village 10 Map referred to in the legal description:

Easement for planting and maintaining trees, installation and maintenance of electroliers, traffic control devices, water, and gas pipes, and for the underground wires and conduits for electrical, telephone and television services, together with any and all appurtenances pertaining thereto on, over, under and across those strips of land twelve and one half (12.50) feet in width and contiguous to the circles, street and drives shown hereon and designated "12.5' public utility easement" (12.5' PUE)

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 circles, street and drives shown hereon.

Lot A shall be owned and maintained by the homeowners association for landscaping and pedestrian purposes.

35x(f). An easement shown or dedicated on the Greenbriar Phase 2 Village 10 Map as referred to in the legal description

For: landscape and incidental purposes.

(Affects Lot A of Parcel I)

35x(g). An easement shown or dedicated on the Greenbriar Phase 2 Village 10 Map as referred to in the legal description

For: drainage pipelines and incidental purposes.

(Affects Lot A of Parcel I)

35x(h). The following matters shown or disclosed by the filed or recorded Greenbriar Phase 2 Village 6 Map referred to in the legal description:

Easement for planting and maintaining trees, installation and maintenance of electroliers, traffic control devices, water, and gas pipes, and for the underground wires and conduits for electrical, telephone and television services, together with any and all appurtenances pertaining thereto on, over, under and across those strips of land twelve and one half (12.50) feet in width and contiguous to the circles, street and drives shown hereon and designated "12.5' public utility easement" (12.5' PUE)

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 ways and avenues shown hereon, not to include those strips of land lying contiguous to Lot A.

An easement for installation and maintenance of underground drainage pipelines together with any and all appurtenances thereto on, over, under and across Lot A shown hereon and designated "drainage easement" (DE).

Lot A shall be owned and maintained by the homeowners association for landscaping and pedestrian purposes.

35x(i). An easement shown or dedicated on the Greenbriar Phase 2 Village 6 Map as referred to in the legal description

For: landscape and incidental purposes.

(Affects Lot A of Parcel J)

35x(j). The terms and provisions contained in the document entitled "Subdivision Improvement Agreement" recorded December 21, 2023 as Instrument No. 20231221, Page 0687 of Official Records.

(Affects Parcel K)

35x(k). An easement for public utilities and incidental purposes, recorded May 23, 2024 as Instrument No. 202405230223 of Official Records.

In Favor of: Sacramento Municipal Utility District
Affects: as described therein

(Affects Parcels E and F of Parcel B)

35x(l). The following matters shown or disclosed by the filed or recorded Greenbriar Phase 1 Village 14A Map referred to in the legal description:

Easement for planting and maintaining trees, installation and maintenance of electroliers, traffic control devices, water, and gas pipes, and for the underground wires and conduits for electrical, telephone and television services, together with any and all appurtenances pertaining thereto on, over, under and across those strips of land twelve and one half (12.50) feet in width and contiguous to the circles, street and drives shown hereon and designated "12.5' public utility easement" (12.5' PUE)

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 circles, street and drives shown hereon.

Lot X is a future development lot.

The Following Matters Affect ALL PARCELS:

36. Rights of the public in and to that portion of the Land lying within any Road, Street, Alley or Highway.

37. Water rights, claims or title to water, whether or not shown by the Public Records.

38. Rights of parties in possession.

Prior to the issuance of any policy of title insurance, the Company will require:

39. With respect to GREENBRIAR PHASE 2, 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

(Affects Parcels A through F)

40. With respect to THE GREENBRIAR PROJECT OWNER, LLC, A DELAWARE LIMITED LIABILITY COMPANY:
    a. A copy of its operating agreement or similar document and any amendments thereto;
    b. A official copy of its articles of organization or similar incorporation document and any corrections, amendments or restatements thereto;
    c. Evidence that the limited liability company is properly formed and is in good standing in the state of its domicile;
    d. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

(Affects Parcels G and H)

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 2023-2024

Parcel/Lot	APN	TRA	1st Half, STATUS	Penalty	2nd half, STATUS	Penalty
14(of Parcel A)	201-1510-014	03-350	$11,500.19, PAID	$0.00	$11,500.19, PAID	$0.00
15(of Parcel A)	201-1510-015	03-350	$5,053.01, PAID	$0.00	$5,053.01, PAID	$0.00
16(of Parcel A)	201-1510-016	03-350	$11,745.48, PAID	$0.00	$11,745.48, PAID	$0.00
17(of Parcel A)	201-1510-017	03-350	$6,973.11, PAID	$0.00	$6,973.11, PAID	$0.00
A(of Parcel A)	201-1510-022	03-350	$161.68, PAID	$0.00	$161.68, PAID	$0.00
B(of Parcel A)	201-1510-023	03-350	$205.30, PAID	$0.00	$205.30, PAID	$0.00
C(of Parcel A)	201-1510-024	03-350	$189.92, PAID	$0.00	$189.92, PAID	$0.00
Portions of Parcel D(of Parcel A) and Parcel I	201-1510-025	03-350	$634.09, PAID	$0.00	$634.09, PAID	$0.00
E(of Parcel A)	201-1510-026	03-350	$669.85, PAID	$0.00	$669.85, PAID	$0.00
F(of Parcel A)	201-1510-027	03-350	$658.76, PAID	$0.00	$658.76, PAID	$0.00
G(of Parcel A)	201-1510-028	03-350	$653.62, PAID	$0.00	$653.62, PAID	$0.00
H(of Parcel A)	201-1510-029	03-350	$220.69, PAID	$0.00	$220.69, PAID	$0.00
A(of Parcel B)	201-1520-015	03-350	$7.05, PAID	$0.00	$7.05, PAID	$0.00
B(of Parcel B)	201-1520-016	03-350	$9.36, PAID	$0.000	$9.36, PAID	$0.00
C(of Parcel B)	201-1520-017	03-350	$21.17, PAID	$0.00	$21.17, PAID	$0.00
D(of Parcel B)	201-1520-018	03-350	$42.26, PAID	$0.00	$42.26, PAID	$0.00
E(of Parcel B)	201-1520-019	03-350	$2,710.68, PAID	$0.00	$2,710.68, PAID	$0.00
F(of Parcel B)	201-1520-020	03-350	$2,635.01, PAID	$0.00	$2,635.01, PAID	$0.00
5(of Parcel B)	201-1520-005	03-350	$310.11, PAID	$0.00	$310.11, PAID	$0.00
6(of Parcel B)	201-1520-006	03-350	$306.63, PAID	$0.00	$306.63, PAID	$0.00
30(of Parcel B)	201-1530-019	03-350	$321.55, PAID	$0.00	$321.55, PAID	$0.00
31(of Parcel B)	201-1530-020	03-350	$318.71, PAID	$0.00	$318.71, PAID	$0.00

32(of Parcel B)	201-1530-021	03-350	$318.71, PAID	$0.00	$318.71, PAID	$0.00
33(of Parcel B)	201-1530-022	03-350	$318.71, PAID	$0.00	$318.71, PAID	$0.00
63(of Parcel B)	201-1550-001	03-350	$283.66, PAID	$0.00	$283.66, PAID	$0.00
64(of Parcel B)	201-1550-002	03-350	$281.87, PAID	$0.00	$281.87, PAID	$0.00
65(of Parcel B)	201-1550-003	03-350	$286.66, PAID	$0.00	$286.66, PAID	$0.00
1(of Parcel C)	201-1590-001	03-350	$281.06, PAID	$0.00	$281.06, PAID	$0.00
2(of Parcel C)	201-1590-002	03-350	$278.73, PAID	$0.00	$278.73, PAID	$0.00
3(of Parcel C)	201-1590-003	03-350	$278.73, PAID	$0.00	$278.73, PAID	$0.00
4(of Parcel C)	201-1590-004	03-350	$278.73, PAID	$0.00	$278.73, PAID	$0.00
5(of Parcel C)	201-1590-005	03-350	$278.73, PAID	$0.00	$278.73, PAID	$0.00
6(of Parcel C)	201-1590-006	03-437	$278.73,PAID	$0.00	$278.73, PAID	$0.00
7(of Parcel C)	201-1590-007	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
8(of Parcel C)	201-1590-008	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
9(of Parcel C)	201-1590-009	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
10(of Parcel C)	201-1590-010	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
11(of Parcel C)	201-1590-011	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
12(of Parcel C)	201-1590-012	03-437	$278.79, PAID	$0.00	$278.73, PAID	$0.00
13(of Parcel C)	201-1590-013	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
14(of Parcel C)	201-1590-014	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
15(of Parcel C)	201-1590-015	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
16(of Parcel C)	201-1590-016	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
17(of Parcel C)	201-1590-017	03-437	$278.73, PAID	$0.00	$278.73, PAID	$0.00
18(of Parcel C)	201-1590-018	03-437	$282.63, PAID	$0.00	$282.63, PAID	$0.00
26(of Parcel C)	201-1590-026	03-437	$278.71, PAID	$0.00	$278.71, PAID	$0.00
27(of Parcel C)	201-1590-027	03-350	$278.71, PAID	$0.00	$278.71, PAID	$0.00
28(of Parcel C)	201-1590-028	03-350	$278.71, PAID	$0.00	$278.71, PAID	$0.00
29(of Parcel C)	201-1590-029	03-350	$278.71, PAID	$0.00	$278.71, PAID	$0.00
30(of Parcel C)	201-1590-030	03-350	$278.71, PAID	$0.00	$278.71, PAID	$0.00
31(of Parcel C)	201-1590-031	03-350	$278.71, PAID	$0.00	$278.71, PAID	$0.00
32(of Parcel C)	201-1590-032	03-350	$278.71, PAID	$0.00	$278.71, PAID	$0.00
33(of Parcel C)	201-1590-033	03-350	$279.33, PAID	$0.00	$279.33, PAID	$0.00
34(of Parcel C)	201-1590-034	03-350	$280.13, PAID	$0.00	$280.13, PAID	$0.00
35(of Parcel C)	201-1590-035	03-350	$278.74, PAID	$0.00	$278.74, PAID	$0.00

36(of Parcel C)	201-1590-036	03-350	$278.73, PAID	$0.00	$278.73, PAID	$0.00
37(of Parcel C)	201-1590-037	03-350	$278.73, PAID	$0.00	$278.73, PAID	$0.00
38(of Parcel C)	201-1590-038	03-350	$279.28, PAID	$0.00	$279.28, PAID	$0.00
39(of Parcel C)	201-1590-039	03-350	$279.28, PAID	$0.00	$279.28, PAID	$0.00
40(of Parcel C)	201-1590-040	03-350	$279.27, PAID	$0.00	$279.27, PAID	$0.00
41(of Parcel C)	201-1590-041	03-350	$279.27, PAID	$0.00	$279.27, PAID	$0.00
1(of Parcel D)	201-1540-026	03-350	$248.88, PAID	$0.00	$248.88, PAID	$0.00
2(of Parcel D)	201-1540-027	03-350	$248.09, PAID	$0.00	$248.09, PAID	$0.00
3(of Parcel D)	201-1540-028	03-350	$248.09, PAID	$0.00	$248.09, PAID	$0.00
4(of Parcel D)	201-1540-029	03-350	$248.09, PAID	$0.00	$248.09, PAID	$0.00
5(of Parcel D)	201-1540-030	03-350	$248.09,PAID	$0.00	$248.09, PAID	$0.00
6(of Parcel D)	201-1540-031	03-350	$248.09, PAID	$0.00	$248.09, PAID	$0.00
7(of Parcel D)	201-1600-001	03-350	$248.09, PAID	$0.00	$248.09, PAID	$0.00
8(of Parcel D)	201-1600-002	03-350	$248.09, PAID	$0.00	$248.09, PAID	$0.00
9(of Parcel D)	201-1600-003	03-350	$248.09, PAID	$0.00	$248.09, PAID	$0.00
10(of Parcel D)	201-1600-004	03-350	$248.09, PAID	$0.00	$248.09, PAID	$0.00
11(of Parcel D)	201-1600-005	03-350	$248.09, PAID	$0.00	$248.09, PAID	$0.00
12(of Parcel D)	201-1600-006	03-350	$248.28, PAID	$0.00	$248.28, PAID	$0.00
13(of Parcel D)	201-1600-007	03-350	$249.00, PAID	$0.00	$249.00, PAID	$0.00
14(of Parcel D)	201-1600-008	03-350	$248.07, PAID	$0.00	$248.07, PAID	$0.00
15(of Parcel D)	201-1600-009	03-350	$249.00, PAID	$0.00	$249.00, PAID	$0.00
16(of Parcel D)	201-1600-010	03-350	$248.24, PAID	$0.00	$248.24, PAID	$0.00
17(of Parcel D)	201-1600-011	03-350	$248.17, PAID	$0.00	$248.17, PAID	$0.00
18(of Parcel D)	201-1600-012	03-350	$248.24, PAID	$0.00	$248.24, PAID	$0.00
19(of Parcel D)	201-1600-013	03-350	$247.56, PAID	$0.00	$247.56, PAID	$0.00
20(of Parcel D)	201-1600-014	03-350	$248.08, PAID	$0.00	$248.08, PAID	$0.00
21(of Parcel D)	201-1540-032	03-350	$248.08, PAID	$0.00	$248.08, PAID	$0.00
22(of Parcel D)	201-1540-033	03-350	$248.08, PAID	$0.00	$248.08, PAID	$0.00
23(of Parcel D)	201-1540-034	03-350	$248.08, PAID	$0.00	$248.08, PAID	$0.00
24(of Parcel D)	201-1540-035	03-350	$248.07, PAID	$0.00	$248.07, PAID	$0.00
25(of Parcel D)	201-1540-036	03-350	$250.42, PAID	$0.00	$250.42, PAID	$0.00
26(of Parcel D)	201-1540-037	03-350	$251.18, PAID	$0.00	$251.18, PAID	$0.00
27(of Parcel D)	201-1540-038	03-350	$249.53, PAID	$0.00	$249.53, PAID	$0.00

28(of Parcel D)	201-1540-039	03-350	$248.30, PAID	$0.00	$248.30, PAID	$0.00
29(of Parcel D)	201-1540-040	03-350	$248.26, PAID	$0.00	$248.26, PAID	$0.00
30(of Parcel D)	201-1540-041	03-350	$248.12, PAID	$0.00	$248.12, PAID	$0.00
31(of Parcel D)	201-1540-042	03-350	$247.56, PAID	$0.00	$247.56, PAID	$0.00
32(of Parcel D)	201-1540-043	03-350	$247.55, PAID	$0.000	$247.55, PAID	$0.00
33(of Parcel D)	201-1540-044	03-350	$247.55, PAID	$0.00	$247.55, PAID	$0.00
34(of Parcel D)	201-1540-045	03-350	$249.61, PAID	$0.00	$249.61, PAID	$0.00
35(of Parcel D)	201-1540-046	03-350	$248.96, PAID	$0.00	$248.96, PAID	$0.00
36(of Parcel D)	201-1540-047	03-350	$249.03, PAID	$0.00	$249.03, PAID	$0.00
37(of Parcel D)	201-1540-048	03-350	$248.13, PAID	$0.00	$248.13, PAID	$0.00
38(of Parcel D)	201-1540-049	03-350	$248.13, PAID	$0.00	$248.13, PAID	$0.00
39(of Parcel D)	201-1540-050	03-350	$248.20, PAID	$0.00	$248.20, PAID	$0.00
40(of Parcel D)	201-1540-051	03-350	$249.69, PAID	$0.00	$249.69, PAID	$0.00
41(of Parcel D)	201-1540-052	03-350	$249.77, PAID	$0.00	$249.77,PAID	$0.00
42(of Parcel D)	201-1540-053	03-350	$248.17, PAID	$0.00	$248.17, PAID	$0.00
43(of Parcel D)	201-1540-054	03-350	$250.47, PAID	$0.00	$250.47, PAID	$0.00
44(of Parcel D)	201-1540-055	03-350	$249.55, PAID	$0.00	$249.55, PAID	$0.00
45(of Parcel D)	201-1540-056	03-350	$248.07, PAID	$0.00	$248.07, PAID	$0.00
46(of Parcel D)	201-1540-057	03-350	$248.15, PAID	$0.00	$248.15, PAID	$0.00
47(of Parcel D)	201-1540-058	03-350	$248.07, PAID	$0.00	$248.07, PAID	$0.00
48(of Parcel D)	201-1540-059	03-350	$248.07, PAID	$0.00	$248.07, PAID	$0.00
49(of Parcel D)	201-1540-060	03-350	$248.28, PAID	$0.00	$248.28, PAID	$0.00
50(of Parcel D)	201-1540-061	03-350	$248.27, PAID	$0.00	$248.27, PAID	$0.00
51(of Parcel D)	201-1600-015	03-350	$248.27, PAID	$0.00	$248.27, PAID	$0.00
52(of Parcel D)	201-1600-016	03-350	$248.93, PAID	$0.00	$248.93, PAID	$0.00
53(of Parcel D)	201-1600-017	03-350	$248.97, PAID	$0.00	$248.97, PAID	$0.00
1(of Parcel E)	201-1570-001	03-350	$329.79, PAID	$0.00	$329.79, PAID	$0.00
2(of Parcel E)	201-1570-002	03-350	$324.80, PAID	$0.00	$324.80, PAID	$0.00
3(of Parcel E)	201-1570-003	03-350	$327.38, PAID	$0.00	$327.38, PAID	$0.00
4(of Parcel E)	201-1570-004	03-350	$325.56, PAID	$0.00	$325.56, PAID	$0.00
5(of Parcel E)	201-1570-005	03-350	$322.92, PAID	$0.00	$322.92, PAID	$0.00
6(of Parcel E)	201-1570-006	03-350	$322.92, PAID	$0.00	$322.92, PAID	$0.00

7(of Parcel E)	201-1570-007	03-350	$323.70, PAID	$0.00	$323.70, PAID	$0.00
8(of Parcel E)	201-1570-008	03-350	$324.91, PAID	$0.00	$324.91, PAID	$0.00
9(of Parcel E)	201-1570-009	03-350	$326.57, PAID	$0.00	$326.57, PAID	$0.00
10(of Parcel E)	201-1570-010	03-350	$327.51, PAID	$0.00	$327.51, PAID	$0.00
11(of Parcel E)	201-1570-011	03-350	$326.38, PAID	$0.00	$326.38, PAID	$0.00
12(of Parcel E)	201-1570-012	03-350	$324.85, PAID	$0.00	$324.85, PAID	$0.00
13(of Parcel E)	201-1570-013	03-350	$323.64, PAID	$0.00	$323.64, PAID	$0.00
14(of Parcel E)	201-1570-014	03-350	$322.92, PAID	$0.00	$322.92, PAID	$0.00
15(of Parcel E)	201-1570-015	03-350	322-92, PAID	$0.00	$322.92, PAID	$0.00
16(of Parcel E)	201-1570-016	03-350	$328.63, PAID	$0.00	$328.63, PAID	$0.00
17(of Parcel E)	201-1570-017	03-350	$327.51, PAID	$0.00	$327.51, PAID	$0.00
18(of Parcel E)	201-1570-018	03-350	$329.80, PAID	$0.00	$329.80, PAID	$0.00
19(of Parcel E)	201-1570-019	03-350	$330.98, PAID	$0.00	$330.98, PAID	$0.00
20(of Parcel E)	201-1570-020	03-350	$328.71, PAID	$0.00	$328.71, PAID	$0.00
21(of Parcel E)	201-1570-021	03-350	$325.71, PAID	$0.00	$325.71, PAID	$0.00
22(of Parcel E)	201-1570-022	03-350	$327.40, PAID	$0.00	$327.40, PAID	$0.00
23(of Parcel E)	201-1570-023	03-350	$324.71, PAID	$0.00	$324.71, PAID	$0.00
24(of Parcel E)	201-1570-024	03-350	$329.95, PAID	$0.00	$329.95, PAID	$0.00
25(of Parcel E)	201-1570-025	03-350	$331.05, PAID	$0.00	$331.05, PAID	$0.00
26(of Parcel E)	201-1570-026	03-350	$325.79, PAID	$0.00	$325.79, PAID	$0.00
27(of Parcel E)	201-1570-027	03-350	$325.56, PAID	$0.00	$325.56, PAID	$0.00
28(of Parcel E)	201-1570-028	03-350	$324.95, PAID	$0.00	$324.95, PAID	$0.00
29(of Parcel E)	201-1570-029	03-350	$330.88, PAID	$0.00	$330.88, PAID	$0.00
30(of Parcel E)	201-1570-030	03-350	$322.92, PAID	$0.00	$322.92, PAID	$0.00
31(of Parcel E)	201-1570-031	03-350	$322.92, PAID	$0.00	$322.92, PAID	$0.00
32(of Parcel E)	201-1570-032	03-350	$325.56, PAID	$0.00	$325.56, PAID	$0.00
33(of Parcel E)	201-1570-033	03-350	$325.70, PAID	$0.00	$325.70, PAID	$0.00
34(of Parcel E)	201-1570-034	03-350	$323.59, PAID	$0.00	$323.59, PAID	$0.00
35(of Parcel E)	201-1570-035	03-350	$323.59, PAID	$0.00	$323.59, PAID	$0.00
36(of Parcel E)	201-1570-036	03-350	$323.63, PAID	$0.00	$323.63, PAID	$0.00
37(of Parcel E)	201-1570-037	03-350	$324.76, PAID	$0.00	$324.76, PAID	$0.00
38(of Parcel E)	201-1570-038	03-350	$326.45, PAID	$0.00	$326.45, PAID	$0.00
39(of Parcel E)	201-1570-039	03-350	$329.88, PAID	$0.00	$329.88, PAID	$0.00

40(of Parcel E)	201-1570-040	03-350	$324.76, PAID	$0.00	$324.76, PAID	$0.00
41(of Parcel E)	201-1570-041	03-350	$323.70, PAID	$0.00	$323.70, PAID	$0.00
42(of Parcel E)	201-1570-042	03-350	$323.72, PAID	$0.00	$323.72, PAID	$0.00
43(of Parcel E)	201-1570-043	03-350	$326.60, PAID	$0.00	$326.60, PAID	$0.00
44(of Parcel E)	201-1570-044	03-350	$323.63, PAID	$0.00	$323.63, PAID	$0.00
45(of Parcel E)	201-1570-045	03-350	$323.68, PAID	$0.00	$323.68, PAID	$0.00
46(of Parcel E)	201-1570-046	03-350	$323.95, PAID	$0.00	$323.95, PAID	$0.00
1(of Parcel F)	201-1580-001	03-350	$371.76, PAID	$0.00	$371.76, PAID	$0.00
2(of Parcel F)	201-1580-002	03-350	$371.00, PAID	$0.00	$371.00, PAID	$0.00
3(of Parcel F)	201-1580-003	03-350	$373.89, PAID	$0.00	$373.89, PAID	$0.00
4(of Parcel F)	201-1580-004	03-350	$371.00, PAID	$0.00	$371.00, PAID	$0.00
5(of Parcel F)	201-1580-005	03-350	$371.00, PAID	$0.00	$371.00, PAID	$0.00
6(of Parcel F)	201-1580-006	03-350	$371.00, PAID	$0.00	$371.00, PAID	$0.00
7(of Parcel F)	201-1580-007	03-350	$371.00, PAID	$0.00	$371.00, PAID	$0.00
8(of Parcel F)	201-1580-008	03-350	$371.00, PAID	$0.00	$371.00, PAID	$0.00
9(of Parcel F)	201-1580-009	03-350	$371.00, PAID	$0.00	$371.00, PAID	$0.00
10(of Parcel F)	201-1580-010	03-350	$370.86, PAID	$0.00	$370.86, PAID	$0.00
11(of Parcel F)	201-1580-011	03-350	$370.86, PAID	$0.00	$370.86, PAID	$0.00
12(of Parcel F)	201-1580-012	03-350	$370.86, PAID	$0.00	$370.86, PAID	$0.00
13(of Parcel F)	201-1580-013	03-350	$370.83, PAID	$0.00	$370.83, PAID	$0.00
14(of Parcel F)	201-1580-014	03-350	$371.62, PAID	$0.00	$371.62, PAID	$0.00
15(of Parcel F)	201-1580-015	03-350	$373.91, PAID	$0.00	$373.91, PAID	$0.00
16(of Parcel F)	201-1580-016	03-350	$372.66, PAID	$0.00	$372.66, PAID	$0.00
17(of Parcel F)	201-1580-017	03-350	$372.72, PAID	$0.00	$372.72, PAID	$0.00
18(of Parcel F)	201-1580-018	03-350	$376.14, PAID	$0.00	$376.14, PAID	$0.00
19(of Parcel F)	201-1580-019	03-350	$386.91, PAID	$0.00	$386.91, PAID	$0.00
20(of Parcel F)	201-1580-020	03-350	$386.80, PAID	$0.00	$386.80, PAID	$0.00
21(of Parcel F)	201-1580-021	03-350	$371.73, PAID	$0.00	$371.73, PAID	$0.00
22(of Parcel F)	201-1580-022	03-350	$371.79, PAID	$0.00	$371.79, PAID	$0.00
23(of Parcel F)	201-1580-023	03-350	$373.81, PAID	$0.00	$373.81, PAID	$0.00
24(of Parcel F)	201-1580-024	03-350	$372.64, PAID	$0.00	$372.64, PAID	$0.00
25(of Parcel F)	201-1580-025	03-350	$371.63, PAID	$0.00	$371.63, PAID	$0.00
26(of Parcel F)	201-1580-026	03-350	$371.84, PAID	$0.00	$371.84, PAID	$0.00

27(of Parcel F)	201-1580-027	03-350	$372.49, PAID	$0.00	$372.49, PAID	$0.00
28(of Parcel F)	201-1580-028	03-350	$373.81, PAID	$0.00	$373.81. PAID	$0.00
29(of Parcel F)	201-1580-029	03-350	$372.78, PAID	$0.00	$372.78, PAID	$0.00
30(of Parcel F)	201-1580-030	03-350	$375.05, PAID	$0.00	$375.05, PAID	$0.00
31(of Parcel F)	201-1580-031	03-350	$371.01, PAID	$0.00	$371.01, OEPN	$0.00
32(of Parcel F)	201-1580-023	03-350	$375.08, PAID	$0.00	$375.05, PAID	$0.00
33(of Parcel F)	201-1580-033	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
34(of Parcel F)	201-1580-034	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
35(of Parcel F)	201-1580-035	03-350	$372.65, PAID	$0.00	$372.65, PAID	$0.00
36(of Parcel F)	201-1580-036	03-350	$374.95, PAID	$0.00	$374.95,PAID	$0.00
37(of Parcel F)	201-1580-037	03-350	$373.88, PAID	$0.00	$373.88, PAID	$0.00
38(of Parcel F)	201-1580-038	03-350	$376.28, PAID	$0.00	$376.28, PAID	$0.00
39(of Parcel F)	201-1580-039	03-350	$373.79, PAID	$0.00	$373.79, PAID	$0.00
40(of Parcel F)	201-1580-040	03-350	$374.99, PAID	$0.00	$374.99, PAID	$0.00
41(of Parcel F)	201-1580-041	03-350	$371.04,PAID	$0.00	$371.04, PAID	$0.00
42(of Parcel F)	201-1580-042	03-350	$372.78, PAID	$0.00	$372.78, PAID	$0.00
43(of Parcel F)	201-1580-043	03-350	$370.91, PAID	$0.00	$370.91, PAID	$0.00
44(of Parcel F)	201-1580-044	03-350	$370.82, PAID	$0.00	$370.82, PAID	$0.00
45(of Parcel F)	201-1580-045	03-350	$370.83, PAID	$0.00	$370.83, PAID	$0.00
46(of Parcel F)	201-1580-046	03-350	$373.95, PAID	$0.00	$373.95, PAID	$0.00
47(of Parcel F)	201-1580-047	03-350	$384.61, PAID	$0.00	$384.61, PAID	$0.00
48(of Parcel F)	201-1580-048	03-350	$373.91, PAID	$0.00	$373.91, PAID	$0.00
49(of Parcel F)	201-1580-049	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
50(of Parcel F)	201-1580-050	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
51(of Parcel F)	201-1580-051	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
52(of Parcel F)	201-1580-052	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
53(of Parcel F)	201-1580-053	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
54(of Parcel F)	201-1580-054	03-350	$370.81, PAID	$0.00	$370.81,PAID	$0.00
55(of Parcel F)	201-1580-055	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
56(of Parcel F)	201-1580-056	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
57(of Parcel F)	201-1580-057	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
58(of Parcel F)	201-1580-058	03-350	$370.81, PAID	$0.00	$370.81, PAID	$0.00
59(of Parcel F)	201-1580-059	03-350	$373.35, PAID	$0.00	$373.35, PAID	$0.00

A(of Parcel F)	201-1580-060	03-350	$7.05, PAID	$0.00	$7.05, PAID	$0.00
B(of Parcel F)	201-1580-061	03-350	$7.14, PAID	$0.00	$7.14, PAID	$0.00
C(of Parcel F)	201-1580-062	03-350	$9.30, PAID	$0.00	$9.30, PAID	$0.00
Portion of Parcel I	201-1510-038	03-350	$10,667.42, PAID	$0.00	$10,667.42, PAID	$0.00
Portion of Parcel I	201-1510-039	03-350	$14,657.65, PAID	$0.00	$14,657.65, PAID	$0.00
Portion of Parcel J	201-1510-015	03-350	$5,053.01, PAID	$0.00	$5,053.01, PAID	$0.00
Portion of Parcel J	201-1510-036	03-350	$11,386.36, PAID	$0.00	$11,386.36, PAID	$0.00
Portion of Parcel J	201-1510-037	03-350	$17,497.52, PAID	$0.00	$17,497.52, PAID	$0.00
Portion of Parcel K	201-0300-179	03-350	$9,969.43, PAID	$0.00	$9,969.43, PAID	$0.00
Portion of Parcel K	201-0300-184	03-350	$22,151.52, PAID	$0.00	$22,151.52, PAID	$0.00
Portion of Parcel K	201-1490-037	03-350	$12,047.77, PAID	$0.00	$12,047.77, 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. We find no outstanding voluntary liens of record affecting subject property. Disclosure should be made concerning the existence of any unrecorded lien or other indebtedness which could give rise to any possible security interest in the subject property.

5. 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.

   (Affects Parcel I of Parcel A)

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 A:

PARCELS 2 THROUGH 6, 8 THROUGH 14, 16 THROUGH 18, 20 AND 21, INCLUSIVE AND A THROUGH H, INCLUSIVE, AS SHOWN ON THE MAP ENTITLED "MASTER PARCEL MAP OF GREENBRIAR PHASE 2 SUBDIVISION NO. P18-050" FILED FOR RECORD ON DECEMBER 20, 2021, IN BOOK 246 OF MAPS, AT PAGE 7, SACRAMENTO COUNTY RECORDS.

EXCEPTING FROM PARCELS 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 18 AND 19 THOSE PORTION LYING WITHIN THE FOLLOWING MAPS:
FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE SOUTH, RECORDED AS BOOK 440 OF MAPS, AT PAGE 1;
FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 5, RECORDED AS BOOK 440 OF MAPS, AT PAGE 2;
FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 1A, RECORDED AS BOOK 442 OF MAPS, AT PAGE 15;
FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 17, RECORDED AS BOOK 442 OF MAPS, AT PAGE 16;
FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 18, RECORDED AS BOOK 443 OF MAPS, AT PAGE 1;
FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 10, RECORDED AS BOOK 454 OF MAPS, AT PAGE 3;
FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 6, RECORDED AS BOOK 454 OF MAPS, AT PAGE 4;

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 PORTION OF 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 B:

LOTS 5, 6, 30 THROUGH 33, 63 THROUGH 65 AND A THROUGH F, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE SOUTH", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON AUGUST 1, 2022, IN BOOK 440 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 PORTION OF 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 C:

LOTS 1 THROUGH 18 AND 26 THROUGH 41, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 5", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON AUGUST 1, 2022, IN BOOK 440 OF MAPS, AT PAGE 2.

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 PORTION OF 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 D:

LOTS 1 THROUGH 53, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 1A", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON OCTOBER 14, 2022, IN BOOK 442 OF MAPS, AT PAGE 15.

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 PORTION OF 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 E:

LOTS 1 THROUGH 46, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 17", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON OCTOBER 14, 2022, IN BOOK 442 OF MAPS, AT PAGE 16.

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.

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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 F:

LOTS 1 THROUGH 59 AND LETTERED LOTS A THROUGH C, AS SHOWN IN THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 18", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON OCTOBER 14, 2022, IN BOOK 443, 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.

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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 G:

INTENTIONALLY DELETED

PARCEL H:

INTENTIONALLY DELETED

PARCEL I:

LOTS 1 THROUGH 29 AND LETTERED LOT A, AS SHOWN IN THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 10", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON MARCH 1, 2024, IN BOOK 454, AT PAGE 3.

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.

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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 J:

LOTS 5 THROUGH 14, 17 THROUGH 39, 51 AND LETTERED LOT A, AS SHOWN IN THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 2, VILLAGE 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON MARCH 15, 2024, IN BOOK 454, AT PAGE 4.

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 PORTION OF 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 K:

LOTS 1 THROUGH 28, 46 THROUGH 74, 79, 80 AND LOT X, INCLUSIVE, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "FINAL MAP OF GREENBRIAR PHASE 1, VILLAGE 14A", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA ON MAY 6, 2024, IN BOOK 455 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 AND 27. 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 AS RESERVED IN THE GRANT DEED RECORDED DECEMBER 16, 2010 IN BOOK 20101216 PAGE 0939 SACRAMENTO COUNTY RECORDS.

APN:
PARCEL A:
201-1510-014 (Parcel 14), 201-1510-015 (Parcel 15), 201-1510-016 (Parcel 16), 201-1510-017 (Parcel 17), 201-1510-022 (Parcel A), 201-1510-023 (Parcel B), 201-1510-024 (Parcel C), 201-1510-025 (Parcel

D), 201-1510-026 (Parcel E), 201-1510-027 (Parcel F), 201-1510-028 (Parcel G), 201-1510-029 (Parcel H), All Parcel references as to Map recorded as Book 246, at Page 7.

PARCEL B:
201-1520-015 through 201-1520-020 (Lots A through F); 201-1520-005 through 201-1520-006(Lots 5 and 6); 201-1530-019 through 201-1530-022 (Lots 30 through 33); 201-1540-017 through 201-1540-025 (Lots 54 through 62); 201-1550-001 through 201-1550-009 (Lots 63 through 71)

PARCEL C:
201-1590-001 through 201-1590-018 (Lots 1 through 18); 201-1590-021 through 201-1590-044 (Lots 21 through 44)

PARCEL D:
201-1540-026 through 201-1540-031 (Lots 1 through 6); 201-1600-001 through 201-1600-014 (Lots 7 through 20); 201-1540-032 through 201-1540-061 (Lots 21 through 50); 201-1600-015 through 201-1600-017 (Lots 51 through 53)

PARCEL E:
201-1570-001 through 201-1570-046 (Lots 1 through 46)

PARCEL F:
201-1580-001 through 201-1580-059 (Lots 1 through 59); 201-1580-060 through 201-1580-062 (Lots A through C)

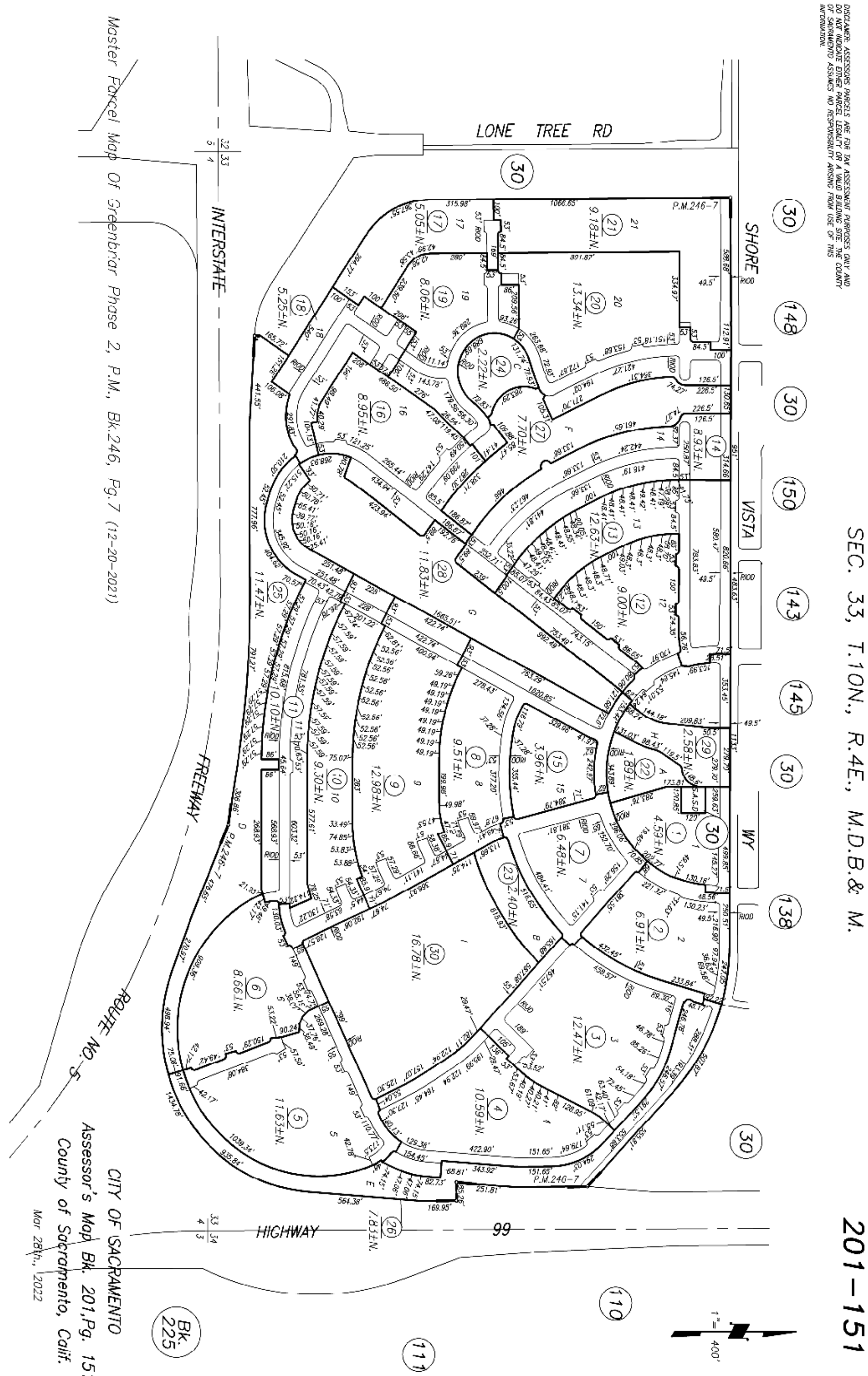
PARCEL G:
Intentionally Deleted.

PARCEL H:
Intentionally Deleted.

PARCEL I:
Portions of 201-1510-025, 201-1510-038 and 201-1510-039

PARCEL J:
201-1510-015, 201-1510-036 and 201-1510-037

PARCEL K:
201-0300-179, 201-0300-184 and 201-1490-037


SEC. 33, T.10N., R.4E., M.D.B.& M.
201-151
LONE TREE RD
SHORE
VISTA
WY
INTERSTATE
FREEWAY
ROUTE NO. 5
HIGHWAY
99
Master Parcel Map Of Greenbriar Phase 2, P.M., Bk.246, Pg.7 (12-20-2021)
CITY OF SACRAMENTO
Assessor's Map Bk. 201,Pg. 151
County of Sacramento, Calif.
1" = 400'

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: October 1, 2019

Notice Last Updated: January 1, 2021

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, when you interact with us and/or use and access our services and products ("Products"). For more information about our privacy practices, including our online practices, please visit https://www.firstam.com/privacy-policy/. 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 a variety of categories of information about you. To learn more about the categories of information we collect, please visit https://www.firstam.com/privacy-policy/.

How Do We Collect Your Information? We collect your 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 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. To learn more about how we may use your information, please visit https://www.firstam.com/privacy-policy/.

How Do We Share Your Information? We do not sell your personal information. We only share your 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. To learn more about how we share your information, please visit https://www.firstam.com/privacy-policy/.

How Do We Store and Protect Your Information? The security of your information is important to us. That is why we take commercially reasonable steps to make sure your information is protected. We use our best efforts to maintain commercially reasonable technical, organizational, and physical safeguards, consistent with applicable law, to protect your information.

How Long Do We Keep Your Information? We keep your 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 information. You can learn more about your choices by visiting https://www.firstam.com/privacy-policy/.

International Jurisdictions: Our Products are 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 information to us in the US, and you consent to that transfer and use of your 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.

First American Title™

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; (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.

Right of Deletion. You also have a right to request that we delete the **personal information** we have collected from and about 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.

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 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.

Notice of Sale. We do not sell California resident information, nor have we sold California resident information in the past 12 months. We have no actual knowledge of selling the information of minors under the age of 16.

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.

Notice of Collection. To learn more about the categories of **personal information** we have collected about California residents over the last 12 months, please see "What Information Do We Collect About You" in https://www.firstam.com/privacy-policy. To learn about the sources from which we have collected that information, the business and commercial purpose for its collection, and the categories of third parties with whom we have shared that information, please see "How Do We Collect Your Information", "How Do We Use Your Information", and "How Do We Share Your Information" in https://www.firstam.com/privacy-policy.

Notice of Sale. We have not sold the **personal information** of California residents in the past 12 months.

Notice of Disclosure. To learn more about the categories of **personal information** we may have disclosed about California residents in the past 12 months, please see "How Do We Use Your Information" and "How Do We Share Your Information" in https://www.firstam.com/privacy-policy.

The Greenbriar Project Owner, LLC Ph 2

Description	Production Unit		9/25/2024 Budget	Committed	% Committed	Spent	% Spent	Remaining Spend
Entitlement Phase 2	04292		4,663,939	2,747,347	59%	3,883,163	83%	780,776
Backbone:								
Grading/Earthwork	4010		9,932,446	9,433,909	95%	9,690,000	98%	242,446
Sewer	4245		4,694,743	4,671,953	100%	4,667,786	99%	26,957
Drainage	4248		12,024,771	11,997,035	100%	11,993,625	100%	31,146
Water	4250		10,252,345	8,472,918	83%	8,320,123	81%	1,932,222
Concrete/Roadwork	4256		9,986,512	9,986,512	100%	8,696,375	87%	1,290,137
Landscaping	4285		3,344,746	1,067,307	32%	342,452	10%	3,002,294
Walls and Fencing	4287		2,031,067	1,716,179	84%	1,206,737	59%	824,330
Dry Utilities	4289		6,755,523	5,560,518	82%	6,316,502	94%	439,022
Develop Soft Costs	4291		3,652,513	3,293,572	90%	3,070,503	84%	582,010
Develop Fees	4293		1,651,139	-	0%	1,202,903	73%	448,236
Builders Fees Due	4295		16,614,317	19,500	0%	16,583,817	100%	30,500
Project Soft Costs	12060		4,484,000	184,004	4%	3,407,974	76%	1,076,026
Bonds		2-20-2900	1,101,337	-	0%	1,395,596	127%	(294,259)
Project Level Contingency		5-20-9201	6,133,340	-	0%	-	0%	6,133,340
		Backbone Sub-Total	**92,658,798**	**56,403,406**	**60.87%**	**76,894,393**	**82.99%**	**15,764,405**
Meister Overcrossing:								
Overcrossing Construction	8034		22,101,730	1,060,300	4.80%	885,946	4.01%	21,215,784
Funds from City Contribution	07035	2-21-9405	(6,112,239)	-	0.00%	-	0.00%	(6,112,239)
		Meister Overcrossing:-Sub-Total	**15,989,491**	**1,060,300**	**6.63%**	**885,946**	**5.54%**	**15,103,545**
Amenities:								
Neighborhood Park	08035		1,152,612	-	0.00%	176,732	15.33%	975,880
Community Park	09035		883,209	-	0.00%	159,165	18.02%	724,044
Community Park	09055		2,502,770	-	0.00%	169,657	6.78%	2,333,113
		Amenities Sub-Total	**4,538,591**	**-**	**0.00%**	**505,554**	**11.14%**	**4,033,037**
Intracts:								
Village 1	13800		6,068,141	3,774,099	62.20%	3,126,682	51.53%	2,941,459
Village 2	13900		3,625,063	348,959	9.63%	155,664	4.29%	3,469,399
Village 3	14000		76,725	34,057	44.39%	32,881	42.86%	43,844
Village 4	14900		3,458,418	1,638,827	47.39%	706,507	20.43%	2,751,912
Village 5	15000		3,588,864	3,328,753	92.75%	3,525,637	98.24%	63,227
Village 6	15900		3,297,402	3,031,554	91.94%	3,171,823	96.19%	125,579
Village 7	16000		173,970	70,913	40.76%	69,292	39.83%	104,678
Village 8	17000		3,267,986	1,395,860	42.71%	463,300	14.18%	2,804,686
Village 9	17100		2,454,795	190,980	7.78%	259,614	10.58%	2,195,181
Village 10	17200		3,134,860	2,836,209	90.47%	3,004,083	95.83%	130,777
Village 11	17500		4,637,875	207,544	4.47%	141,585	3.05%	4,496,290
Village 12	18000		3,381,924	2,364,117	69.90%	2,354,290	69.61%	1,027,634
Village 13	18100		2,056,957	321,538	15.63%	228,827	11.12%	1,828,130
Village 14	18500		2,519,053	244,200	9.69%	267,871	10.63%	2,251,182
Village 15	19000		1,502,557	132,540	8.82%	73,159	4.87%	1,429,398
Village 16	20000		1,584,091	138,115	8.72%	75,639	4.77%	1,508,452
Village 17	20100		4,263,019	4,064,374	95.34%	3,185,236	74.72%	1,077,783
Village 18	21000		5,555,720	5,231,824	94.17%	4,098,410	73.77%	1,457,310
Village 19	22000		2,299,999	216,960	9.43%	275,224	11.97%	2,024,775
Intract Contingency		4-01-9999	240,757	-	0.00%	-	0.00%	240,757
		Intract Sub-Total	**57,188,177**	**29,571,423**	**51.71%**	**25,215,723**	**44.09%**	**31,972,453**
Village 14 1A	22105-22110		9,774,012	5,526,695	56.54%	5,413,332	55.38%	4,360,680
Total Project - Construction			**180,149,069**	**92,561,824**	**51.38%**	**108,914,948**	**60.46%**	**71,234,121**

May 2024

Northlake

Prepared for the City of Sacramento

City of Sacramento (Natomas), California

THE Gregory Group

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 a Market Absorption Study related to the Northlake planned community located north of Interstate 5, west of Highway 99 and south of Elkhorn Boulevard in the City of Sacramento (the Community of Natomas). The entire Northlake planned community is scheduled to include a total of 2,892 units on 616.7-acres (a density of 4.69 units per acre).

This absorption study is concerned with only Phase 2 of the project including 1,177 residential, for-sale units on 269 acres (4.38 units per acre). There are an additional 331 units that are in a multi-family, for-rent housing configuration that are not a part of this analysis. In addition to the for-sale residential housing, the project is planned to include 1.5 acres of commercial uses, lakes (21.0-acres), parks (6.4-acres), and open space (32.6-acres).

The project is planned to be developed given the following parameters:

- 193 units; 2,788 square foot lots (in a 41-foot wide by 68-foot-deep configuration).
- 173 units; 3,690 square foot lots (in a 41-foot wide by 90-foot-deep configuration).
- 153 units; 4,000 square foot lots (in a 50-foot wide by 80-foot-deep configuration).
- 163 units; 4,500 square foot lots (in a 45-foot wide by 100-foot-deep configuration).
- 138 units; 4,675 square foot lots (in a 55-foot wide by 85-foot-deep configuration).
- 110 units; 5,000 square foot lots (in a 50-foot wide by 100-foot-deep configuration).
- 108 units; 5,500 square foot lots (in a 55-foot wide by 100-foot-deep configuration).
- 139 units; 3,690 square foot lots (in a 41-foot wide by 90-foot-deep configuration).

The primary objective of this analysis is to provide conclusions related to the absorption per project per year.

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

Table of Contents

Executive Summary

The Sacramento Region (consisting of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba Counties) reported a total of 2,355 new-home sales in the First Quarter of 2024, a significant increase of 68.5% from the Fourth Quarter of 2023 (1,398 sales) and a strong increase of 32.2% from a year earlier (with 1,782 sales). Despite the increase in mortgage rates during the past eighteen months, new-home sales have surged in the first quarter due to a realization by many buyers that interest rates will likely stay elevated for the foreseeable future. In addition, the effect of mortgage lock (where low interest rate homeowners are reluctant to sell their home with a current mortgage rate that is below 5%) has incentivized many potential home buyers to look to the new-home market. As a result, this surge in new buyers has pushed prices up in the most recent quarter (after leveling off for the last three quarters), recording an increase of 1.2% on a quarter-over-quarter basis and an increase of 3.4% on a year-over-year basis (the current average new-home price is $720,203).

Another sign of an improving new-home market is the decline in the use of incentives. Incentives are still present in almost all projects surveyed, but the value is less than it was during the past few years. In fact, the average incentive in the First Quarter of 2024 was $8,013 compared to the First Quarter of 2023 at $14,242 (a decline of 43.7%). Mortgage rates remain high, and most builders continue to offer some form of an interest rate buydown (i.e., a 2-1 buydown where the interest rate is 2% lower in year one and 1% lower in year two before returning to market rate in year three)—this is especially true with the recent increase in rates due to stubborn inflation. But there are many potential buyers that can purchase a home even in a higher interest rate environment. For instance, many buyers continue to pay cash or make a large down-payment with estimates ranging from 30% to 50% of buyers for homes that are priced at $900,000 and greater. All-in-all, pandemic adjustments (working-from-home and hybrid-work), inflation and increasing interest rates have clearly influenced the housing market, but there is a resilient demand based on changing demographics (the aging of the millennials into first-time and move-up buyers, and the aging of the baby-boomers into empty-nester, move-down and retiree buyers), societal changes brought about by the pandemic and strong incomes and significant equity positions.

Unsold inventory has increased with 1,417 units currently available as of the First Quarter of 2024 compared to 1,369 units in the previous quarter (an increase of 3.5%) and 1,299 units a year earlier (an increase of 9.1%). Total inventory has increased as well; moving from 12,155 units in First Quarter of 2023 to 13,747 units currently (a 13.1% increase) and from 12,382 units in the Fourth Quarter of 2023 (a 11.0% increase). The overall pace of sales (the average sales rate of all currently selling projects since the beginning of sales) has increased from an average of 0.62 sales per week per project in the First Quarter of 2023 to the current average of 0.72 sales per week per project and the quarter pace of sales has increased from an average of 0.60 sales per week per project in the Fourth Quarter of 2023 to the current average of 0.78 sales per week per project.

It should also be noted that inventory of existing homes in the Sacramento Region is the lowest it has been in more than 20 years. Currently around 2000 units and with some seasonal variation, the long-term average is 6,288 units (compared to 2,550 units between 2021 and March of 2024). The lack of inventory is primarily a result of mortgage lock (homeowners are unwilling to sell a home with a very low mortgage rate) which incentivizes people to purchase a new home.

The uncertainties associated with the housing market during the past eighteen months (the recovery from the pandemic, inflation, increasing mortgage rates and a lack of available inventory) are still with us to some degree, but the economy is strong with robust employment and higher consumer spending and while prices are still high, worries of future inflation (and economic downturns) have largely dissipated. There is a strong sense of optimism that the economy will remain healthy and that the future for housing is strong—perhaps even a more predictable scenario of future moderate new-home pricing growth and more robust new-home sales. However, it is worth noting that credit card defaults have recently increased moderately and interest rates, once thought to be declining, have shown some slight upticks with strong employment and stubborn inflation readings. It does not feel like a recession is looming, but a cautionary eye is warranted on these and other economic factors as we move further into 2024.

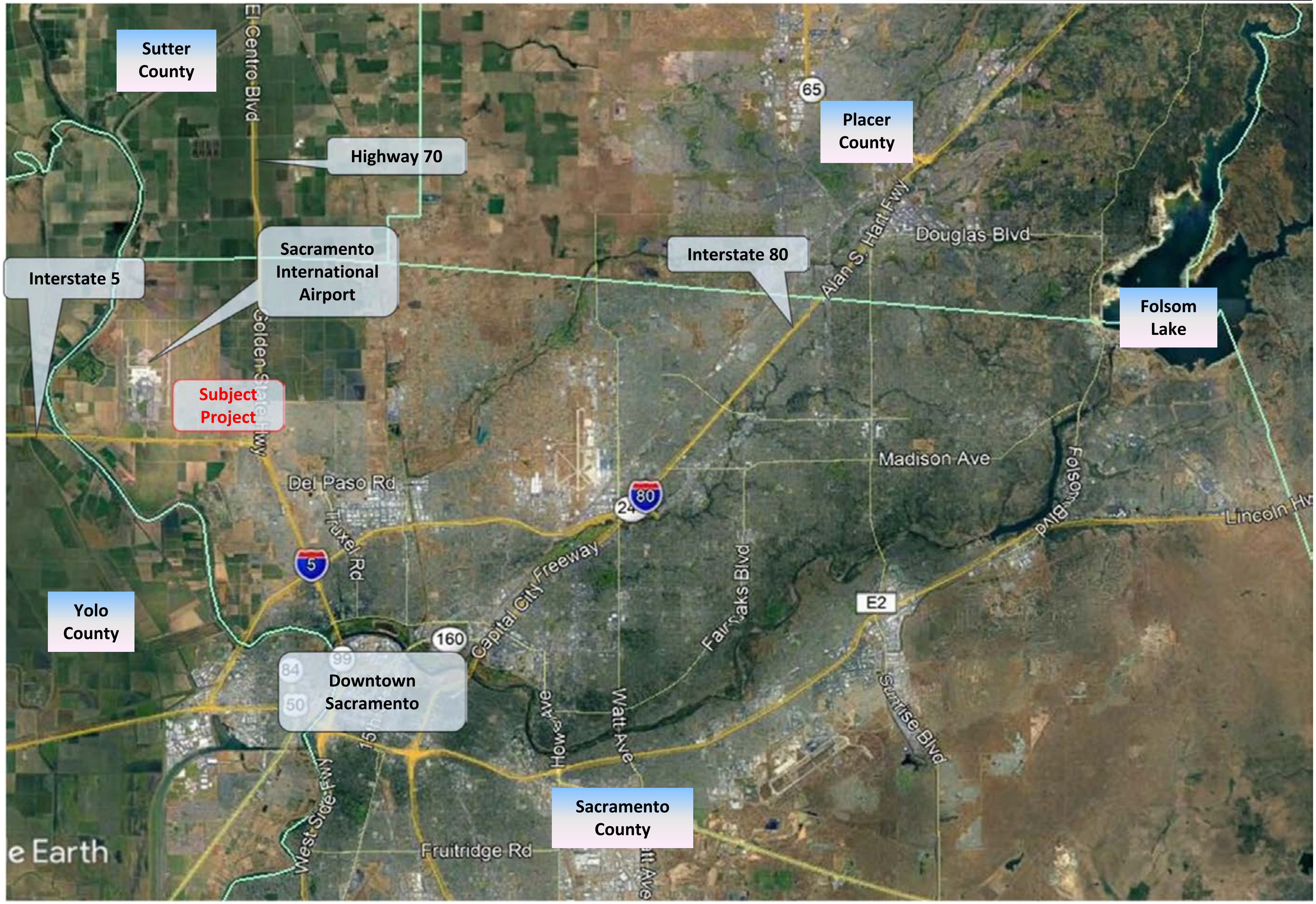
Executive Summary

Sacramento Region Market Summary

Sacramento Region	1st Qtr 2022	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr 2023	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr 2024	Quarter % Change	Year Ago % Change
Average Price	$692,892	$725,889	$704,659	$696,922	$696,754	$710,853	$716,363	$711,883	$720,203	**1.2%**	**3.4%**
Median Price	$662,990	$685,990	$680,935	$642,990	$640,990	$646,990	$657,990	$653,970	$663,990	**1.5%**	**3.6%**
Average Home Size	2,304	2,357	2,346	2,358	2,386	2,419	2,435	2,405	2,419	**0.6%**	**1.4%**
Average Pr/Sq Ft	$307.37	$314.03	$305.24	$299.12	$294.97	$296.73	$298.06	$300.32	$301.92	**0.5%**	**2.4%**
Total Weekly Sales Rate	0.96	0.83	0.73	0.62	0.62	0.65	0.65	0.60	0.72	**20.0%**	**16.1%**
Quarter Sold	2,331	1,580	792	810	1,782	1,910	1,929	1,398	2,355	**68.5%**	**32.2%**
Quarter Weekly Sales Rate	0.84	0.55	0.27	0.27	0.60	0.67	0.67	0.49	0.78	**59.2%**	**30.0%**
Unsold Inventory	651	1,057	1,457	1,485	1,299	1,144	1,323	1,369	1,417	**3.5%**	**9.1%**
Weeks of Inventory	3	6	9	10	9	8	9	10	8	**-20.0%**	**-11.1%**

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	5,663
2018	328	1,676	2,674	109	278	169	5,234
2019	259	1,592	3,220	92	505	328	5,996
2020	417	2,300	3,885	94	670	424	7,790
2021	358	2,958	3,859	102	432	390	8,099
2022	228	2,170	2,557	53	166	364	5,538
2023	271	2,571	3,351	33	434	359	7,019
2024 (Jan - Mar)	85	719	1,220	17	191	123	2,355
Averages (2004 - 2023):	**315**	**1,745**	**2,934**	**140**	**445**	**326**	**5,905**

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	3,220	28.4%	3,220	5,996	53.7%	15.3%
2020	835	3,885	21.5%	3,885	7,790	49.9%	10.7%
2021	894	3,859	23.2%	3,859	8,099	47.6%	11.0%
2022	479	2,557	18.7%	2,557	5,538	46.2%	8.6%
2023	541	3,351	16.1%	3,351	7,019	47.7%	7.7%
2024 (Jan - Mar)	71	1,220	5.8%	1,220	2,355	51.8%	3.0%
Average (2000 - 2023):	**936**	**3,855**	**24.3%**	**3,855**	**7,363**	**52.4%**	**12.7%**


Sutter County
Highway 70
Placer County
Interstate 80
Interstate 5
Sacramento International Airport
Folsom Lake
Subject Project
Douglas Blvd
Madison Ave
Del Paso Rd
Yolo County
Downtown Sacramento
Sacramento County
Fruitridge Rd
Capital City Freeway
Alan S. Hart Fwy
El Centro Blvd
Golden State Hwy
Truxel Rd
Watt Ave
Sunrise Blvd
Folsom Blvd
Lincoln Hwy
West Side Fwy
E2
65
80
5
160
99
50

Primary Market Area Summary – New Housing

Given the subject project location, the product type and the overall community plan, a total of eight currently selling new-home projects were surveyed from within the primary market area. This specifically includes the Community of Natomas (within the City of Sacramento) with seven projects from the Northlake planned community, and one infill project from Regency Park. While there are additional projects that could provide potential competition to the subject project (in the City of Woodland, the City of West Sacramento and projects in Yuba County for example), it is believed that these eight projects are the most relevant (given that seven of the surveyed projects are within the Northlake planned community—the subject of this analysis) comparable projects based on location, product type, community profile, lot size and buyer profile. The other potential market areas are either too far removed, live differently, attract a different buyer or offer a different product.

When considering the entire Natomas market area, the average home price is $646,826 ($254 per square foot) with homes that are situated on lots that are an average of 3,950 square feet. There is a total of 2,107 units planned in the surveyed projects of which 921 units have sold, resulting in 1,186 units of total inventory and only 23 units of unsold inventory remaining. The overall pace of sales (since the projects opened for sales) is an average of 0.70 homes per week with a recent First Quarter of 2024 average sales pace per project of 0.63 sales per week.

The Northlake planned community is an excellent project that offers an integrated land plan with an abundance of features and amenities including a lake, parks, open space and commercial uses. The project is a bit further removed and to the northwest of much of the existing housing in Natomas (which is predominately built out), but the traffic and drive is not noticeably greater as compared to previous development areas of Natomas and the community offers a clubhouse, recreation center and a lake and extensive walking and biking trails throughout the plan. Northlake is one of the superior communities in the immediate subject market area based on locational attributes, community features and amenities and the perceived overall desirability of the plan.

Lennar Homes is developing all seven of the Northlake projects with an average home price of $656,155 ($251 per square foot) and the homes are situated on lots that are an average of 4,308 square feet. The overall pace of sales (since the projects opened for sales) is 0.80 homes per week with a recent First Quarter of 2024 sales pace per project of 0.72 sales per week. There is a total of 2,059 units planned in the surveyed projects of which 921 units have sold, resulting in 1,138 units of total inventory and only 10 units of unsold inventory. Several of the Northlake projects have sold out or are near sellout of Phase 1 lots which has resulted in a lower pace of sales. Future units are within Phase 2 with no units having been released for sale to-date.

					LOT	INVENTORY SUMMARY					RECOMMENDED		AVERAGE			MONTHLY OBLIGATION			
	COMMUNITY	BUILDER	COMMUNITY	PRODUCT TYPE	SIZE (MIN)	UNITS PLANNED	UNITS OFFERED	UNITS SOLD	TOTAL RU	UNSOLD RU	SALES SUMMARY OVERALL	QTR	HOME SIZE	NET PRICE	NET $/SF	MONTHLY HOA	BASE TAX	ADD TAX	MONTHLY PAYMENT
Primary Market Area	Bleau	Lennar Homes	Natomas	Detached/Traditional	5,000	348	166	163	185	3	0.98	1.38	2,923	$698,090	$241	$88	1.06%	0.46%	$4,673
	Crestvue	Lennar Homes	Natomas	Detached/Traditional	4,675	235	97	97	138	0	0.58	0.00	2,558	$673,590	$270	$88	1.06%	0.51%	$4,540
	Drifton	Lennar Homes	Natomas	Detached/Traditional	5,500	236	126	123	113	3	0.77	0.46	3,037	$741,157	$247	$88	1.06%	0.50%	$4,980
	Lakelet	Lennar Homes	Natomas	Detached/Small-Lot	3,690	307	134	134	173	0	0.81	0.54	2,232	$579,133	$260	$88	1.06%	0.45%	$3,887
	Shor	Lennar Homes	Natomas	Detached/Small-Lot	2,788	337	140	140	197	0	0.84	0.69	1,982	$536,240	$271	$88	1.06%	0.46%	$3,610
	Watersyde	Lennar Homes	Natomas	Detached/Traditional	4,000	276	127	125	151	2	0.75	0.77	2,650	$653,723	$248	$88	1.06%	0.45%	$4,376
	Wavmor	Lennar Homes	Natomas	Detached/Traditional	4,500	320	141	139	181	2	0.84	1.23	2,484	$624,677	$253	$88	1.06%	0.47%	$4,196
	Northpointe Reserve	Next Generation Capital	Natomas	Detached/Small-Lot	1,449	48	13	0	48	13	0.00	0.00	1,412	$492,900	$349	$100	1.06%	0.31%	$3,276
				NEW-HOME TOTALS/AVERAGES:	**3,950**	**2,107**	**944**	**921**	**1,186**	**23**	**0.70**	**0.63**	**2,548**	**$646,826**	**$254**	**$90**	**1.06%**	**0.45%**	**$4,333**
				NEW-HOME TOTALS/AVERAGES (Northlake):	**4,308**	**2,059**	**931**	**921**	**1,138**	**10**	**0.80**	**0.72**	**2,617**	**$656,155**	**$251**	**$88**	**1.06%**	**0.47%**	**$4,404**

In addition to the traditional measurements of the competitive projects, there are several other interesting dynamics that are prevalent in today's new-home market. These include the following:

- **Incentives:** The average incentive for the ten currently selling projects is $15,816 (ranging between $0 and $29,313) with the incentive to be used toward closing costs if the buyer uses the inhouse lender. Standing inventory homes offer buyers a significant opportunity to purchase a new-home at a reduced value (incentives can be greater than $50,000); however, as the housing market has gotten stronger, there is less availability of standing inventory homes. In addition, many builders are offering an interest rate buydown for two or three years to help buyers with the initial payment period. This is especially important as mortgage rates continue to hover between 7.0% and 7.5% and rates have been slow to decline more significantly. It should be noted that higher interest rates have not dampened sales and in fact, the First Quarter of 2024 posted the most quarter sales in several years despite the higher mortgage rates. Given the recent history, it is difficult to determine the effect of increasing interest rates on absorption. It is believed that interest rates above 8.0% could slow absorption just as interest rates close to 6.0% could increase absorption.

- **Premiums:** The surveyed projects (and information from relevant resale information due to a lack of comparable new-home premiums) are charging premiums for unique or special locations within the community. Current premiums range from lots with unique locations within the community (corner, cul-de-sac, etc.) of up to $15,000, lots that are located on a greenbelt/open space corridor or adjacent to or across from a park can achieve location premiums of between $5,000 and $50,000), lake front lots up to $135,000 and a value of up to approximately $3.50 per extra square foot of useable (larger) lot size.

- **Options and Upgrades:** All the surveyed projects are achieving some increased value associated with the offering of options and upgrades to the base model of the home. The increased value ranges from approximately 4.0% to 8.0% and given the average price of the competitive homes, the option and upgrade values range between $25,873 to $51,746 (although some homebuyers in this price range are spending up to 12% or even 15% of the home price in options and upgrades—but this is not the average). Not every buyer is purchasing this level of upgrades and/or options but those that do are most interested in options and upgrades associated with cabinetry, countertops and flooring, but also converting flex space to other uses, converting half-baths to full-baths, and adding closet space.

Resales were analyzed for the Community of Natomas (North Natomas—north of Interstate 80) and considered the entire community as well as sales by lot size and by year built. Overall, Natomas recorded a total of 67 existing home sales for the previous 60 days. The survey reveals an average existing home price of $579,188 (an average of $296 per square foot) with the homes being built, on average, in 2007 and are situated on lots that are an average of 4,926 square feet. The homes have been on the market an average of 23 days.

An analysis of existing home sales by lot size and year built reveals the following:

1. When considering homes in Natomas that are situated on lots sized at less than 7,000 square feet, a total of 56 existing home sales have been recorded during the previous 60 days. The current survey reveals an average existing home price of $561,601 ($299 per square foot) with the homes being built, on average, in 2007 and situated on lots that are an average of 4,369 square feet. These homes have been on the market for a total of 19 days.

2. Within Natomas and considering homes that have been built from 2010 through 2024, a total of 18 existing home sales were recorded during the previous 60-days. These resales have an average existing home price of $573,533 ($303 per square foot) with the homes being built, on average, in 2018, situated on lots that are an average of 3,859 square feet and have been on the market for an average of 22 days.

						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)	02/20/2024 - 04/17/2024	23	2007	4,926	--	--	67	--	--	8.23	--	1,960	$579,188	$296	$0	1.06%	0.00%	$3,582
RLS	PMA (Natomas: < 7,000 sf lots)	02/20/2024 - 04/17/2024	19	2007	4,369	--	--	56	--	--	6.88	--	1,878	$561,601	$299	$0	1.06%	0.00%	$3,473
RLS	PMA (Natomas YB 2010+)	02/20/2024 - 04/16/2024	22	2018	3,859	--	--	18	--	--	2.25	--	1,895	$573,533	$303	$0	1.06%	0.00%	$3,547

Another measure of existing home activity is the availability of homes for sale or current inventory. There are a total of 55 current listings within the North Natomas market area at an average price of $633,703 ($311.66 per square foot). The lack of available existing home inventory is forcing buyers who desire a home to look beyond North Natomas (i.e., West Sacramento, Woodland and Yuba County) or consider a new home. New-home product that is available or will become available shortly, will benefit from this shift and lack of existing home inventory.

New-home projects throughout the Community of Natomas offer excellent housing opportunities with the ability to attract and capture both the local buyer pool as well as those emigrating from out of the area (i.e., the greater San Francisco Bay Area; while the number of Bay Area buyers coming to the Sacramento Region has moderated, they are still accounting for 10% to 20% of buyers depending on the location, product type and price point). New housing throughout the Sacramento Region, especially housing in suburban communities, offers a greater number of new-home projects in a variety of product types and price points.

Northlake has many advantages that can attract homebuyers in greater numbers including a community that is close to the major employment areas of Downtown Sacramento and areas throughout the greater Sacramento Region (primarily the Interstate 5 Highway 50, and Interstate 80 corridors), San Francisco and Lake Tahoe (especially attractive to the remote work trend), a diverse buyer population that is accepting of many different types of housing (newer and older housing and smaller and larger lots as well as for-rent housing), an excellent location that allows for ease of access to local conveniences and major transportation corridors, many different cultural, entertainment, and recreational amenities that attract a mix of people and a robust demographic diversity that spans from younger Millennials and Gen-Z to older Baby-Boomers.

The project will offer traditional housing (and can potentially attract all buyer segments below); the specific buyers at the subject project are anticipated to include:

1. **Young Millennials**; these buyers are younger than 35 years of age and consist of primarily singles and couples without children (some of the younger couples may just be starting a family and have very young children). They appreciate the design and amenities and features of newer housing (including an emphasis on technological and environmental features and amenities) and newer housing communities. Millennials are often more willing to reside in a smaller new home (often situated on a smaller lot or in a location further outside the city and may they even consider attached housing) in order to purchase a home (rather than rent). Many of these buyers will be from the local area (Natomas, Sacramento County and the Sacramento Region), but some buyers will be from the urban and coastal areas to the west. The main driver for these buyers is affordability. Young millennials may make up many of the buyers at Northlake, but their overall acceptance may depend on mortgage rates and price points.

2. **Young Families**; these moderate-income buyers often have difficulty finding affordable and appropriately sized, living environments within the communities that they wish to reside. While many will consider an older existing home, the older homes are aging rapidly, may need updating and do not include the most current and updated technology and energy efficiency. This provides a tradeoff of an older, existing home versus a newer (often smaller) home in Natomas and the surrounding communities in Sacramento County and Yolo County (as well as Yuba County further to the north). These buyers welcome a location that is close to services (i.e., big-box stores and centers), has direct access via major transportation corridors to employment (including the Interstate 80, Interstate 5 and Highway 50 corridors), entertainment and recreation (The Sacramento River for example), is situated in a family community (with schools, parks and open space) and is generally more affordable and attainable. These buyers prefer to live in traditional sized lot product but often purchase smaller lot for-sale housing due to affordability. This segment of buyers is anticipated to make up a strong percentage of the buyers at the subject project, especially those with median incomes.

3. **Growing Families (with school aged children)**; this group of buyers includes upward mobile professionals, managers, traditional government workers and small business owners who make a median income and greater. Many of these buyers are older than 35-years of age (generally between 35 and 55 years of age) and are more likely to enjoy the lifestyle (and general affordability) that a community like Northlake can provide. These buyers may not be as price sensitive and more willing to spend money on a better located for-sale product and are most interested in the traditional sized lot homes. These buyers may also have significant equity in a current home that can transfer into a new home and are coming from the local area as well as the greater San Francisco Bay Area. It is projected that many of the buyers at the subject project will include growing families.

4. **Baby-Boomers**; these buyers are older, do not have children living at home and may be singles, but will most likely be couples. Many within this group will be tired of living in a much older home (sometimes on acreage or larger lots), in congested or high traffic areas, and in housing without the most recent and updated environmental and technology features and amenities. Many of these buyers also wish to stay within the greater community that they have lived in for many years (often moving down from a larger home and/or larger lot), while others are escaping the more urban, dense and congested areas to the west. They enjoy the community benefits that an area like Natomas offers and enjoy the proximity to employment, conveniences, transportation corridors (including the ability to visit friends and family easily in the San Francisco Bay Area) and recreation and entertainment. These buyers can be price sensitive but are generally willing to spend a little extra for the right home on the right lot, and to make sure the home (possibly their last home) has the features and amenities that fits their current and projected future lifestyle. This buyer category is anticipated to make up some of the buyers at the subject project but a lower percentage than young and growing families.

Northlake Conclusions

Pricing and Absorption Conclusions

There are a total of eight new-home competitive projects within the Primary Market Area; seven of which are currently selling in the Northlake planned community and one additional project selling in the Regency Park planned community. In terms of new-housing, this positioning is straight forward: it is believed that Northlake can be positioned toward the top of the competitive developments based on the current offering of homes within the Northlake community, the lot sizes, the home configurations and current market conditions. New product in the Northlake community warrants a competitive pricing compared to the currently selling new-home projects in the Primary Market Area. In terms of existing-housing, the positioning is toward the top of the existing home sales in the Community of Natomas.

It should also be noted that there will be additional competitive projects to Northlake in the coming years, specifically in the Panhandle area of Natomas. The initial 443 units are planned to enter the market in the coming year. However, given the lack of current inventory in Natomas (new and existing housing), it is not anticipated that new housing from the Panhandle will impact sales and marketing in any meaningful way. In fact, the current market share of Natomas as a percentage of total Sacramento Region sales is the lowest since the cessation of building permits in the early 2010s. Between 2016 and 2022, when there were greater levels of available inventory, the market share of Natomas averaged 12.2%. This would indicate that with additional new housing entering the market, the result will be greater overall sales rather than a syphoning of sales from existing projects.

The home pricing for the subject projects in the conclusions for this analysis are similar, but not always the same as the current sales prices for the homes that are actively selling. Several projects have been adjusted to form a better relationship to each other and competitive projects, as well as a positioning that provides a more competitive absorption. The positioning also considers the current absorption rates and pace of sales over time, primarily during the previous quarters (which have increased significantly compared to recent history).

Furthermore, the product offerings are generally affordable and can attract a larger buyer segment due to a wider range of home sizes and home prices. The eight subject projects (the seven currently selling projects and the addition of Village 14) include lot sizes from 2,788 to 5,500 square feet with most homes sized between 2,000 and 3,000 square feet (60%) and priced between $550,000 and $725,000 (68%). In fact, of the eight projects, six have an average home size that is less than 2,750 square feet and six have an average price that is less than $675,000.

				LOT	INVENTORY SUMMARY					RECOMMENDED		AVERAGE			MONTHLY OBLIGATION			
			PRODUCT	SIZE	UNITS	UNITS	UNITS	TOTAL	UNSOLD	SALES SUMMARY		HOME	NET	NET	MONTHLY	BASE	ADD	MONTHLY
Project	BUILDER	COMMUNITY	TYPE	(MIN)	PLANNED	OFFERED	SOLD	RU	RU	OVERALL	QTR	SIZE	PRICE	$/SF	HOA	TAX	TAX	PAYMENT
Subject Project																		
Bleau	Lennar Homes	Natomas	Detached/Traditional	5,000	110	0	0	110	0	0.75	--	2,923	$699,000	$242	$88	1.06%	0.46%	$4,679
Crestvue	Lennar Homes	Natomas	Detached/Traditional	4,675	138	0	0	138	0	0.75	--	2,558	$651,600	$261	$88	1.06%	0.51%	$4,395
Drifton	Lennar Homes	Natomas	Detached/Traditional	5,500	108	0	0	108	0	0.50	--	3,037	$723,833	$241	$88	1.06%	0.50%	$4,866
Lakelet	Lennar Homes	Natomas	Detached/Small Lot	3,690	173	0	0	173	0	1.00	--	2,232	$592,000	$266	$88	1.06%	0.45%	$3,971
Shor	Lennar Homes	Natomas	Detached/Small Lot	2,788	193	0	0	193	0	1.00	--	1,982	$542,500	$275	$88	1.06%	0.46%	$3,651
Watersyde	Lennar Homes	Natomas	Detached/Traditional	4,000	153	0	0	153	0	0.75	--	2,650	$645,400	$245	$88	1.06%	0.45%	$4,321
Wavmor	Lennar Homes	Natomas	Detached/Traditional	4,500	163	0	0	163	0	0.75	--	2,484	$639,000	$259	$88	1.06%	0.47%	$4,290
V14/20	Lennar Homes	Natomas	Detached/Small Lot	3,690	139	0	0	139	0	1.00	--	1,640	$526,750	$323	$88	1.06%	0.45%	$3,543
			NEW-HOME TOTALS/AVERAGES:	**4,230**	**1,177**	**0**	**0**	**1,177**	**0**	**0.81**	**--**	**2,511**	**$638,676**	**$254**	**$88**	**1.06%**	**0.47%**	**$4,287**

Based on a review of the competitive marketplace and considering the product type and lot size, the table on the following pages outlines the pricing and absorption for the subject project in the planned community of Northlake. The base pricing is net of any incentives (and premiums and options), and the absorption is based on sales per week. In addition, based on the pricing position, the absorption rate is estimated at between 0.50 and 1.00 sales per week per project at the beginning of sales for the development.

An unknown factor is the economy. A strong increase in mortgage rates, sustained higher mortgage rates and a recession in the next two to four years (not a consensus, but a possibility)—during the sales period of the subject projects, could have a significant impact on absorption moving forward and this impact could result in slower sales, and lower pricing, than anticipated.

Northlake Conclusions

Pricing and Absorption Conclusions

The Gregory Group

	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	Current Add-Ons: Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Obligation (Base): Monthly HOA	Monthly Obligation (Base): Base Tax	Monthly Obligation (Base): Add Tax	80% 7.00% Mo. Pmt	Req. Income
Subject Project	**Bleau**		**Lennar Homes**	2,150	4	3	1	2	$615,000	$286	$0	$0	$615,000	$286	$88	1.06%	0.46%	$4,127	$159,758
	Natomas		**Northlake**	2,727	4/B	3	2	2	$678,000	$249	$0	$0	$678,000	$249	$88	1.06%	0.46%	$4,541	$175,775
	Product Type:	Single-Family	Total Units: 110	2,977	4/L	3	2	2	$705,000	$237	$0	$0	$705,000	$237	$88	1.06%	0.46%	$4,718	$182,639
	Configuration:	Traditional		3,046	5/L	3	2	3	$712,000	$234	$0	$0	$712,000	$234	$88	1.06%	0.46%	$4,764	$184,418
	Lot Dimensions:	50 x 100		3,180	4/L	2.5	2	3	$727,000	$229	$0	$0	$727,000	$229	$89	1.06%	0.46%	$4,864	$188,271
	Lot Size/Density:	5,000		3,460	5/NG/L	4	2	2	$757,000	$219	$0	$0	$757,000	$219	$90	1.06%	0.46%	$5,062	$195,936
	Rec. Wkly Abs.:	0.75																	
			Totals/Averages:	**2,923**					**$699,000**	**$242**	**$0**	**$0**	**$699,000**	**$242**	**$89**	**1.06%**	**0.46%**	**$4,679**	**$181,133**
Subject Project	**Crestvue**		**Lennar Homes**	1,797	3	2	1	2	$569,000	$317	$0	$0	$569,000	$317	$88	1.06%	0.51%	$3,849	$148,981
	Natomas		**Northlake**	2,268	4	3	2	3	$620,000	$273	$0	$0	$620,000	$273	$88	1.06%	0.51%	$4,186	$162,029
	Product Type:	Single-Family	Total Units: 138	2,679	4/L	3	2	3	$665,000	$248	$0	$0	$665,000	$248	$88	1.06%	0.51%	$4,483	$173,542
	Configuration:	Traditional		2,869	4/L	3	2	3	$685,000	$239	$0	$0	$685,000	$239	$88	1.06%	0.51%	$4,615	$178,659
	Lot Dimensions:	55 x 85		3,178	5	4.5	2	3	$719,000	$226	$0	$0	$719,000	$226	$88	1.06%	0.51%	$4,840	$187,358
	Lot Size/Density:	4,675																	
	Rec. Wkly Abs.:	0.75																	
			Totals/Averages:	**2,558**					**$651,600**	**$261**	**$0**	**$0**	**$651,600**	**$261**	**$88**	**1.06%**	**0.51%**	**$4,395**	**$170,114**
Subject Project	**Drifton**		**Lennar Homes**	2,282	4	2.5	1	2	$642,000	$281	$0	$0	$642,000	$281	$88	1.06%	0.50%	$4,326	$167,451
	Natomas		**Northlake**	2,964	5/L	3	2	2	$716,000	$242	$0	$0	$716,000	$242	$88	1.06%	0.50%	$4,814	$186,359
	Product Type:	Single-Family	Total Units: 108	3,104	5/L	3	2	3	$731,000	$236	$0	$0	$731,000	$236	$88	1.06%	0.50%	$4,913	$190,192
	Configuration:	Traditional		3,135	4/NG	3.5	2	2	$734,000	$234	$0	$0	$734,000	$234	$88	1.06%	0.50%	$4,933	$190,958
	Lot Dimensions:	55 x 100		3,312	4/L	3.5	2	3	$754,000	$228	$0	$0	$754,000	$228	$88	1.06%	0.50%	$5,065	$196,069
	Lot Size/Density:	5,500		3,425	4/L	3.5	2	3	$766,000	$224	$0	$0	$766,000	$224	$88	1.06%	0.50%	$5,144	$199,135
	Rec. Wkly Abs.:	0.50																	
			Totals/Averages:	**3,037**					**$723,833**	**$241**	**$0**	**$0**	**$723,833**	**$241**	**$88**	**1.06%**	**0.50%**	**$4,866**	**$188,361**
Subject Project	**Lakelet**		**Lennar Homes**	2,114	3/O/L	2.5	2	2	$579,000	$274	$0	$0	$579,000	$274	$88	1.06%	0.45%	$3,886	$150,419
	Natomas		**Northlake**	2,223	4	3	2	2	$591,000	$266	$0	$0	$591,000	$266	$88	1.06%	0.45%	$3,965	$153,466
	Product Type:	Single-Family	Total Units: 173	2,360	4/L	3.5	2	2	$606,000	$257	$0	$0	$606,000	$257	$88	1.06%	0.45%	$4,063	$157,274
	Configuration:	Small Lot																	
	Lot Dimensions:	41 x 90																	
	Lot Size/Density:	3,690																	
	Rec. Wkly Abs.:	1.00																	
			Totals/Averages:	**2,232**					**$592,000**	**$266**	**$0**	**$0**	**$592,000**	**$266**	**$88**	**1.06%**	**0.45%**	**$3,971**	**$153,720**
Subject Project	**Shor**		**Lennar Homes**	1,774	3	2.5	2	2	$520,000	$293	$0	$0	$520,000	$293	$88	1.06%	0.46%	$3,503	$135,606
	Natomas		**Northlake**	1,945	3/L	2.5	2	2	$539,000	$277	$0	$0	$539,000	$277	$88	1.06%	0.46%	$3,628	$140,437
	Product Type:	Single-Family	Total Units: 193	2,018	4/L	3	2	2	$546,000	$271	$0	$0	$546,000	$271	$88	1.06%	0.46%	$3,674	$142,216
	Configuration:	Small Lot		2,190	4/L	3	2	2	$565,000	$258	$0	$0	$565,000	$258	$88	1.06%	0.46%	$3,799	$147,047
	Lot Dimensions:	41 x 68																	
	Lot Size/Density:	2,788																	
	Rec. Wkly Abs.:	1.00																	
			Totals/Averages:	**1,982**					**$542,500**	**$275**	**$0**	**$0**	**$542,500**	**$275**	**$88**	**1.06%**	**0.46%**	**$3,651**	**$141,326**

Northlake Conclusions

Pricing and Absorption Conclusions

The Gregory Group

	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	7.00%	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	**Watersyde**		**Lennar Homes**	2,307	4	3	2	2	$608,000	$264	$0	$0	$608,000	$264	$88	1.06%	0.45%	$4,076	$157,782
	Natomas		**Northlake**	2,469	4/L	3	2	2	$626,000	$254	$0	$0	$626,000	$254	$88	1.06%	0.45%	$4,194	$162,353
	Product Type:	Single-Family	Total Units: 153	2,704	4/L	3.5	2	2	$651,000	$241	$0	$0	$651,000	$241	$88	1.06%	0.45%	$4,358	$168,700
	Configuration:	Traditional		2,804	5/L	4	2	2	$662,000	$236	$0	$0	$662,000	$236	$88	1.06%	0.45%	$4,430	$171,493
	Lot Dimensions:	50 x 80		2,968	4/NG/L	3.5	2	3	$680,000	$229	$0	$0	$680,000	$229	$88	1.06%	0.45%	$4,548	$176,064
	Lot Size/Density:	4,000																	
	Rec. Wkly Abs.:	0.75																	
			Totals/Averages:	**2,650**					**$645,400**	**$245**	**$0**	**$0**	**$645,400**	**$245**	**$88**	**1.06%**	**0.45%**	**$4,321**	**$167,278**
Subject Project	**Wavmor**		**Lennar Homes**	2,134	3	2	1	2	$601,000	$282	$0	$0	$601,000	$282	$88	1.06%	0.47%	$4,040	$156,393
	Natomas		**Northlake**	2,394	4/L	3	2	2	$629,000	$263	$0	$0	$629,000	$263	$88	1.06%	0.47%	$4,224	$163,520
	Product Type:	Single-Family	Total Units: 163	2,620	5/L	3	2	2	$654,000	$250	$0	$0	$654,000	$250	$88	1.06%	0.47%	$4,389	$169,884
	Configuration:	Traditional		2,786	4/L	3.5	2	2	$672,000	$241	$0	$0	$672,000	$241	$88	1.06%	0.47%	$4,507	$174,466
	Lot Dimensions:	45 x 100																	
	Lot Size/Density:	4,500																	
	Rec. Wkly Abs.:	0.75																	
			Totals/Averages:	**2,484**					**$639,000**	**$259**	**$0**	**$0**	**$639,000**	**$259**	**$88**	**1.06%**	**0.47%**	**$4,290**	**$166,066**
Subject Project	**Village 14**		**Lennar Homes**	1,454	--	--	--	--	$506,000	$348	$0	$0	$506,000	$348	$88	1.06%	0.45%	$3,407	$131,884
	Natomas		**Northlake**	1,569	--	--	--	--	$519,000	$331	$0	$0	$519,000	$331	$88	1.06%	0.45%	$3,492	$135,184
	Product Type:	Single-Family	Total Units: 139	1,631	--	--	--	--	$526,000	$323	$0	$0	$526,000	$323	$88	1.06%	0.45%	$3,538	$136,962
	Configuration:	Small Lot		1,907	--	--	--	--	$556,000	$292	$0	$0	$556,000	$292	$88	1.06%	0.45%	$3,735	$144,579
	Lot Dimensions:	41 x 90																	
	Lot Size/Density:	3,690																	
	Rec. Wkly Abs.:	1.00																	
			Totals/Averages:	**1,640**					**$526,750**	**$323**	**$0**	**$0**	**$526,750**	**$323**	**$88**	**1.06%**	**0.45%**	**$3,543**	**$137,152**

The absorption analysis is based on information provided by the developer which includes an estimate as to when villages will open for sales, infrastructure development, grading schedules, marketing considerations and anticipated market conditions. In all cases, the anticipated opening date of a particular project was estimated in months; these dates may be reasonably accurate or significantly and materially different. Furthermore, there are expected to be (and the market can sustain) several different projects selling simultaneously within each product type but built by the same or different builders. Additional factors considered in predicting absorption rates are:

- the desirability of Natomas and the Northlake community as a new-home destination including the availability and relative affordability of housing (with the offering of many different lot sizes, home sizes and price points);
- new-home sales within the subject market area and the Sacramento Region;
- limited inventory in the subject market area and the surrounding market area;
- current absorption rates for similar product types within the subject market area and the Sacramento Region;
- overall economic and housing conditions within the Sacramento Region;
- current (and anticipated) mortgage rates;
- anticipated market entry dates in conjunction with anticipated mortgage rates, economic conditions and market conditions at that time;

In conclusion, it is believed that the subject project can absorb between 0.50 and 1.00 sales per week per project (an average of 0.81 sales per week) for the product offerings at the beginning of sales for the development given the pricing (with home sizes ranging from 1,454 to 3,460 square feet and base price range from $506,000 to $766,000).

The absorption rates in this analysis are based on the current housing market and economic conditions. Due to the increase in mortgage rates and sometimes challenging, but mixed economic signals (i.e., moderating employment and wage growth, stubborn inflation and a slowing overall economy), the absorption rates in the initial years of this analysis are considered appropriate. However, while future economic conditions are largely unknown, there is the potential for a recession at some time in the near- to mid-term. At this point in time, the consensus is still for a soft-landing.

A continued or more significant slowdown in economic conditions could result in slowing sales in the later stages of development of the Northlake community. While it is beyond this analysis to predict a future recession, the projected future absorption does try to consider current and projected economic conditions. Furthermore, the absorption over time may not always be consistent due to development schedules, financing conditions, infrastructure concerns and overall economic and housing conditions. It is believed that over time, the absorption in this analysis is appropriate. There may be differences between projected and actual results because events and circumstances frequently do not occur as expected and the differences may be material.

In addition, once the Federal Reserve has determined that inflation is under control (perhaps sooner than later and most likely by the end of 2024), there is a possibility that the Federal Reserve will decrease the federal funds rate to continue growth (and not cause a recession). While this does not mean that mortgage rates will return to a sub-four-percent level, a decline from the current greater than seven-percent value would be welcome by the housing market.

Northlake Conclusions

Absorption Conclusions

As previously stated, it is believed that the absorption rates in the conclusion of this analysis are appropriate. They are based on current absorption rates of the Northlake project, and in some cases the absorption rates presented here are higher than current absorption rates on projects selling in Northlake due to a lack of inventory as Phase 1 of the project sells out. The absorption rates also consider the pricing position of the projects and the relationship of the projects with each other. Finally, the overall average absorption rate of the Northlake projects in the conclusions of this analysis (0.81 sales per week) are consistent with the overall absorption of the projects in Phase 1 (0.80 sales per week).

It is projected that with a beginning sales date of June 2024 for Phase 2 (IA2), a total of 197 unit will sell in 2024, 338 units in 2025, 338 units in 2026, 246 units in 2027 and 58 units in 2028. The schedule of product offerings (proposed project entry dates) were provided by the developer; the decreases and increases in the number of units absorbed over time is a result of the scheduled market entry (and sellout of projects). All product offerings are anticipated to conclude sales by the end of July 2028; the years to absorb the production homes is estimated to be 4.18 years from June of 2024.

		Lot Size/	Open	Total Number	Est. Abs.	Units Sold Per Year					
Village	Homebuilder	Density	Date	of Units	Per Week	2024	2025	2026	2027	2028	2029
Bleau	Lennar Homes	5,000	Jun-24	110	0.75	23	39	39	9	0	0
Crestvue	Lennar Homes	4,675	Jun-24	138	0.75	23	39	39	37	0	0
Drifton	Lennar Homes	5,500	Jun-24	108	0.50	15	26	26	26	15	0
Lakelet	Lennar Homes	3,690	Jun-24	173	1.00	30	52	52	39	0	0
Shor	Lennar Homes	2,788	Jun-24	193	1.00	30	52	52	52	7	0
Watersyde	Lennar Homes	4,000	Jun-24	153	0.75	23	39	39	39	13	0
Wavmor	Lennar Homes	4,500	Jun-24	163	0.75	23	39	39	39	23	0
Village 14	Lennar Homes	3,690	Jun-24	139	1.00	30	52	52	5	0	0
		Totals/Averages:		**1,177**	**0.81**	**197**	**338**	**338**	**246**	**58**	**0**

Years to Absorb:	**4.18**

Locational Assessment

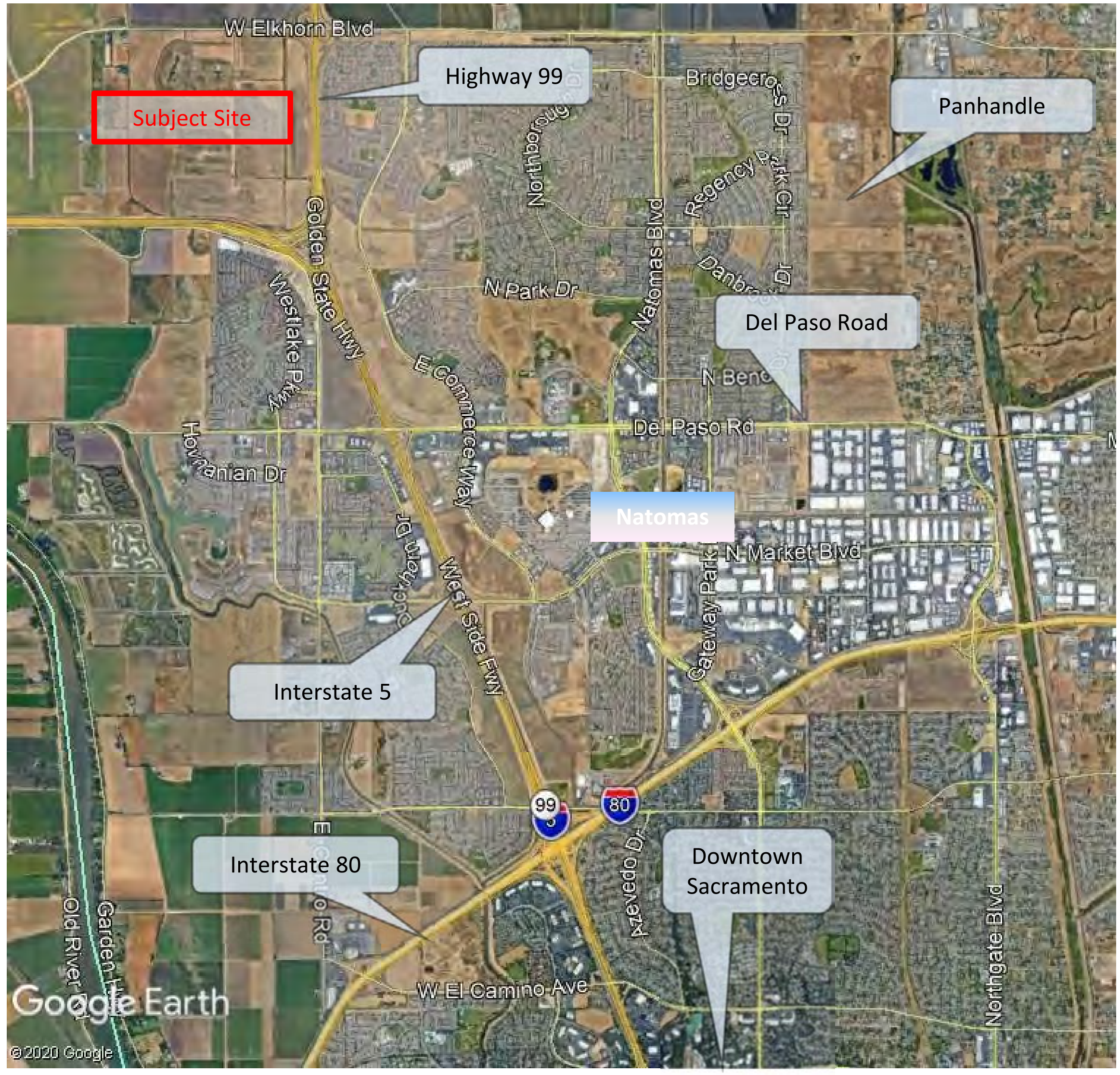
To best analyze the subject project, eight new-home projects from within the Community of Natomas (in the City of Sacramento) were considered. The competitive projects offer topography, community design and features and amenities that are the same as the subject project, as well as significant overlap in the housing types offered.

Community of Natomas:

- Provides desirable lifestyle for today's active buyers;
- Provides a variety of housing options including existing housing, planned community living, and attached and detached housing;
- A family focused and friendly community that includes bike/walking paths throughout the city;
- The community draws a multitude of families, but also younger singles and couples without children as well as older Baby-Boomers.

Northlake:

- Is an integral part in offering conventional housing in an area where there is projected future lack of new supply;
- Is located within proximity to local services and conveniences (including healthcare) within Sacramento County and the City of Sacramento as well as employment and the major transportation corridors throughout the region;
- The subject project provides an opportunity for new housing in an area with connectivity and easy access to surrounding businesses, employment, walking trails, community amenities, open space and parks and the potential for lake view opportunities.
- Is offering a strong land plan, community amenities and product design/execution.



The Community of Natomas consists of a variety of housing options including traditional subdivisions (with attached and detached housing), standalone communities of for-sale housing, and multi-family for-rent development; the range of these product types are uniquely integrated into the area at large and in a fabric that includes commercial uses (office and light industrial) and retail, hospitality and entertainment (including restaurants). New development is generally located north of Interstate 80 and offers communities with similar terrain, tree coverage, housing styles and planned community living environments.

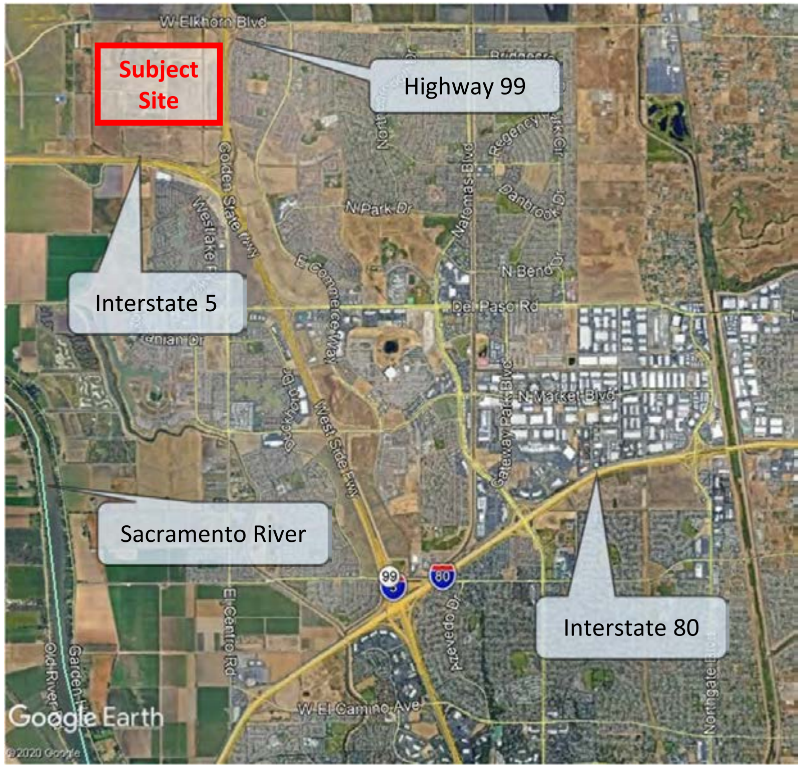
Given its location, a balance between proximity and livability and overall desirability, the subject project location is a community where many people desire to live:

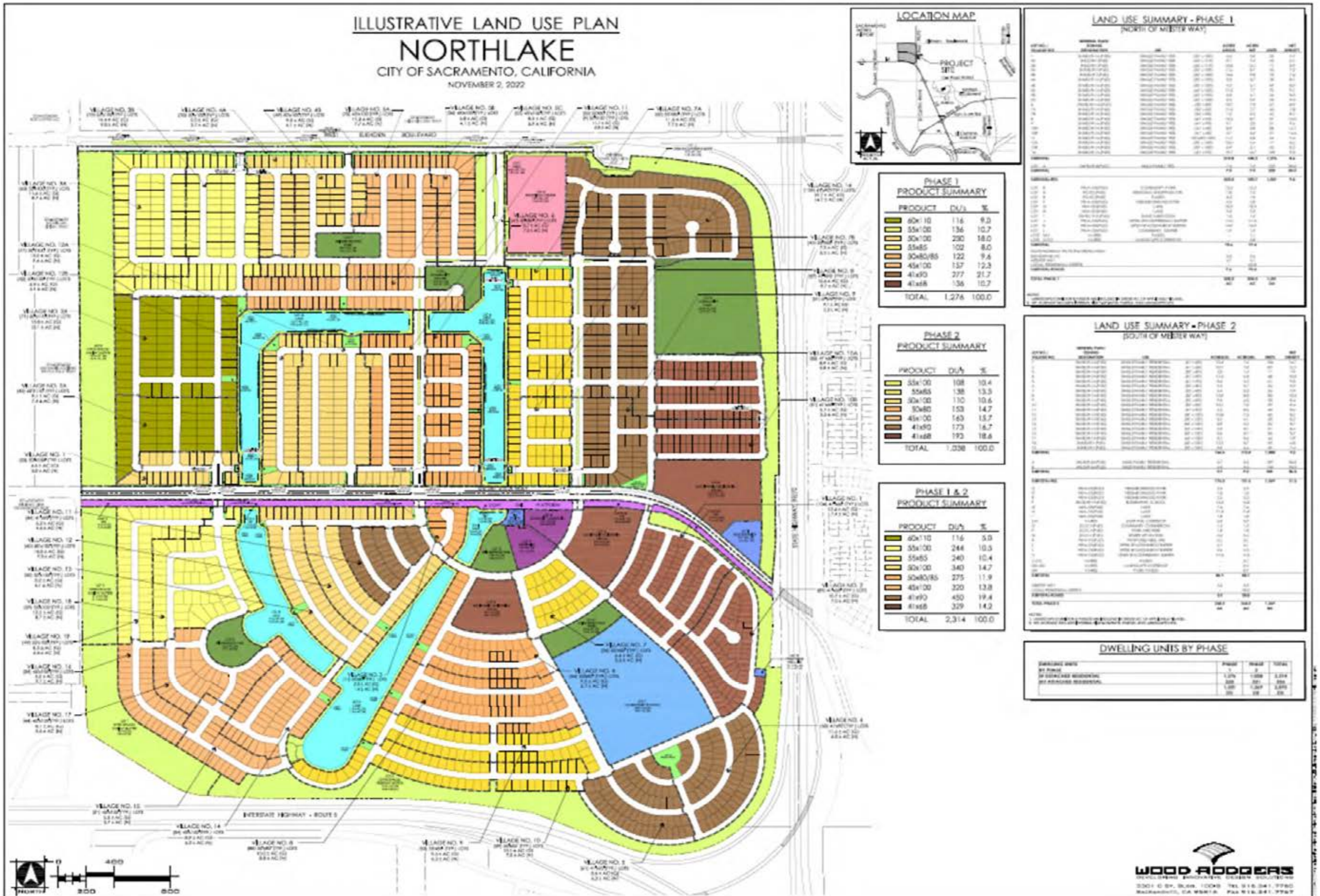
- It provides a quiet, less hectic and less congested lifestyle that is close to downtown Sacramento;
- It is community-centric and a prime location for residents to start and raise a family or transition into an empty-nester phase of life;
- Provides a variety of housing options including existing housing, planned community living, stand-alone housing, attached and detached housing, for-rent housing and traditional subdivision housing;
- Convenient with proximity to local services and conveniences as well as employment and the major transportation corridors throughout the region;

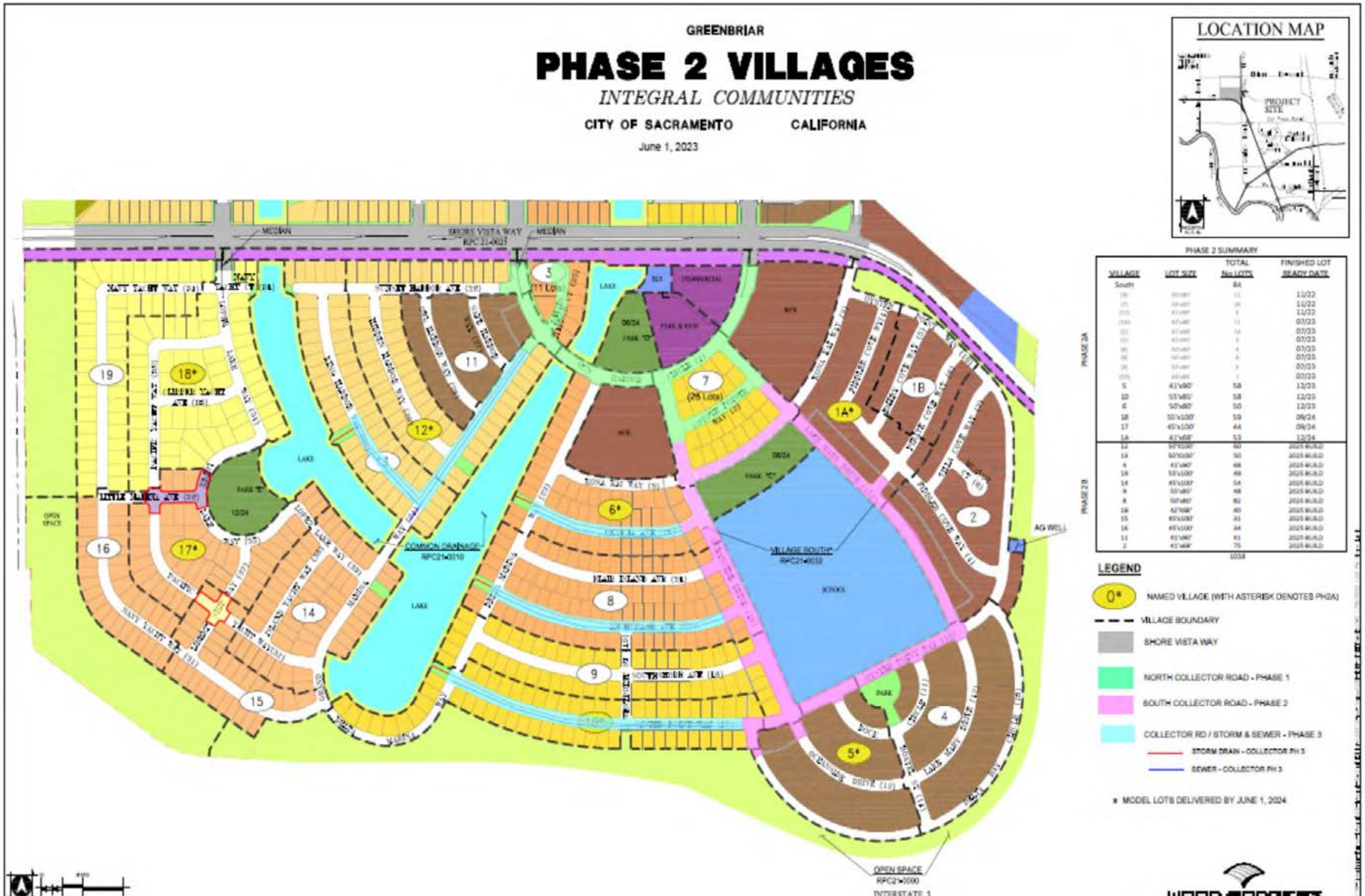
The subject site is located north of Interstate 5, west of Highway 99 and south of Elkhorn Boulevard in the Community of Natomas. Northlake provides excellent access to Highway 99 and Interstate 5—leading to the employment centers to the south in Downtown Sacramento, and recreation to the east toward 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.

The entire Northlake planned community is scheduled to include a total of 2,892 units on 616.7-acres (a density of 4.69 units per acre); however, this analysis is focused on Phase 2 of the project which includes 1,177 residential, for-sale units on 269 acres (a density of 4.38 units per acre). In addition to the for-sale residential housing, the project is planned to include a lake (21.0-acres), parks (6.4-acres), and open space (32.6-acres). In addition, the project is planned to include 1.5-acres of commercial, 1.5-acres for a park-and-ride facility, 16.8-acres for a K-8 school, 1.6-acres of paseo landscaping and 0.5-acres for a sewer lift station.

The land plan incorporates appropriate lot sizes, product types and connectivity to parks, open space, lakes, local trails/biking paths, recreation, and surrounding places of business and entertainment. Northlake offers a desirable location—especially within Natomas, with a well-designed land plan that integrates product types and walkability effectively.



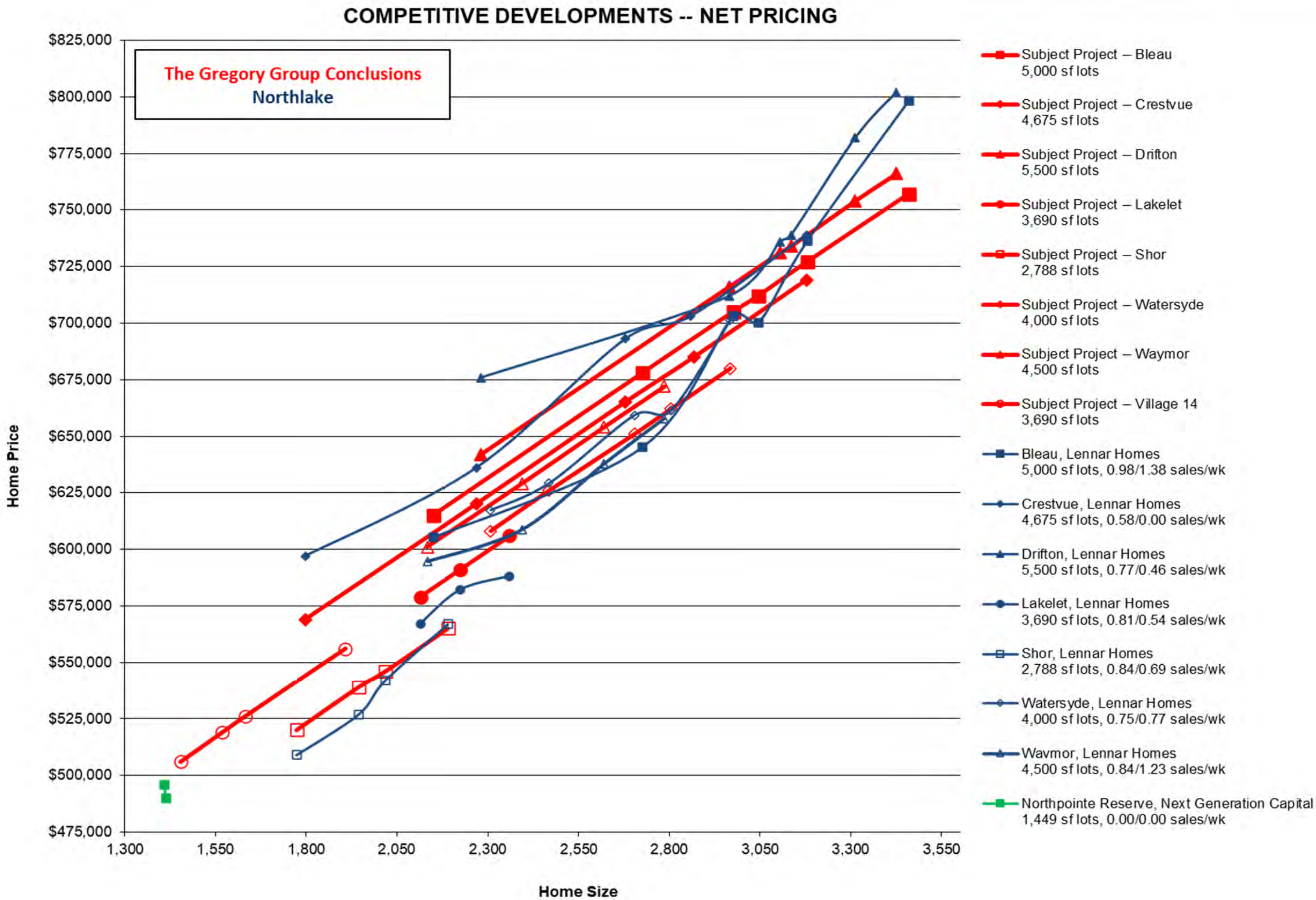

ILLUSTRATIVE LAND USE PLAN
NORTHLAKE
CITY OF SACRAMENTO, CALIFORNIA
NOVEMBER 2, 2022
LOCATION MAP
PROJECT SITE
LAND USE SUMMARY - PHASE 1
(NORTH OF MEISTER WAY)
LAND USE SUMMARY - PHASE 2
(SOUTH OF MEISTER WAY)
DWELLING UNITS BY PHASE
PHASE 1 PRODUCT SUMMARY
PRODUCT DU's %
60x110 116 9.0
55x100 136 10.7
50x100 230 18.0
55x85 102 8.0
30x80/85 122 9.6
45x100 157 12.3
41x90 277 21.7
41x68 136 10.7
TOTAL 1,276 100.0
PHASE 2 PRODUCT SUMMARY
PRODUCT DU's %
55x100 108 10.4
55x65 138 13.3
50x100 110 10.6
50x80 153 14.7
45x100 163 15.7
41x90 173 16.7
41x68 193 18.6
TOTAL 1,038 100.0
PHASE 1 & 2 PRODUCT SUMMARY
PRODUCT DU's %
60x110 116 5.0
55x100 244 10.5
55x65 240 10.4
50x100 340 14.7
50x80/85 275 11.9
45x100 320 13.8
41x90 450 19.4
41x68 329 14.2
TOTAL 2,314 100.0
INTERSTATE HIGHWAY - ROUTE 5
400
200
800
NORTH
WOOD RODGERS
ILLUSTRATIVE LAND USE PLAN • NORTHLAKE

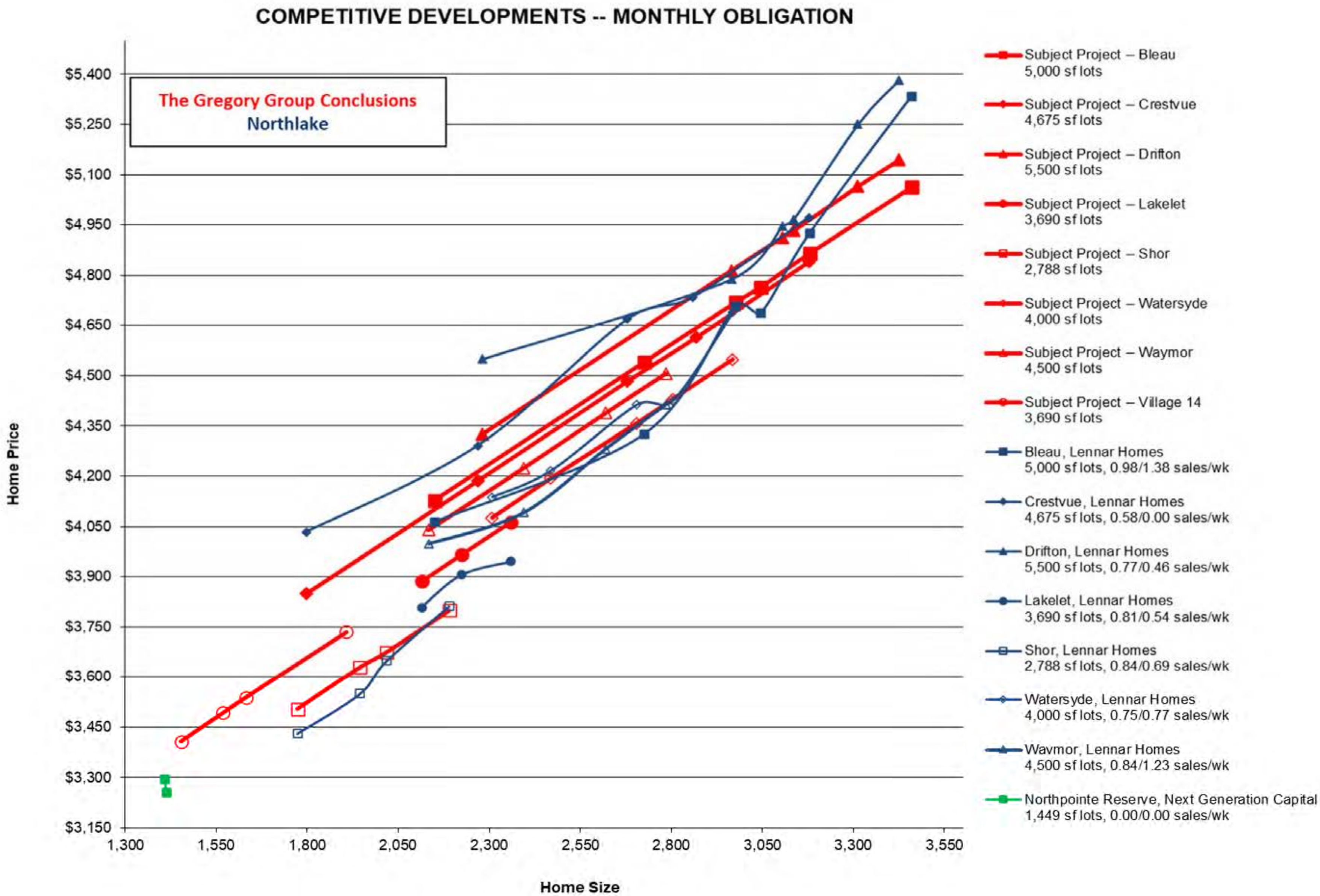


Note: The above land plan does not include Village 14 (139 lots)


VILLAGE NO. 5B
(34) 45'x100'(TYP.) LOTS
5.8 ± AC (G)
4.1 ± AC (N)
VILLAGE NO. 5C
(53) 45'x100'(TYP.) LOTS
8.5 ± AC (G)
5.9 ± AC (N)
VILLAGE NO. 11
(55) 50'X80' (TYP.) LOTS
(9) 50'X100' (TYP.) LOTS
11.7 ± AC (G)
6.8 ± AC (N)
VILLAGE NO. 7A
(60) 55'X85' (TYP.) LOTS
11.5 ± AC (G)
7.7 ± AC (N)
EXISTING PARK AND RIDE LOT
LOT J
OPEN SPACE/FREEWAY BUFFER
LOT D
SHOPPING CENTER
VILLAGE NO. 6
(67) 50'X85' (TYP.) LOTS
10.7 ± AC (G)
7.5 ± AC (N)
VILLAGE NO. 14
(139) 41'x90'(TYP.) LOTS
19.7 ± AC (G)
14.7 ± AC (N)
VILLAGE NO. 7B
(42) 55'X85' (TYP.) LOTS
7.2 ± AC (G)
5.2 ± AC (N)
VILLAGE NO. 8
(87) 41'X90' (TYP.) LOTS
15.6 ± AC (G)
8.7 ± AC (N)

Competitive Housing Analysis


COMPETITIVE DEVELOPMENTS -- NET PRICING
The Gregory Group Conclusions
Northlake
$825,000
$800,000
$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
Home Price
1,300
1,550
1,800
2,050
2,300
2,550
2,800
3,050
3,300
3,550
Home Size
Subject Project – Bleau
5,000 sf lots
Subject Project – Crestvue
4,675 sf lots
Subject Project – Drifton
5,500 sf lots
Subject Project – Lakelet
3,690 sf lots
Subject Project – Shor
2,788 sf lots
Subject Project – Watersyde
4,000 sf lots
Subject Project – Waymor
4,500 sf lots
Subject Project – Village 14
3,690 sf lots
Bleau, Lennar Homes
5,000 sf lots, 0.98/1.38 sales/wk
Crestvue, Lennar Homes
4,675 sf lots, 0.58/0.00 sales/wk
Drifton, Lennar Homes
5,500 sf lots, 0.77/0.46 sales/wk
Lakelet, Lennar Homes
3,690 sf lots, 0.81/0.54 sales/wk
Shor, Lennar Homes
2,788 sf lots, 0.84/0.69 sales/wk
Watersyde, Lennar Homes
4,000 sf lots, 0.75/0.77 sales/wk
Wavmor, Lennar Homes
4,500 sf lots, 0.84/1.23 sales/wk
Northpointe Reserve, Next Generation Capital
1,449 sf lots, 0.00/0.00 sales/wk


COMPETITIVE DEVELOPMENTS -- MONTHLY OBLIGATION
The Gregory Group Conclusions
Northlake
Home Price
Home Size
$5,400
$5,250
$5,100
$4,950
$4,800
$4,650
$4,500
$4,350
$4,200
$4,050
$3,900
$3,750
$3,600
$3,450
$3,300
$3,150
1,300
1,550
1,800
2,050
2,300
2,550
2,800
3,050
3,300
3,550
Subject Project – Bleau
5,000 sf lots
Subject Project – Crestvue
4,675 sf lots
Subject Project – Drifton
5,500 sf lots
Subject Project – Lakelet
3,690 sf lots
Subject Project – Shor
2,788 sf lots
Subject Project – Watersyde
4,000 sf lots
Subject Project – Waymor
4,500 sf lots
Subject Project – Village 14
3,690 sf lots
Bleau, Lennar Homes
5,000 sf lots, 0.98/1.38 sales/wk
Crestvue, Lennar Homes
4,675 sf lots, 0.58/0.00 sales/wk
Drifton, Lennar Homes
5,500 sf lots, 0.77/0.46 sales/wk
Lakelet, Lennar Homes
3,690 sf lots, 0.81/0.54 sales/wk
Shor, Lennar Homes
2,788 sf lots, 0.84/0.69 sales/wk
Watersyde, Lennar Homes
4,000 sf lots, 0.75/0.77 sales/wk
Waymor, Lennar Homes
4,500 sf lots, 0.84/1.23 sales/wk
Northpointe Reserve, Next Generation Capital
1,449 sf lots, 0.00/0.00 sales/wk

Competitive Housing Analysis

Competitive Projects

The Gregory Group

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	7.00%	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	
Bleau			**Lennar Homes**	2,150	4	3	1	2	$632,990	$294	$0	$0	$27,733	$605,257	$282	$0	$0	$605,257	$282	$88	1.06%	0.46%	$4,063	$157,281	
Natomas			**Northlake**	2,727	4/B	3	2	2	$672,990	$247	$0	$0	$27,733	$645,257	$237	$0	$0	$645,257	$237	$88	1.06%	0.46%	$4,326	$167,450	
Product Type:	Detached	Total Units:	348	2,977	4/L	3	2	2	$730,990	$246	$0	$0	$27,733	$703,257	$236	$0	$0	$703,257	$236	$88	1.06%	0.46%	$4,707	$182,196	
Configuration:	Traditional	Units Offered:	166	3,046	5/L	3	2	3	$727,990	$239	$0	$0	$27,733	$700,257	$230	$0	$0	$700,257	$230	$88	1.06%	0.46%	$4,687	$181,433	
Lot Dimensions:	50 x 100	Units Sold:	163	3,180	4/L	2.5	2	3	$763,990	$240	$0	$0	$27,733	$736,257	$232	$0	$0	$736,257	$232	$89	1.06%	0.46%	$4,924	$190,624	
Lot Size/Density:	5,000	Current Sales:	18	3,460	5/NG/L	4	2	2	$825,990	$239	$0	$0	$27,733	$798,257	$231	$0	$0	$798,257	$231	$90	1.06%	0.46%	$5,333	$206,425	
Open Date:	Jan-21	Total RU:	185																						
Overall Sales Rate:	0.98	Total % R:	53%																						
Current Sales Rate:	1.38	Unsold RU:	3																						
Primary Market Area			**Averages:**	**2,923**					**$725,823**	**$251**	**$0**	**$0**	**$27,733**	**$698,090**	**$241**	**$0**	**$0**	**$698,090**	**$241**	**$89**	**1.06%**	**0.46%**	**$4,673**	**$180,901**	
Crestvue			**Lennar Homes**	1,797	3	2	1	2	$596,990	$332	$0	$0	$0	$596,990	$332	$0	$0	$596,990	$332	$88	1.06%	0.51%	$4,034	$156,142	
Natomas			**Northlake**	2,268	4	3	2	3	$635,990	$280	$0	$0	$0	$635,990	$280	$0	$0	$635,990	$280	$88	1.06%	0.51%	$4,291	$166,120	
Product Type:	Detached	Total Units:	235	2,679	4/L	3	2	3	$692,990	$259	$0	$0	$0	$692,990	$259	$0	$0	$692,990	$259	$88	1.06%	0.51%	$4,668	$180,703	
Configuration:	Traditional	Units Offered:	97	2,869	4/L	3	2	3	$702,990	$245	$0	$0	$0	$702,990	$245	$0	$0	$702,990	$245	$88	1.06%	0.51%	$4,734	$183,262	
Lot Dimensions:	55 x 85	Units Sold:	97	3,178	5	4.5	2	3	$738,990	$233	$0	$0	$0	$738,990	$233	$0	$0	$738,990	$233	$88	1.06%	0.51%	$4,972	$192,472	
Lot Size/Density:	4,675	Current Sales:	0																						
Open Date:	Jan-21	Total RU:	138																						
Overall Sales Rate:	0.58	Total % R:	59%																						
Current Sales Rate:	0.00	Unsold RU:	0																						
Primary Market Area			**Averages:**	**2,558**					**$673,590**	**$270**	**$0**	**$0**	**$0**	**$673,590**	**$270**	**$0**	**$0**	**$673,590**	**$270**	**$88**	**1.06%**	**0.51%**	**$4,540**	**$175,740**	
Drifton			**Lennar Homes**	2,282	4	2.5	1	2	$675,990	$296	$0	$0	$0	$675,990	$296	$0	$0	$675,990	$296	$88	1.06%	0.50%	$4,550	$176,136	
Natomas			**Northlake**	2,964	5/L	3	2	2	$711,990	$240	$0	$0	$0	$711,990	$240	$0	$0	$711,990	$240	$88	1.06%	0.50%	$4,788	$185,334	
Product Type:	Detached	Total Units:	236	3,104	5/L	3	2	3	$735,990	$237	$0	$0	$0	$735,990	$237	$0	$0	$735,990	$237	$88	1.06%	0.50%	$4,946	$191,467	
Configuration:	Traditional	Units Offered:	126	3,135	4/NG	3.5	2	2	$738,990	$236	$0	$0	$0	$738,990	$236	$0	$0	$738,990	$236	$88	1.06%	0.50%	$4,966	$192,234	
Lot Dimensions:	55 x 100	Units Sold:	123	3,312	4/L	3.5	2	3	$781,990	$236	$0	$0	$0	$781,990	$236	$0	$0	$781,990	$236	$88	1.06%	0.50%	$5,250	$203,221	
Lot Size/Density:	5,500	Current Sales:	6	3,425	4/L	3.5	2	3	$801,990	$234	$0	$0	$0	$801,990	$234	$0	$0	$801,990	$234	$88	1.06%	0.50%	$5,382	$208,331	
Open Date:	Jan-21	Total RU:	113																						
Overall Sales Rate:	0.77	Total % R:	48%																						
Current Sales Rate:	0.46	Unsold RU:	3																						
Primary Market Area			**Averages:**	**3,037**					**$741,157**	**$247**	**$0**	**$0**	**$0**	**$741,157**	**$247**	**$0**	**$0**	**$741,157**	**$247**	**$88**	**1.06%**	**0.50%**	**$4,980**	**$192,787**	
Lakelet			**Lennar Homes**	2,114	3/O/L	2.5	2	2	$595,990	$282	$0	$0	$28,857	$567,133	$268	$0	$0	$567,133	$268	$88	1.06%	0.45%	$3,808	$147,406	
Natomas			**Northlake**	2,223	4	3	2	2	$610,990	$275	$0	$0	$28,857	$582,133	$262	$0	$0	$582,133	$262	$88	1.06%	0.45%	$3,906	$151,214	
Product Type:	Detached	Total Units:	307	2,360	4/L	3.5	2	2	$616,990	$261	$0	$0	$28,857	$588,133	$249	$0	$0	$588,133	$249	$88	1.06%	0.45%	$3,946	$152,738	
Configuration:	Small Lot	Units Offered:	134																						
Lot Dimensions:	41 x 90	Units Sold:	134																						
Lot Size/Density:	3,690	Current Sales:	7																						
Open Date:	Jan-21	Total RU:	173																						
Overall Sales Rate:	0.81	Total % R:	56%																						
Current Sales Rate:	0.54	Unsold RU:	0																						
Primary Market Area			**Averages:**	**2,232**					**$607,990**	**$273**	**$0**	**$0**	**$28,857**	**$579,133**	**$260**	**$0**	**$0**	**$579,133**	**$260**	**$88**	**1.06%**	**0.45%**	**$3,887**	**$150,453**	
Shor			**Lennar Homes**	1,774	3	2.5	2	2	$528,990	$298	$0	$0	$20,000	$508,990	$287	$0	$0	$508,990	$287	$88	1.06%	0.46%	$3,431	$132,807	
Natomas			**Northlake**	1,945	3/L	2.5	2	2	$546,990	$281	$0	$0	$20,000	$526,990	$271	$0	$0	$526,990	$271	$88	1.06%	0.46%	$3,549	$137,383	
Product Type:	Detached	Total Units:	337	2,018	4/L	3	2	2	$561,990	$278	$0	$0	$20,000	$541,990	$269	$0	$0	$541,990	$269	$88	1.06%	0.46%	$3,648	$141,197	
Configuration:	Small Lot	Units Offered:	140	2,190	4/L	3	2	2	$586,990	$268	$0	$0	$20,000	$566,990	$259	$0	$0	$566,990	$259	$88	1.06%	0.46%	$3,812	$147,552	
Lot Dimensions:	41 x 68	Units Sold:	140																						
Lot Size/Density:	2,788	Current Sales:	9																						
Open Date:	Jan-21	Total RU:	197																						
Overall Sales Rate:	0.84	Total % R:	58%																						
Current Sales Rate:	0.69	Unsold RU:	0																						
Primary Market Area			**Averages:**	**1,982**					**$556,240**	**$281**	**$0**	**$0**	**$20,000**	**$536,240**	**$271**	**$0**	**$0**	**$536,240**	**$271**	**$88**	**1.06%**	**0.46%**	**$3,610**	**$139,735**	

Competitive Housing Analysis

Competitive Projects

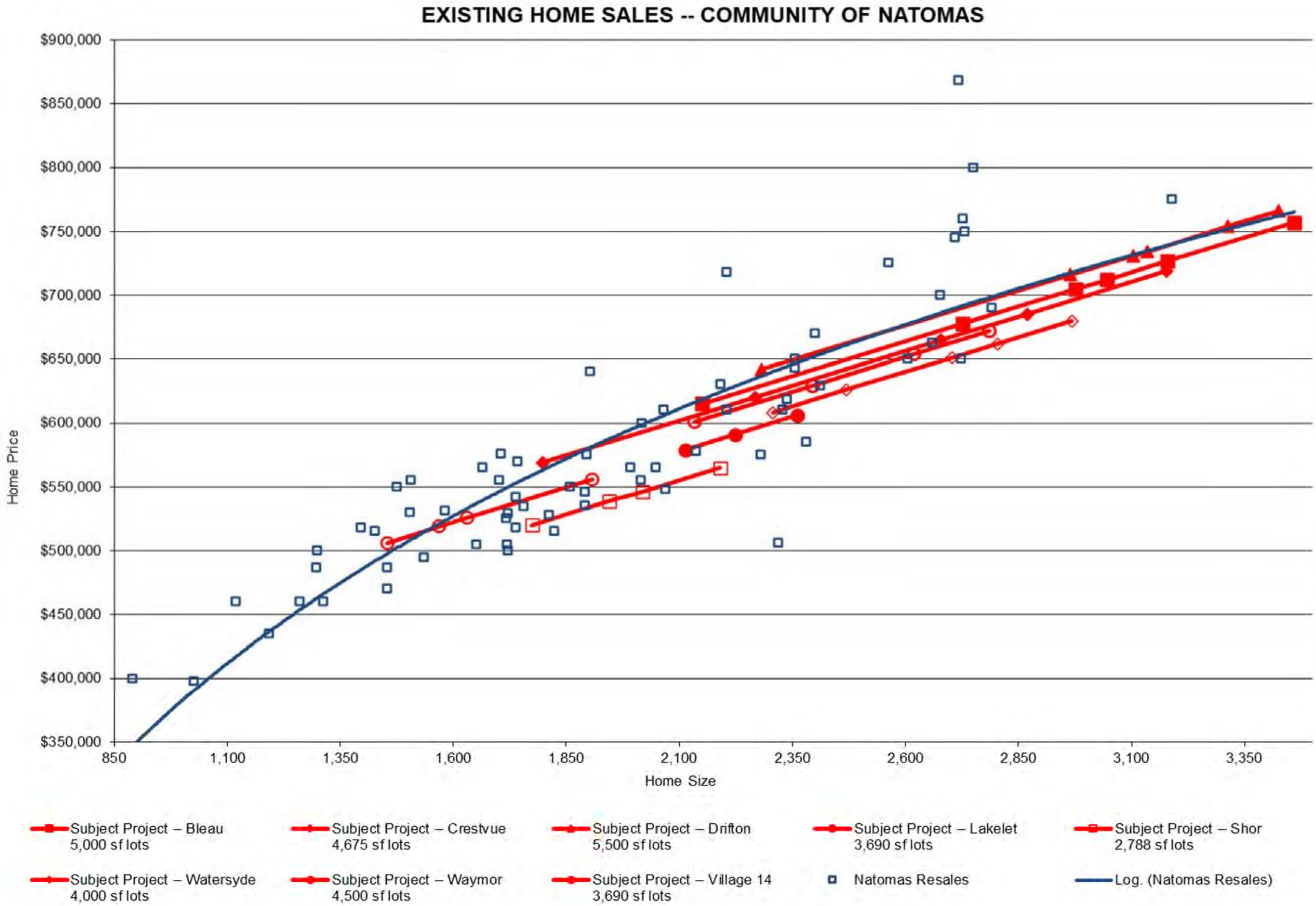
The Gregory Group

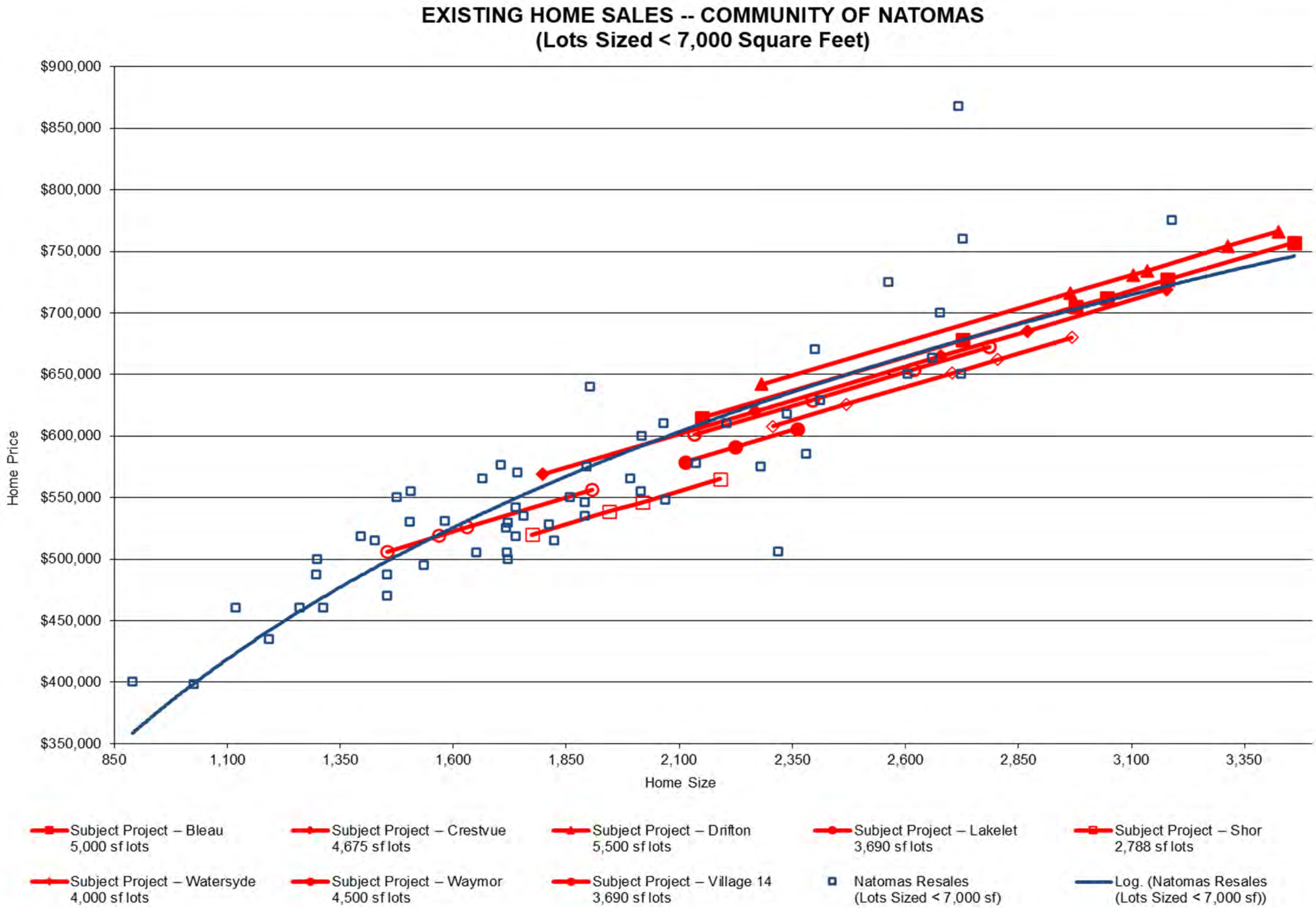
COMMUNITY DETAILS				PRODUCT SUMMARY					MARKET PRICING SUMMARY															
Community			**Builder**	Home						Base	Current Incentives			Net	Net Base	Current Add-Ons			Total	Monthly Payment			80%	
Location			**Master Plan**	Size					Base	Price/	Price	Options/	Closing $/	Base	Price/	Options/		Total	Price/	Monthly	Base	Add	7.00%	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
Watersyde			**Lennar Homes**	2,307	4	3	2	2	$635,990	$276	$0	$0	$18,667	$617,323	$268	$0	$0	$617,323	$268	$88	1.06%	0.45%	$4,137	$160,149
Natomas			**Northlake**	2,469	4/L	3	2	2	$647,990	$262	$0	$0	$18,667	$629,323	$255	$0	$0	$629,323	$255	$88	1.06%	0.45%	$4,216	$163,196
Product Type:	Detached	Total Units:	276	2,704	4/L	3.5	2	2	$677,990	$251	$0	$0	$18,667	$659,323	$244	$0	$0	$659,323	$244	$88	1.06%	0.45%	$4,413	$170,814
Configuration:	Traditional	Units Offered:	127	2,804	5/L	4	2	2	$679,990	$243	$0	$0	$18,667	$661,323	$236	$0	$0	$661,323	$236	$88	1.06%	0.45%	$4,426	$171,321
Lot Dimensions:	50 x 80	Units Sold:	125	2,968	4/NG/L	3.5	2	3	$719,990	$243	$0	$0	$18,667	$701,323	$236	$0	$0	$701,323	$236	$88	1.06%	0.45%	$4,688	$181,478
Lot Size/Density:	4,000	Current Sales:	10																					
Open Date:	Jan-21	Total RU:	151																					
Overall Sales Rate:	0.75	Total % R:	55%																					
Current Sales Rate:	0.77	Unsold RU:	2																					
			Averages:	**2,650**					**$672,390**	**$255**	**$0**	**$0**	**$18,667**	**$653,723**	**$248**	**$0**	**$0**	**$653,723**	**$248**	**$88**	**1.06%**	**0.45%**	**$4,376**	**$169,392**
Wavmor			**Lennar Homes**	2,134	3	2	1	2	$623,990	$292	$0	$0	$29,313	$594,677	$279	$0	$0	$594,677	$279	$88	1.06%	0.47%	$3,999	$154,783
Natomas			**Northlake**	2,394	4/L	3	2	2	$637,990	$266	$0	$0	$29,313	$608,677	$254	$0	$0	$608,677	$254	$88	1.06%	0.47%	$4,091	$158,347
Product Type:	Detached	Total Units:	320	2,620	5/L	3	2	2	$666,990	$255	$0	$0	$29,313	$637,677	$243	$0	$0	$637,677	$243	$88	1.06%	0.47%	$4,281	$165,729
Configuration:	Traditional	Units Offered:	141	2,786	4/L	3.5	2	2	$686,990	$247	$0	$0	$29,313	$657,677	$236	$0	$0	$657,677	$236	$88	1.06%	0.47%	$4,413	$170,820
Lot Dimensions:	45 x 100	Units Sold:	139																					
Lot Size/Density:	4,500	Current Sales:	16																					
Open Date:	Jan-21	Total RU:	181																					
Overall Sales Rate:	0.84	Total % R:	57%																					
Current Sales Rate:	1.23	Unsold RU:	2																					
			Averages:	**2,484**					**$653,990**	**$265**	**$0**	**$0**	**$29,313**	**$624,677**	**$253**	**$0**	**$0**	**$624,677**	**$253**	**$88**	**1.06%**	**0.47%**	**$4,196**	**$162,420**
Northpointe Reserve			**Next Generation Capital**	1,409	3	2.5	2	2	$500,900	$356	$0	$0	$5,000	$495,900	$352	$0	$0	$495,900	$352	$100	1.06%	0.31%	$3,295	$127,544
Natomas			**Natomas Park**	1,414	3	2.5	2	2	$494,900	$350	$0	$0	$5,000	$489,900	$346	$0	$0	$489,900	$346	$100	1.06%	0.31%	$3,256	$126,048
Product Type:	Detached	Total Units:	48																					
Configuration:	Small Lot	Units Offered:	13																					
Lot Dimensions:	23 x 63	Units Sold:	0																					
Lot Size/Density:	1,449	Current Sales:	0																					
Open Date:	Mar-24	Total RU:	48																					
Overall Sales Rate:	0.00	Total % R:	100%																					
Current Sales Rate:	0.00	Unsold RU:	13																					
			Averages:	**1,412**					**$497,900**	**$353**	**$0**	**$0**	**$5,000**	**$492,900**	**$349**	**$0**	**$0**	**$492,900**	**$349**	**$100**	**1.06%**	**0.31%**	**$3,276**	**$126,796**

Primary Market Area

Primary Market Area

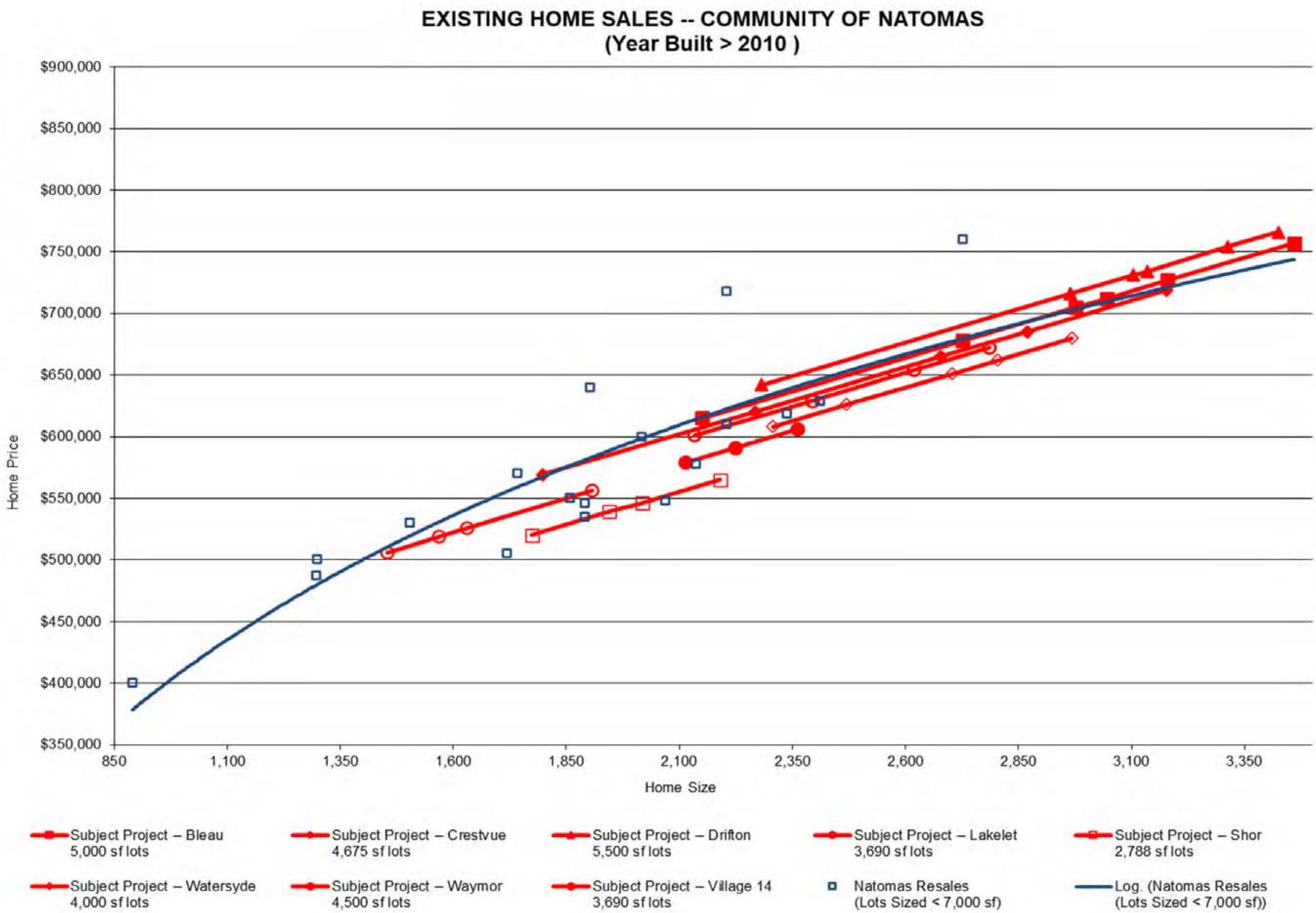
Primary Market Area


EXISTING HOME SALES -- COMMUNITY OF NATOMAS
$900,000
$850,000
$800,000
$750,000
$700,000
$650,000
$600,000
$550,000
$500,000
$450,000
$400,000
$350,000
Home Price
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
Home Size
Subject Project – Bleau 5,000 sf lots
Subject Project – Crestvue 4,675 sf lots
Subject Project – Drifton 5,500 sf lots
Subject Project – Lakelet 3,690 sf lots
Subject Project – Shor 2,788 sf lots
Subject Project – Watersyde 4,000 sf lots
Subject Project – Waymor 4,500 sf lots
Subject Project – Village 14 3,690 sf lots
Natomas Resales
Log. (Natomas Resales)


EXISTING HOME SALES -- COMMUNITY OF NATOMAS
(Lots Sized < 7,000 Square Feet)
$900,000
$850,000
$800,000
$750,000
$700,000
$650,000
$600,000
$550,000
$500,000
$450,000
$400,000
$350,000
Home Price
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
Home Size
Subject Project – Bleau 5,000 sf lots
Subject Project – Crestvue 4,675 sf lots
Subject Project – Drifton 5,500 sf lots
Subject Project – Lakelet 3,690 sf lots
Subject Project – Shor 2,788 sf lots
Subject Project – Watersyde 4,000 sf lots
Subject Project – Waymor 4,500 sf lots
Subject Project – Village 14 3,690 sf lots
Natomas Resales (Lots Sized < 7,000 sf)
Log. (Natomas Resales (Lots Sized < 7,000 sf))

Competitive Housing Analysis

Existing-Home Graph – By Year Built



Potential Future Supply

Potential Future Supply

Community of Natomas

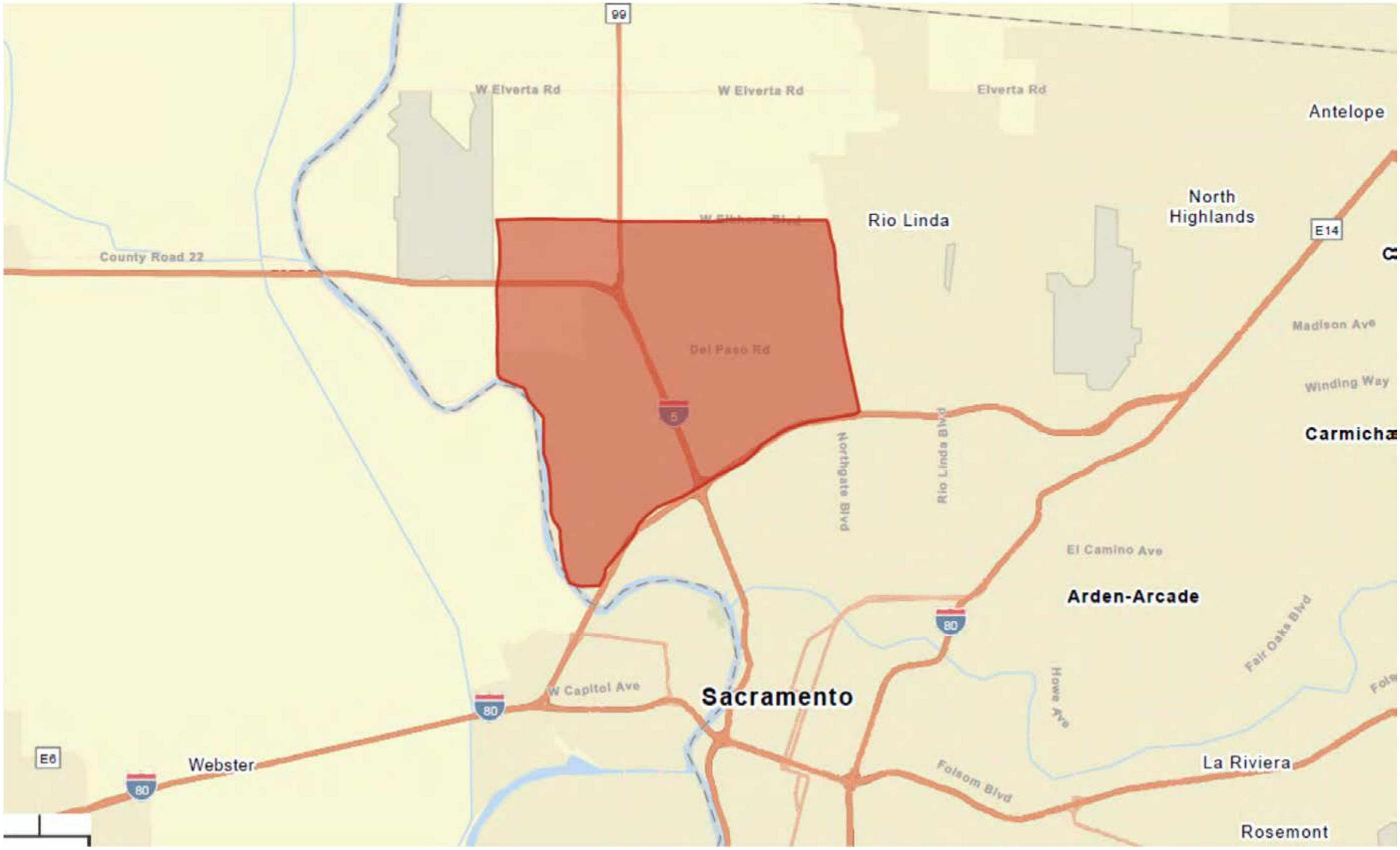
Within the greater subject market area, there are a total of 31,115 planned units on 10,825.1 acres (a density of 3.0 units per acre), and not including the subject project. A total of 30,867 of these units (99.2% of the total) are in five major planned communities; Upper Westside, Sutter Pointe, Panhandle, Innovation District and Life District. Some of these communities may offer homes in the immediate future, but most of these units will be many years before a first phase of development occurs.

Therefore, there are approximately only 1,253 units 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. 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.

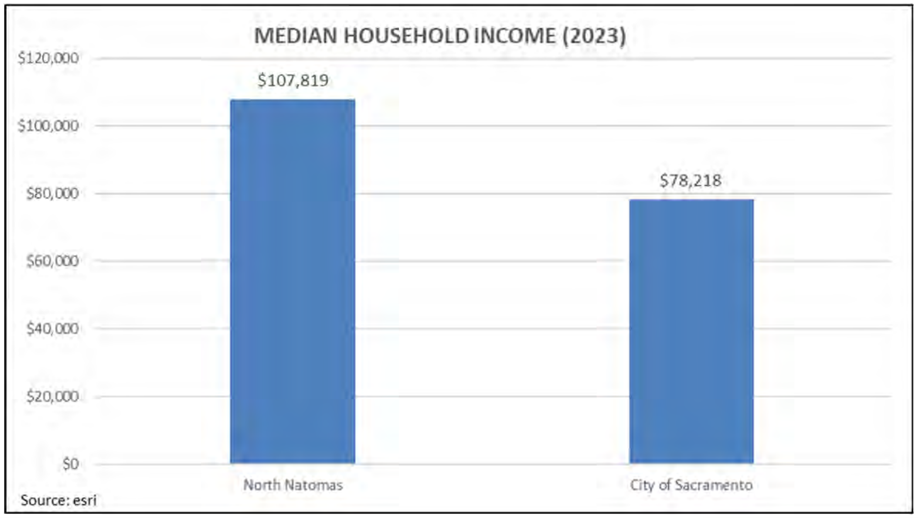
Project Name	Developer/Owner	Location	Number Of Units	Acres	Density	Comments
Upper Westside	Upper Westside LLC	Natomas	9,231	2,066.0	4.5	Project is in planning and undergoing a EIR; waiting Specific Plan Approval. Development is many years in the future. Project is located west of Interstate 80 at West 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 and north of the City of Sacramento and Sacramento County.
Panhandle	Various	Natomas	409	295.4	1.4	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.
Panhandle	TPG	Natomas	810	187.5	4.3	Project has Tentative Map Approval and could begin sales in the coming year. Project is located north of Del Paso Road and west of Sorento Road.
Panhandle	MLC Holdings	Natomas	443	106.5	4.2	Project has Tentative Map Approval and could begin sales in the coming year. Project is located north of Del Paso Road and west of Sorento Road.
Valley View	Avdis Property	Natomas	248	41.4	6.0	Project is in the planning stages and is located east of the Panhandle project.
Innovation District	Sacramento Kings Ownership Group	Natomas	1,228	23.1	53.2	Project is in the planning stages and also includes 39,000 square feet of retail and 180,000 square feet of office space.
The Life District	Sacramento Kings Ownership Group	Natomas	1,246	60.9	20.5	Project is in the planning stages and also includes 15,000 square feet of retail, 120,000 square feet of office space and 120,000 square feet of hotel/commercial space.
		Averages/Totals:	**31,115**	**10,309.0**	**3.0**	

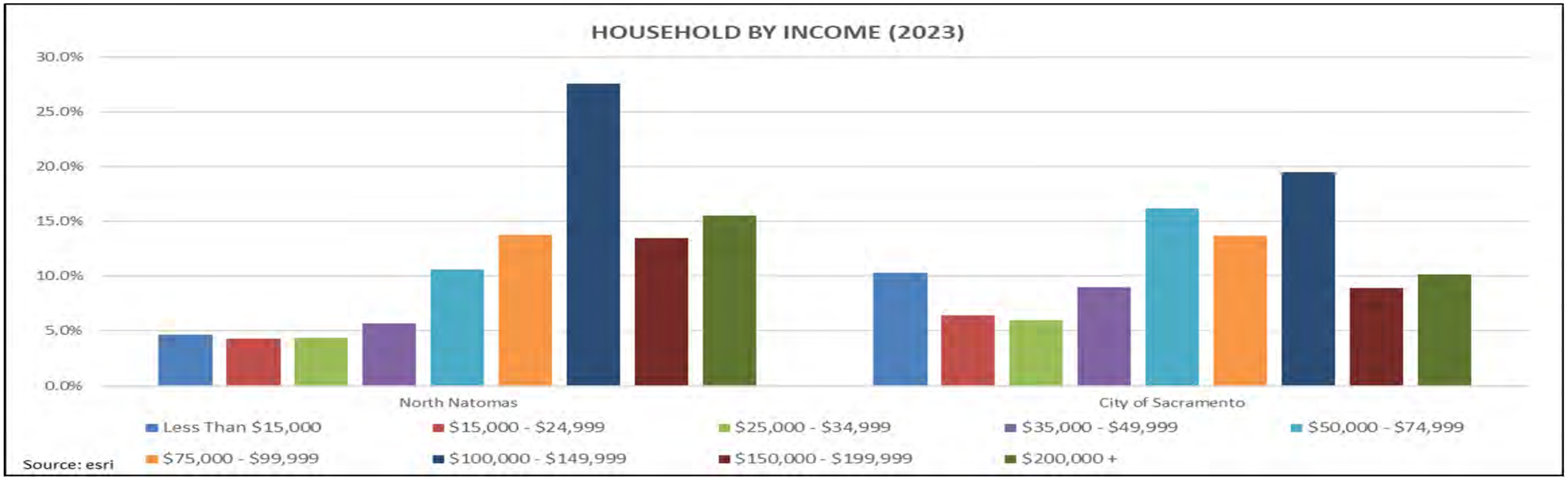
Economics and Demographics

Subject Market Area

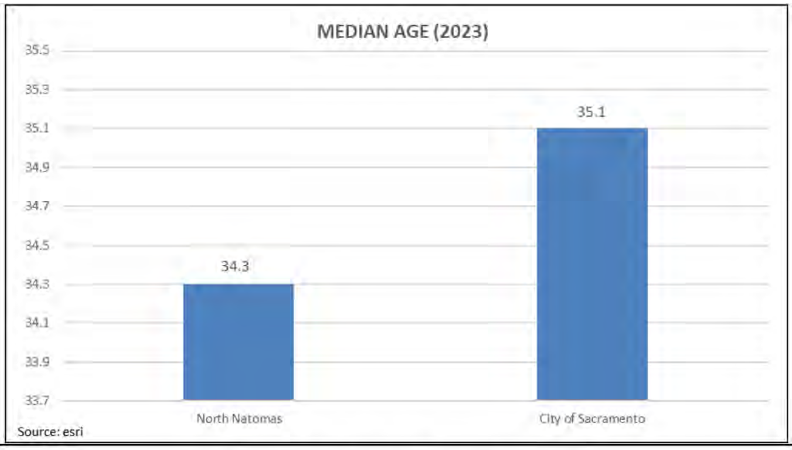

W Elverta Rd
W Elverta Rd
Elverta Rd
Antelope
North Highlands
Rio Linda
County Road 22
Del Paso Rd
Madison Ave
Winding Way
Northgate Blvd
Rio Linda Blvd
El Camino Ave
Arden-Arcade
W Capitol Ave
Sacramento
Webster
Howe Ave
Fair Oaks Blvd
Folsom Blvd
La Riviera
Rosemont

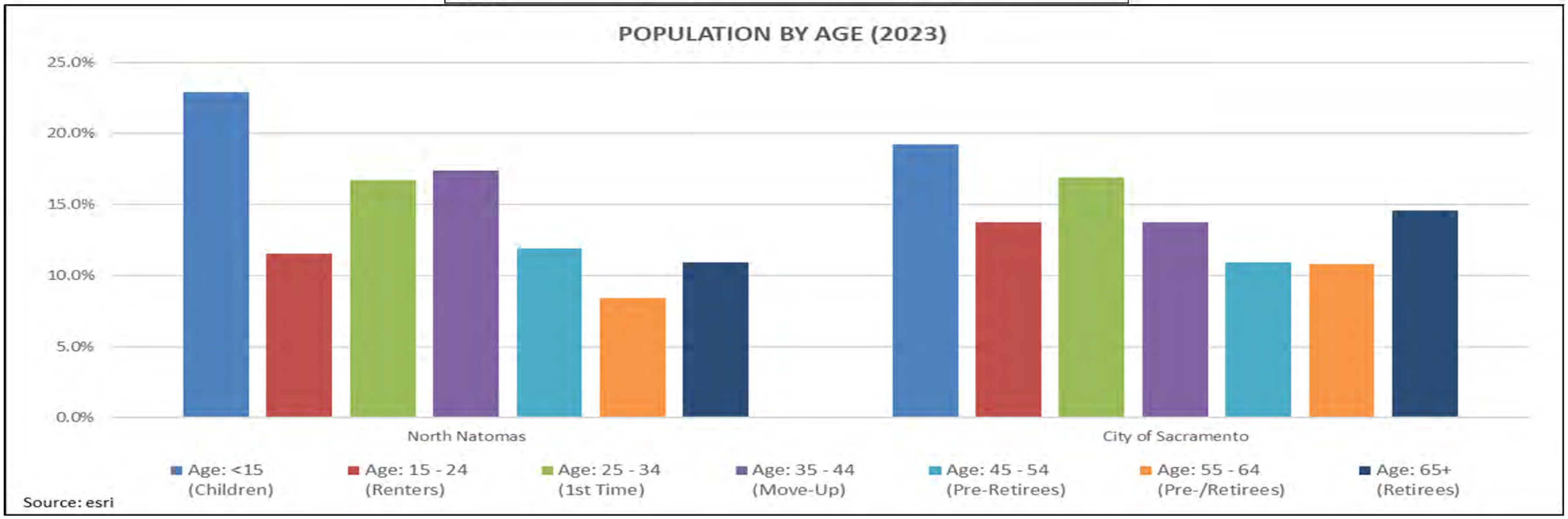
An analysis of economic and demographic variables can help to illuminate the specific dynamics of the subject project. The median household income is greater in North Natomas than in the City of Sacramento. In fact, North Natomas has a median income that is 38% greater than the City of Sacramento: a result of older housing and lower income residents in the city and newer housing in North Natomas. The greatest distribution for North Natomas is $100,000 to $149,999 and the two categories that are greater than $150,000, but the City of Sacramento has a greater percentage distribution in the three categories between $50,000 to $149,999.



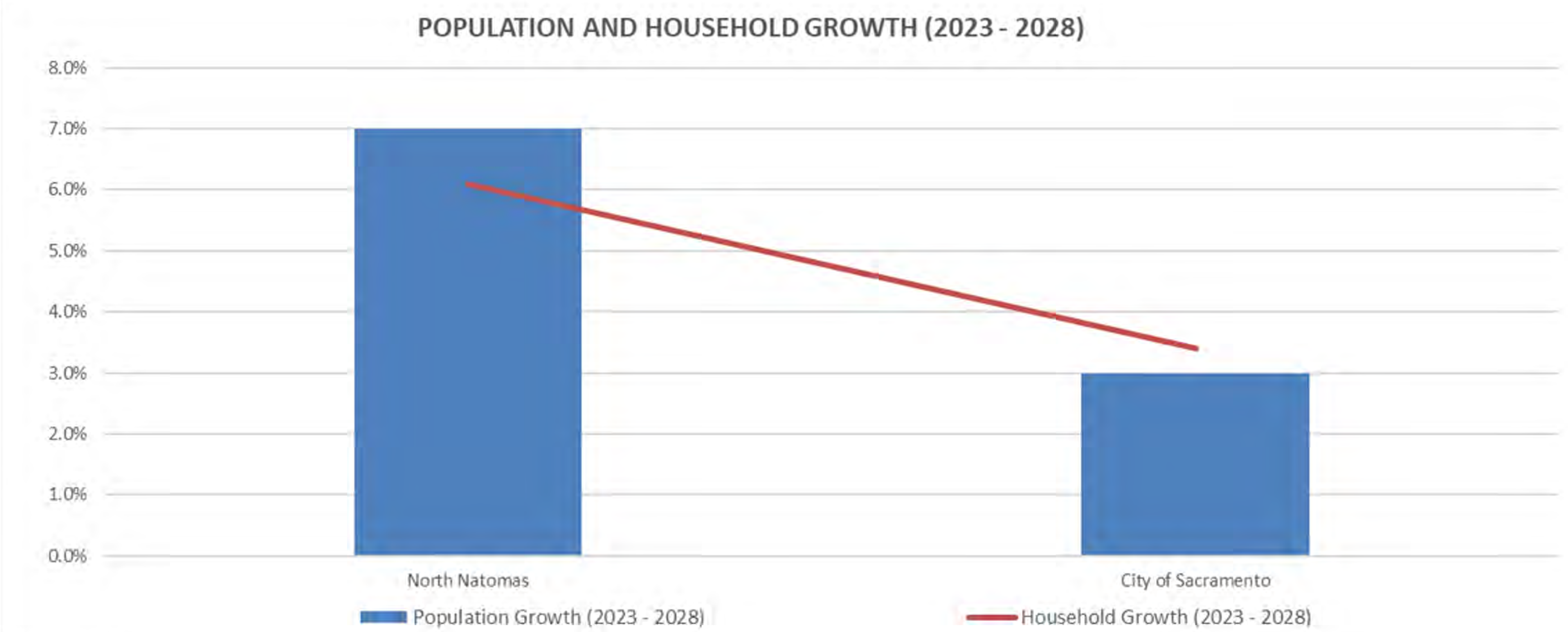


Not surprisingly, the median age within North Natomas (34.3-years) is lower than the City of Sacramento (35.1-years). This is a result of the newer housing and the influx of young and middle-aged professionals that enjoy North Natomas and work south toward Downtown/Midtown Sacramento. When considering population by age, North Natomas includes a large percentage of children under 15 years of age (more than 20%--due to the suburban, family areas) and higher percentages of 25- to 34-year-olds and 35- to 44-year-olds (both above 15%). While the City of Sacramento includes a larger percentage of children under 15 years of age (just below 20%), there are higher numbers of young adults aged between 25 and 34 years and older adults aged at 65 years and older (long-time residents of the city).





A review of population and household growth reveals much higher estimated growth in North Natomas (at 7.0% and 6.1% respectively) than in the City of Sacramento (at 3.0% and 3.4%). It is believed that the strong growth associated with the specific area of the subject project is due to the maturing of the area, the desirability of the community and the emphasis on housing and infrastructure development along with plans for substantial future development.



Source: esri

ECONOMIC AND DEMOGRAPHIC INFORMATION -- NORTH NATOMAS				
	2023 Estimate		2028 Projection	
Category	Number	Percent	Number	Percent
Population				
Population	76,037	--	81,383	--
Growth 2023 - 2028	--	--	--	7.0%
Population by Age				
Age 0 - 4	5,798	7.6%	6,339	7.8%
Age 5 - 9	6,039	7.9%	6,241	7.7%
Age 10 - 14	5,658	7.4%	6,182	7.6%
Age 15 - 19	4,494	5.9%	5,059	6.2%
Age 20 - 24	4,247	5.6%	4,932	6.1%
Age 25 - 34	12,707	16.7%	13,139	16.1%
Age 35 - 44	13,262	17.4%	14,074	17.3%
Age 45 - 54	9,079	11.9%	9,866	12.1%
Age 55 - 64	6,406	8.4%	6,356	7.8%
Age 65 - 74	5,556	7.3%	5,366	6.6%
Age 75 - 84	2,226	2.9%	3,053	3.8%
Age 85 and over	565	0.7%	777	1.0%
24 and Under	26,236	34.4%	28,753	35.4%
Age 45 - 64	15,485	20.3%	16,222	19.9%
65 and over	8,347	10.9%	9,196	11.4%
Median Age	34.3	--	34.1	--
Households				
Households	26,725	--	28,365	--
Growth 2023 - 2028	--	--	--	6.1%
Average Household Size	2.84	--	2.87	--
Household Income				
Less Than $15,000	1,243	4.7%	1,200	4.2%
$15,000 - $24,999	1,147	4.3%	910	3.2%
$25,000 - $34,999	1,179	4.4%	941	3.3%
$35,000 - $49,999	1,534	5.7%	1,254	4.4%
$50,000 - $74,999	2,820	10.6%	2,644	9.3%
$75,000 - $99,999	3,676	13.8%	3,525	12.4%
$100,000 - $149,999	7,369	27.6%	8,045	28.4%
$150,000 - $199,999	3,616	13.5%	4,526	16.0%
$200,000 and Greater	4,142	15.5%	5,320	18.8%
Median Household Income	$107,819	--	$117,082	--
Average Household Income	$135,546	--	$154,461	--
Housing Units		--		--
Owner Occupied	16,151	60.4%	16,679	58.8%
Renter Occupied	10,574	39.6%	11,686	41.2%
Source: esri				

ECONOMIC AND DEMOGRAPHIC INFORMATION -- CITY OF SACRAMENTO				
	2023 Estimate		2028 Projection	
Category	Number	Percent	Number	Percent
Population				
Population	537,063	--	553,111	--
Growth 2023 - 2028	--	--	--	3.0%
Population by Age				
Age 0 - 4	35,031	6.5%	36,730	6.6%
Age 5 - 9	35,131	6.5%	35,399	6.4%
Age 10 - 14	33,532	6.2%	35,255	6.5%
Age 15 - 19	33,646	6.3%	34,370	6.2%
Age 20 - 24	39,690	7.4%	40,138	7.3%
Age 25 - 34	90,865	16.9%	88,469	16.0%
Age 35 - 44	73,475	13.7%	79,981	14.5%
Age 45 - 54	58,754	10.9%	61,336	11.1%
Age 55 - 64	58,154	10.8%	53,866	9.7%
Age 65 - 74	47,441	8.8%	48,897	8.8%
Age 75 - 84	22,209	4.1%	28,302	5.1%
Age 85 and over	9,135	1.7%	10,368	1.9%
24 and Under	177,030	32.9%	181,892	33.0%
Age 45 - 64	116,908	21.7%	115,202	20.8%
65 and over	78,785	14.6%	87,567	15.8%
Median Age	35.1	--	35.7	--
Households				
Households	197,512	--	204,255	--
Growth 2023 - 2028	--	--	--	3.4%
Average Household Size	2.63	--	2.62	--
Household Income				
Less Than $15,000	20,263	10.3%	19,229	9.4%
$15,000 - $24,999	12,545	6.4%	9,877	4.8%
$25,000 - $34,999	11,838	6.0%	10,264	5.0%
$35,000 - $49,999	17,689	9.0%	15,255	7.5%
$50,000 - $74,999	31,953	16.2%	30,619	15.0%
$75,000 - $99,999	26,985	13.7%	28,177	13.8%
$100,000 - $149,999	38,526	19.5%	43,719	21.4%
$150,000 - $199,999	17,534	8.9%	22,138	10.8%
$200,000 and Greater	20,179	10.2%	24,947	12.2%
Median Household Income	$78,218	--	$88,269	--
Average Household Income	$107,648	--	$123,097	--
Housing Units		--		--
Owner Occupied	98,772	50.0%	100,566	49.2%
Renter Occupied	98,740	50.0%	103,689	50.8%
Source: esri				

Existing Housing Market

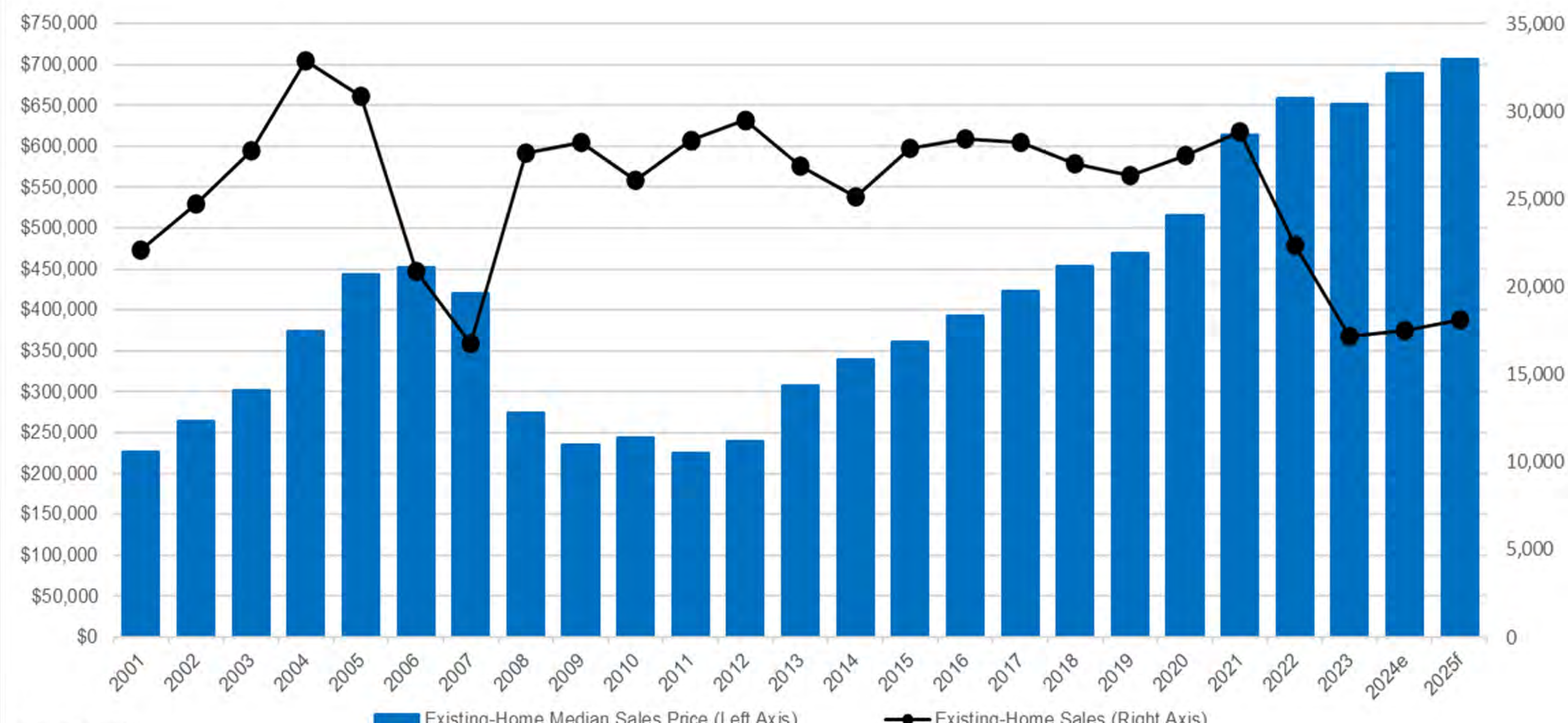
Sacramento Region

Existing Housing Market

Existing Housing Sales and Pricing -- Annual

Existing home closings ended 2023 with a decrease of 23.2% (to 17,174 units from 22,361 units the year before) due to higher mortgage rates that put a strain on buyers' ability to pay for housing and a lack of available inventory. Existing home pricing was down modestly in 2023 (down 1.2%). Both sales and pricing are anticipated to increase in 2024 and 2025 with sales up 1.9% and 3.5% and pricing up 5.9% and 2.5% due to increasing inventory, demographic tailwinds, a realization that mortgage rates may stay somewhat elevated and time as people age out of current housing.

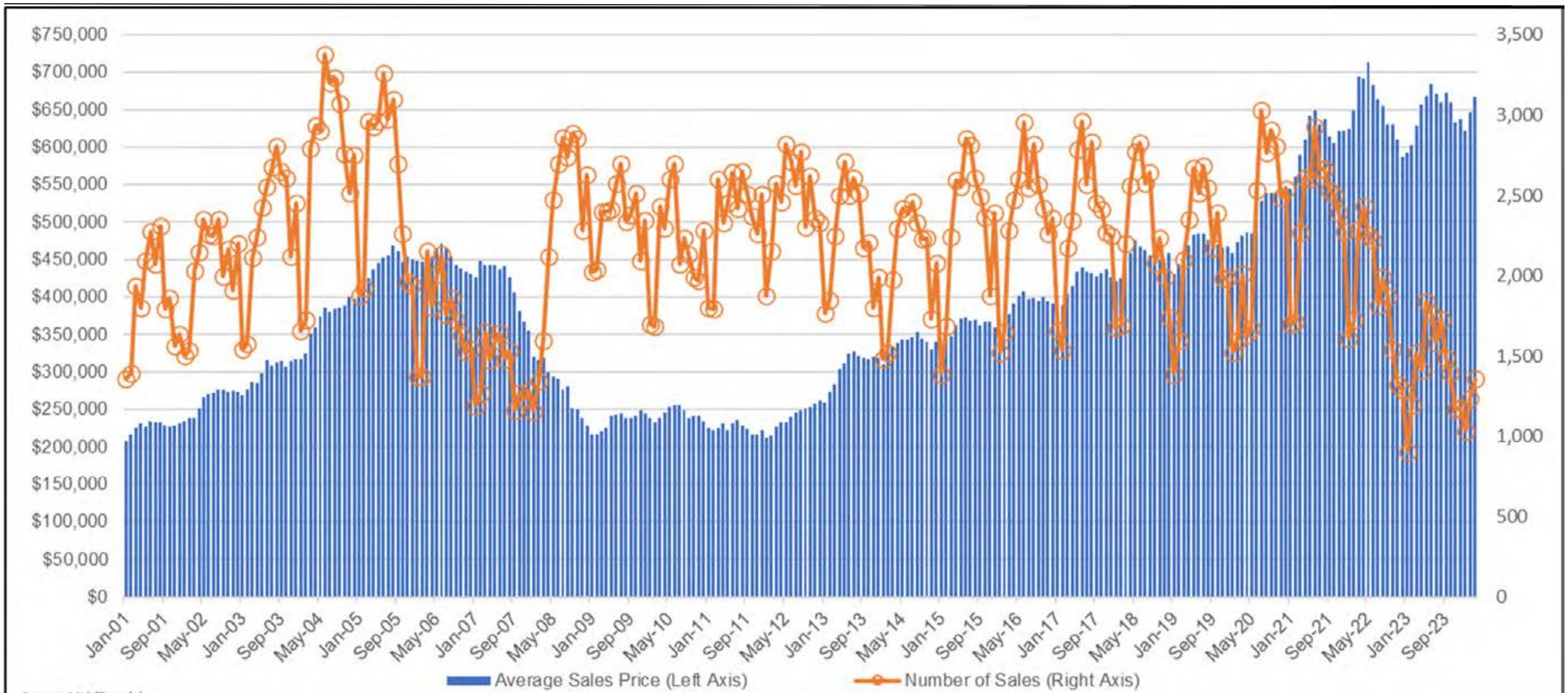
Existing Housing Home Sales	Sacramento-Roseville-Arden-Arcade MSA								Two-Year Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Existing-Home Sales	28,448	28,237	26,993	26,371	27,487	28,838	22,361	17,174	17,500	18,112
Annual Percent Change:	2.1%	-0.7%	-4.4%	-2.3%	4.2%	4.9%	-22.5%	-23.2%	1.9%	3.5%
Existing-Home Median Price	$392,630	$423,670	$454,383	$469,993	$516,484	$614,899	$659,279	$651,656	$689,945	$707,193
Annual Percent Change:	8.6%	7.9%	7.2%	3.4%	9.9%	19.1%	7.2%	-1.2%	5.9%	2.5%



Source: MLS (Trends)

Existing Housing Market

Existing Housing Sales and Pricing -- Monthly

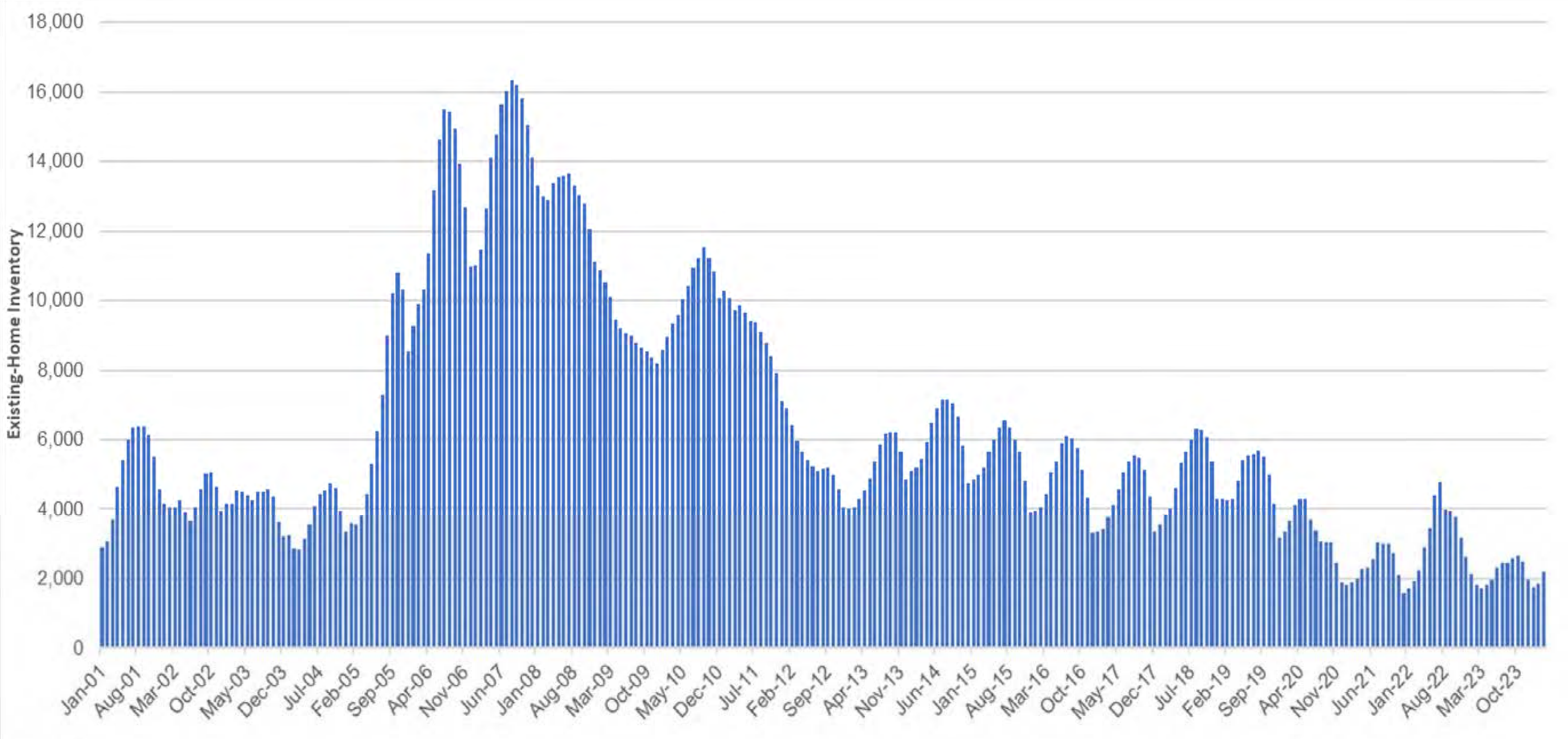


Source: MLS (Trends)

Existing Housing Market

Existing Housing Inventory -- Monthly

Existing home inventory increased in March of 2024 (up to 2,200 units compared to 1,707 units a year earlier) but remains historically low.

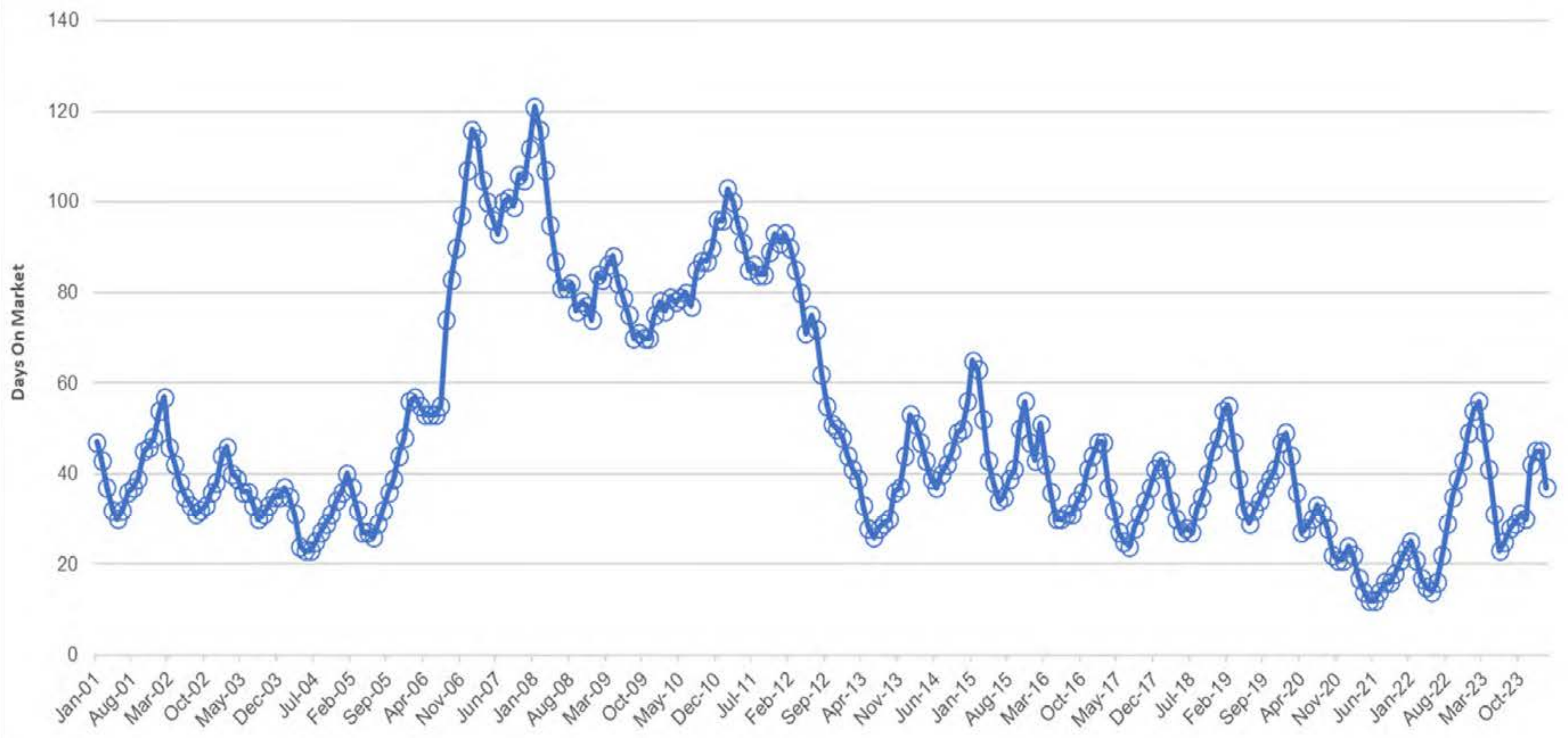


Source: MLS (Trends)

Existing Housing Market

Existing Housing Days on Market (DOM) -- Monthly

As of late, the average Days on Market has been decreasing, down in March to 37 days compared to 49 days a year earlier.



Source: MLS (Trends)

New Housing Market

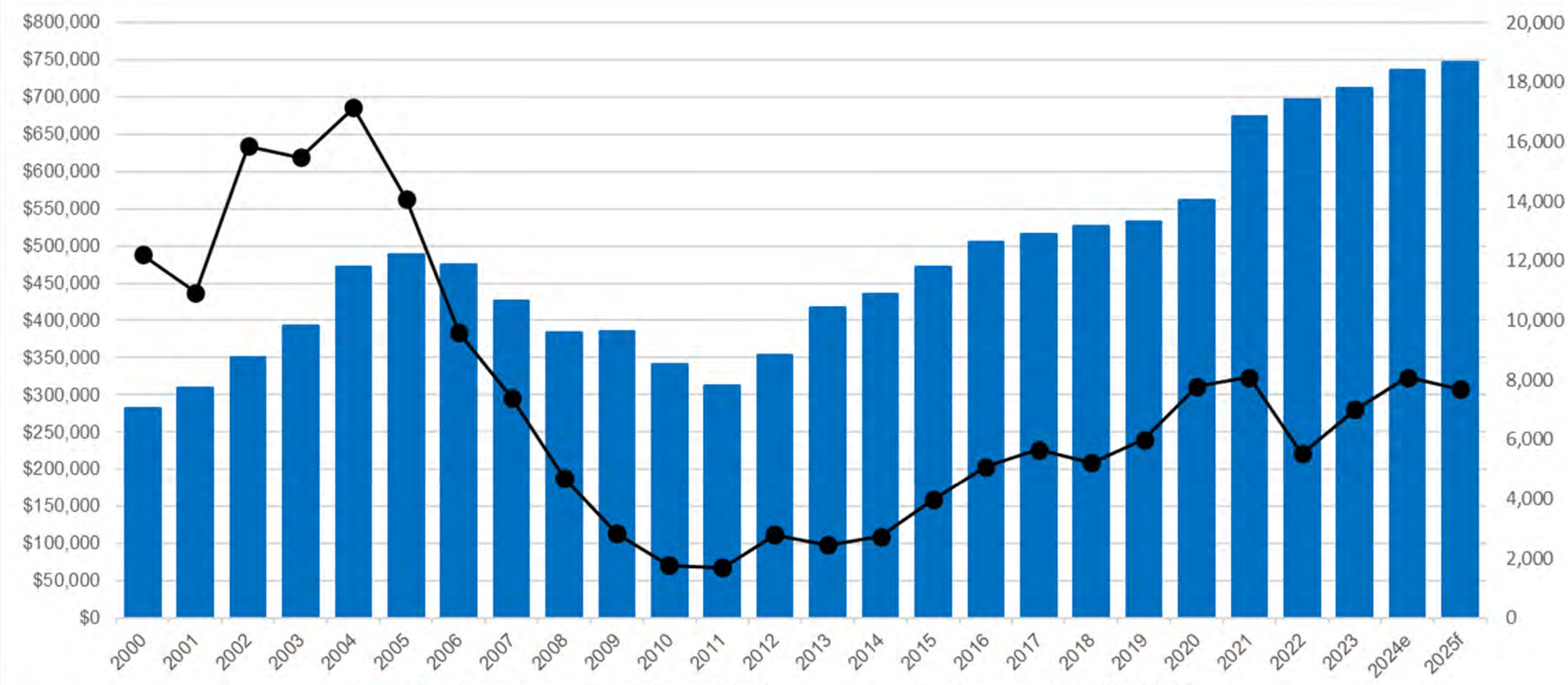
Sacramento Region

New Housing Market

New Housing Sales and Pricing -- Annual

Due to the increase in mortgage rates, sales slowed in 2022 (5,538 new-home sales, a decline of 31.6% as compared to 2021), yet despite the higher mortgage rates, increased in 2023, up 26.7% for the year to 7,019 new home sales. It is anticipated that 2024 will post a 15.4% increase to 8,097 new-home sales followed by a 5.0% decrease in 2025 to 7,692 sales. There has been a moderating increase in pricing with a 3.4% increase in 2022 followed by a 2.1% increase in 2023 (reaching a high of $711,883). It is anticipated that new home pricing will reach $735,841 in 2024 (up 3.4%) and $746,878 in 2025 (up 1.5%).

New Housing Home Sales	Sacramento-Roseville-Arden-Arcade MSA								Two-Year Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
New-Home Sales	5,087	5,663	5,234	5,996	7,790	8,099	5,538	7,019	8,097	7,692
Annual Percent Change:	27.9%	11.3%	-7.6%	14.6%	29.9%	4.0%	-31.6%	26.7%	15.4%	-5.0%
New-Home Average Price	$505,792	$515,562	$526,456	$532,718	$562,166	$673,800	$696,922	$711,883	$735,841	$746,878
Annual Percent Change:	7.1%	1.9%	2.1%	1.2%	5.5%	19.9%	3.4%	2.1%	3.4%	1.5%

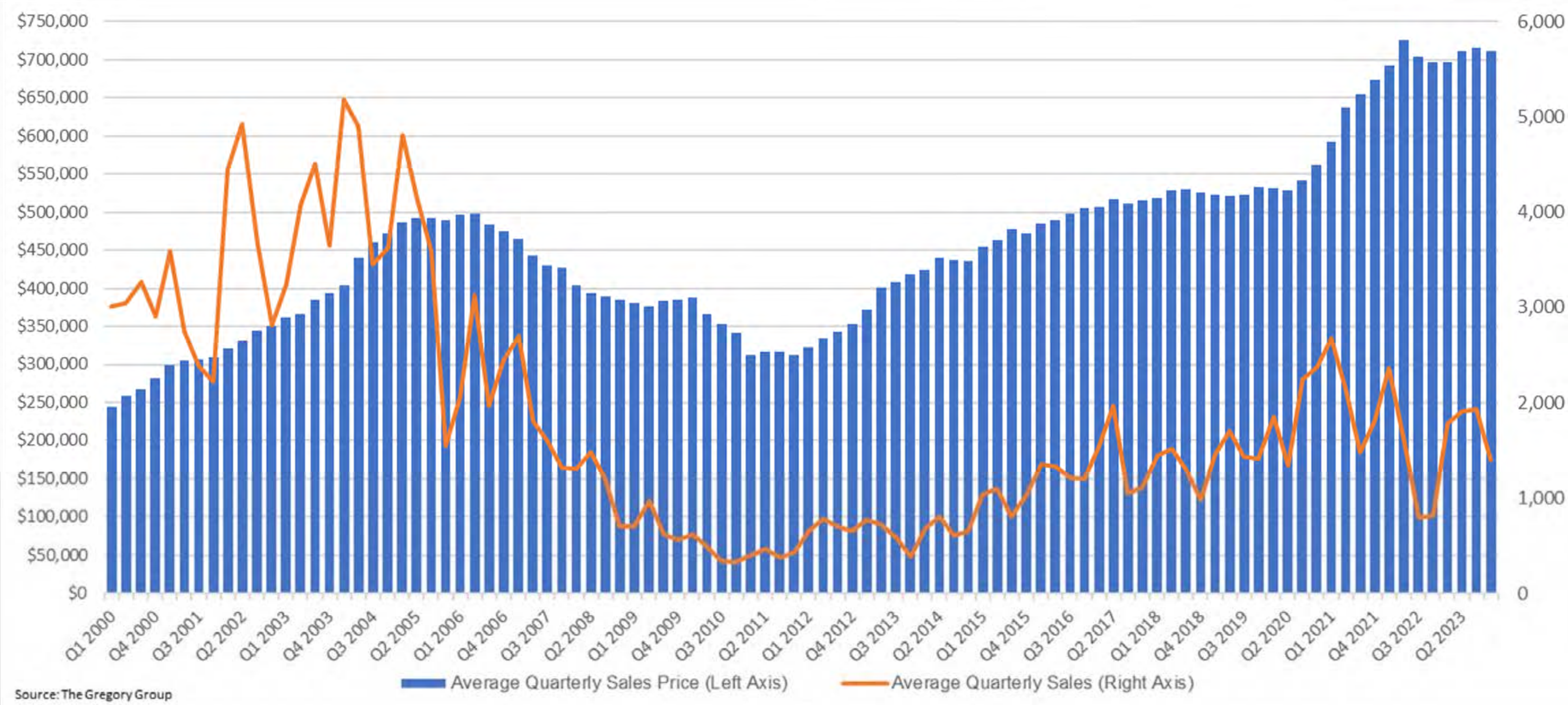


Source: The Gregroy Group

New Housing Market

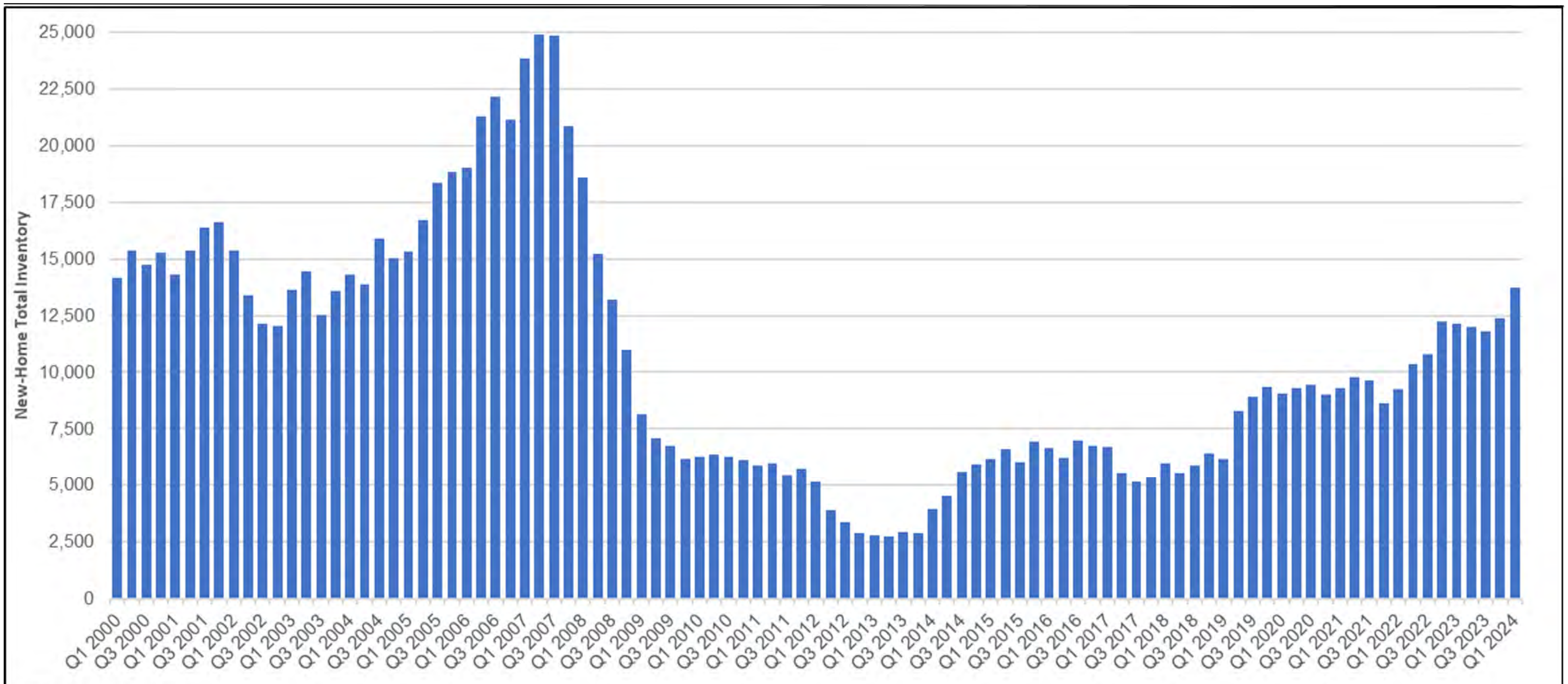
New Housing Sales and Pricing -- Quarterly

The Gregory Group



Source: The Gregory Group

New Housing Market
New Housing Total Inventory -- Quarterly

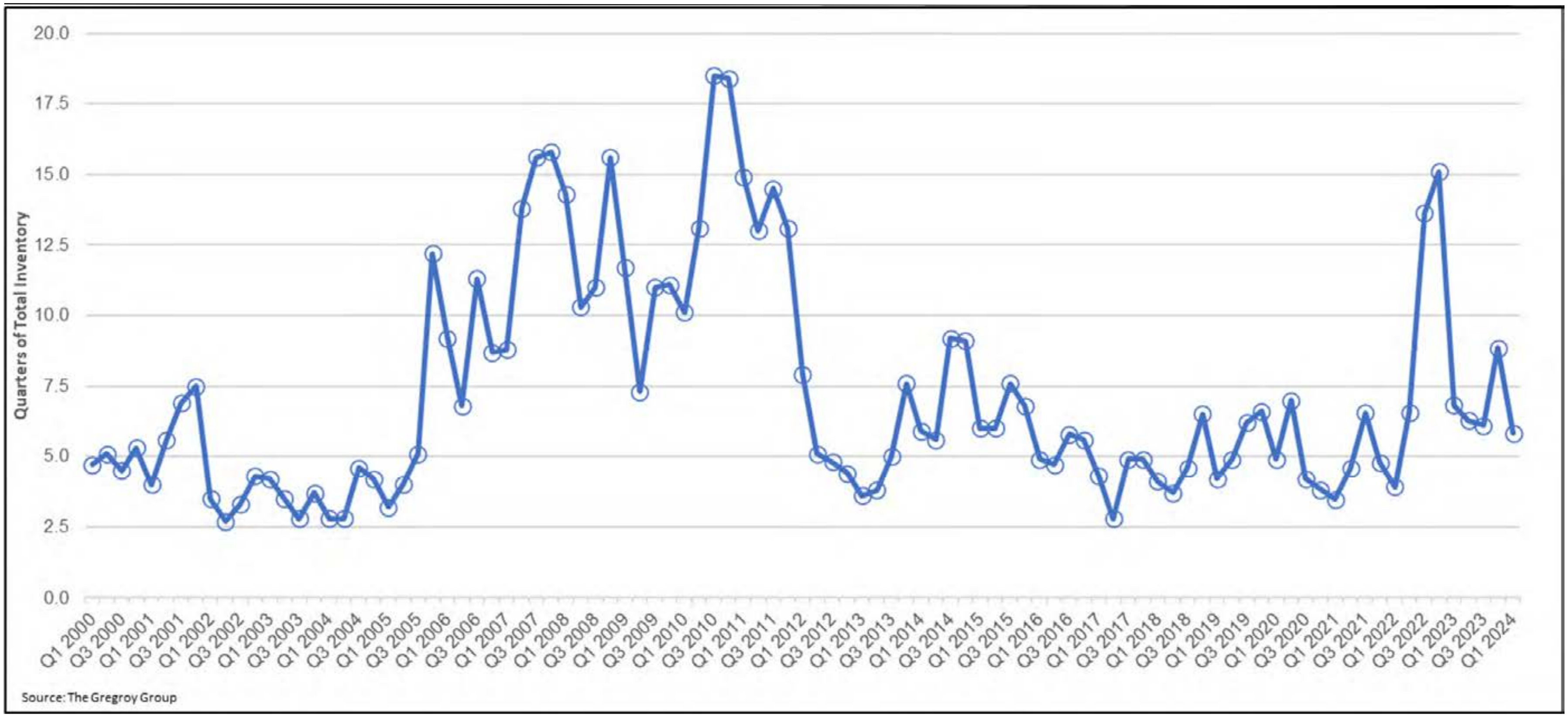


Source: The Gregory Group

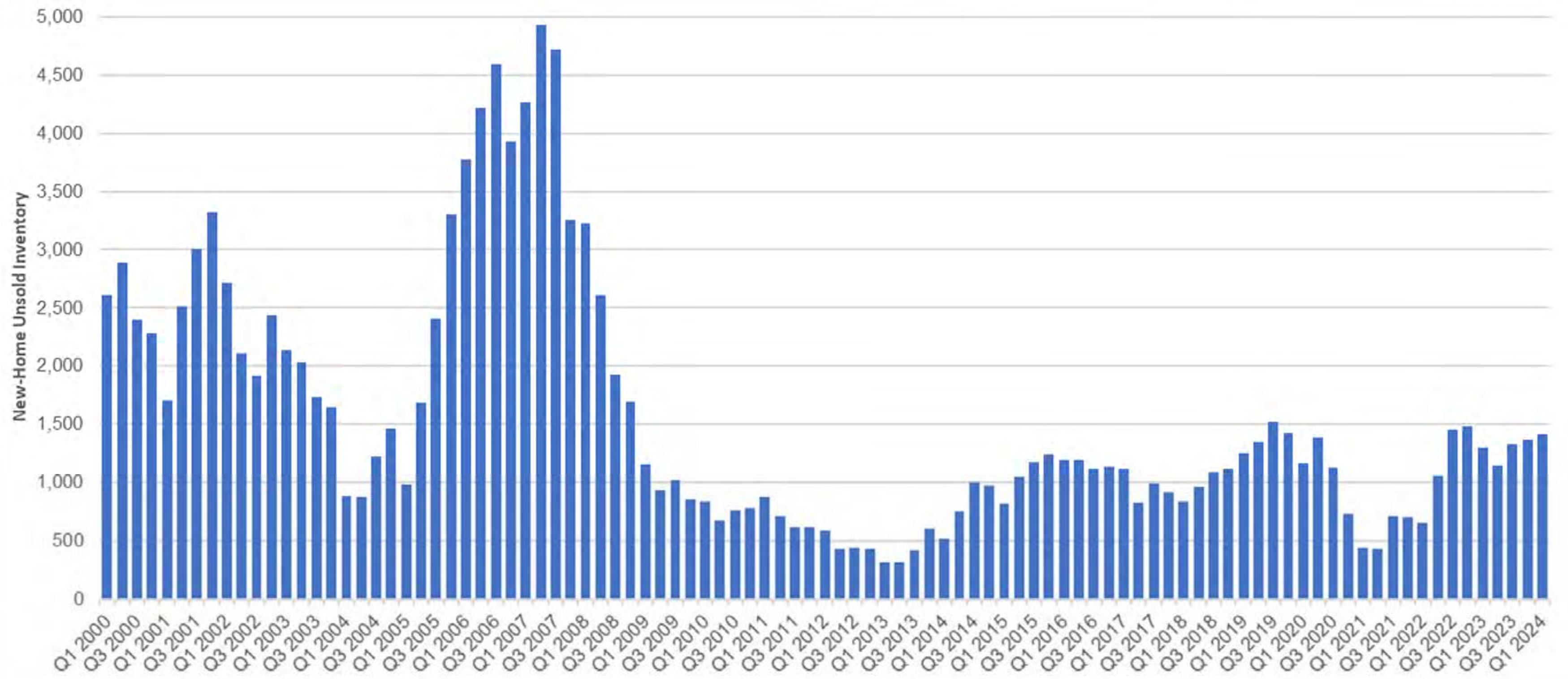
New Housing Market

New Housing Quarters of Total Inventory

The Gregory Group



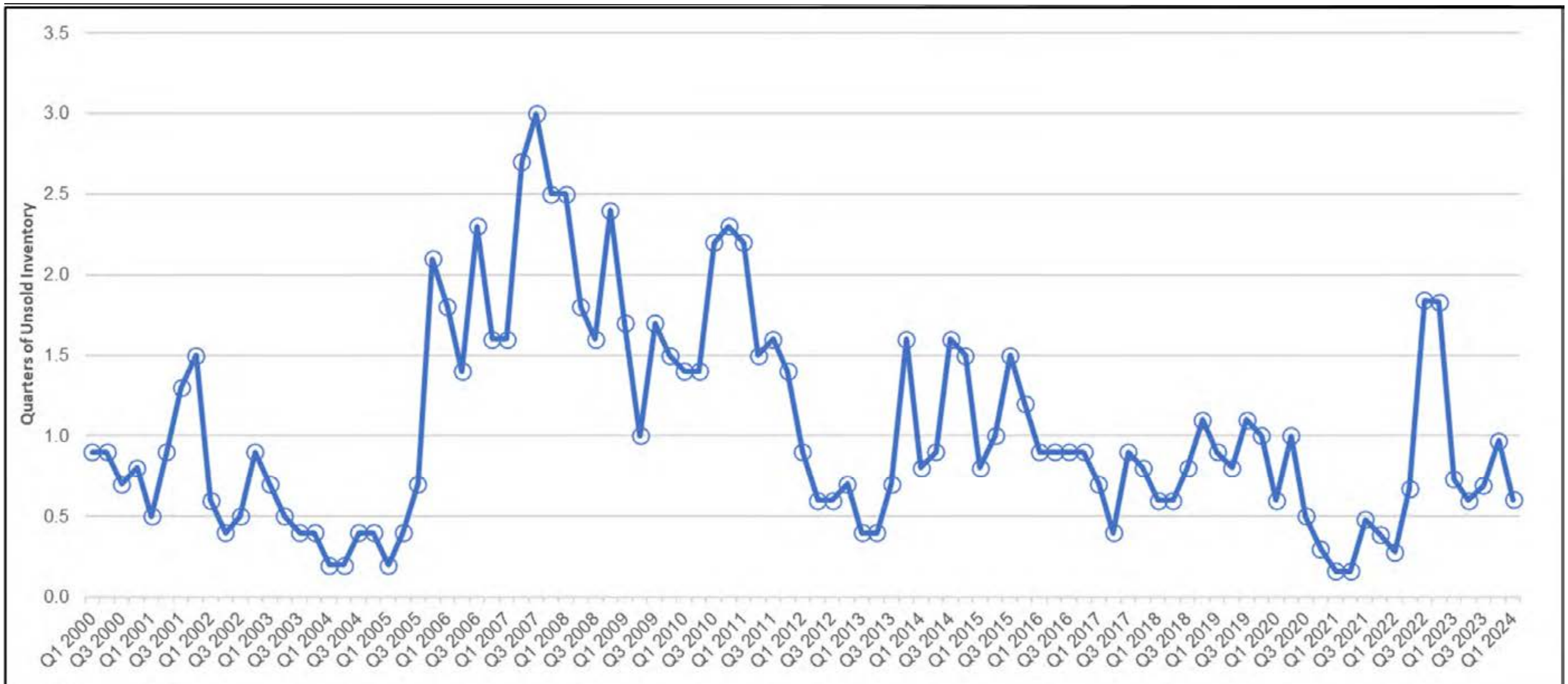
New Housing Unsold Inventory -- Quarterly



Source: The Gregory Group

New Housing Market

New Housing Quarters of Unsold Inventory

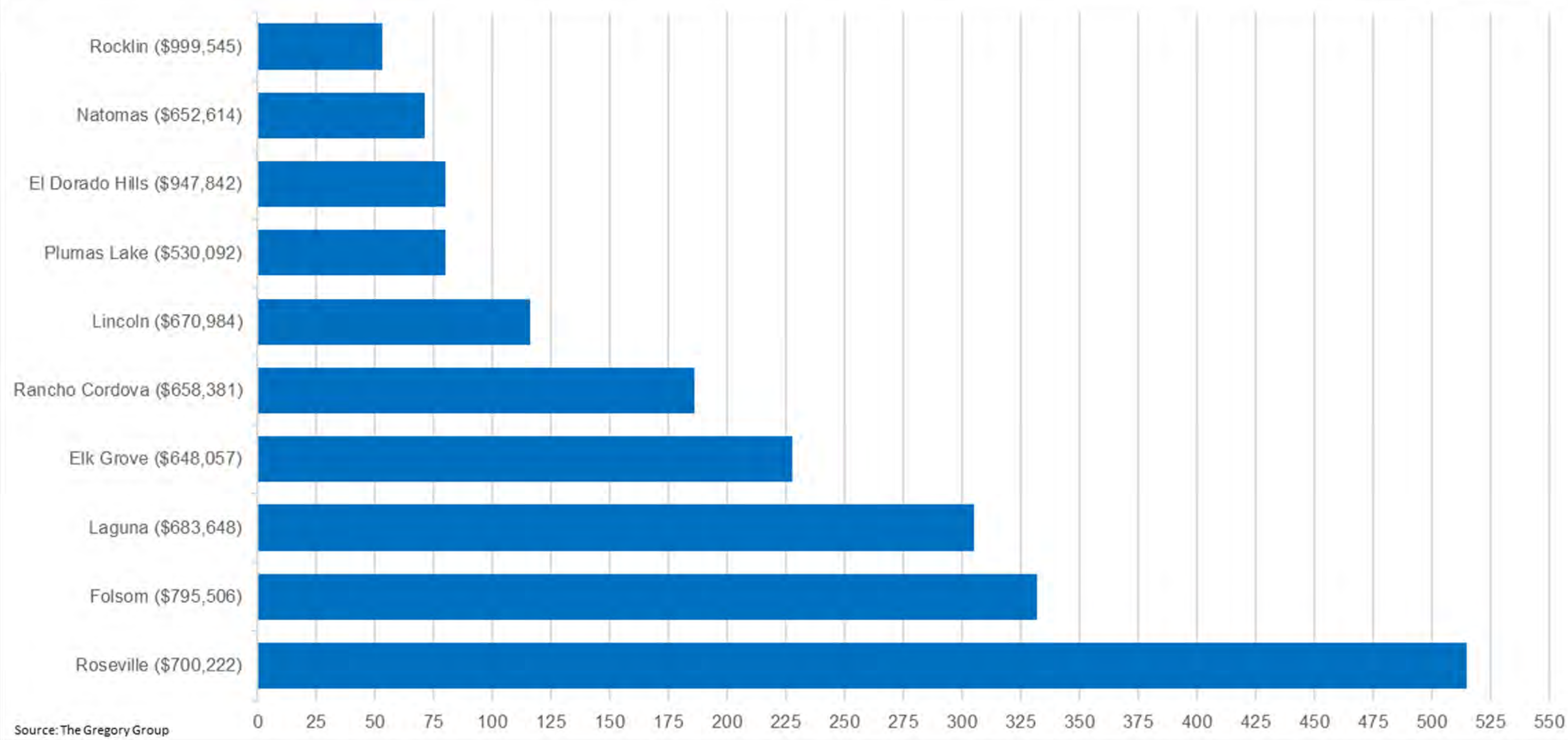


Source: The Gregroy Group

Sacramento Region Top Ten Sales By Community										
Community	2024 Sales	% Share Capture	2023 Sales	% Share Capture	2022 Sales	% Share Capture	2021 Sales	% Share Capture	2020 Sales	% Share Capture
Roseville ($700,222)	515	21.9%	1,799	25.6%	1,285	23.2%	1,550	19.1%	1,326	17.0%
Folsom ($795,506)	332	14.1%	750	10.7%	600	10.8%	790	9.8%	599	7.7%
Laguna ($683,648)	305	13.0%	687	9.8%	378	6.8%	376	4.6%	545	7.0%
Elk Grove ($648,057)	228	9.7%	428	6.1%	192	3.5%	301	3.7%	623	8.0%
Rancho Cordova ($658,381)	186	7.9%	466	6.6%	470	8.5%	444	5.5%	730	9.4%
Lincoln ($670,984)	116	4.9%	504	7.2%	678	12.2%	911	11.2%	476	6.1%
Plumas Lake ($530,092)	80	3.4%	255	3.6%	284	5.1%	299	3.7%	281	3.6%
El Dorado Hills ($947,842)	80	3.4%	249	3.5%	202	3.6%	327	4.0%	417	5.4%
Natomas ($652,614)	71	3.0%	541	7.7%	479	8.7%	894	11.0%	835	10.7%
Rocklin ($999,545)	53	2.3%	128	1.8%	125	2.3%	446	5.5%	489	6.3%

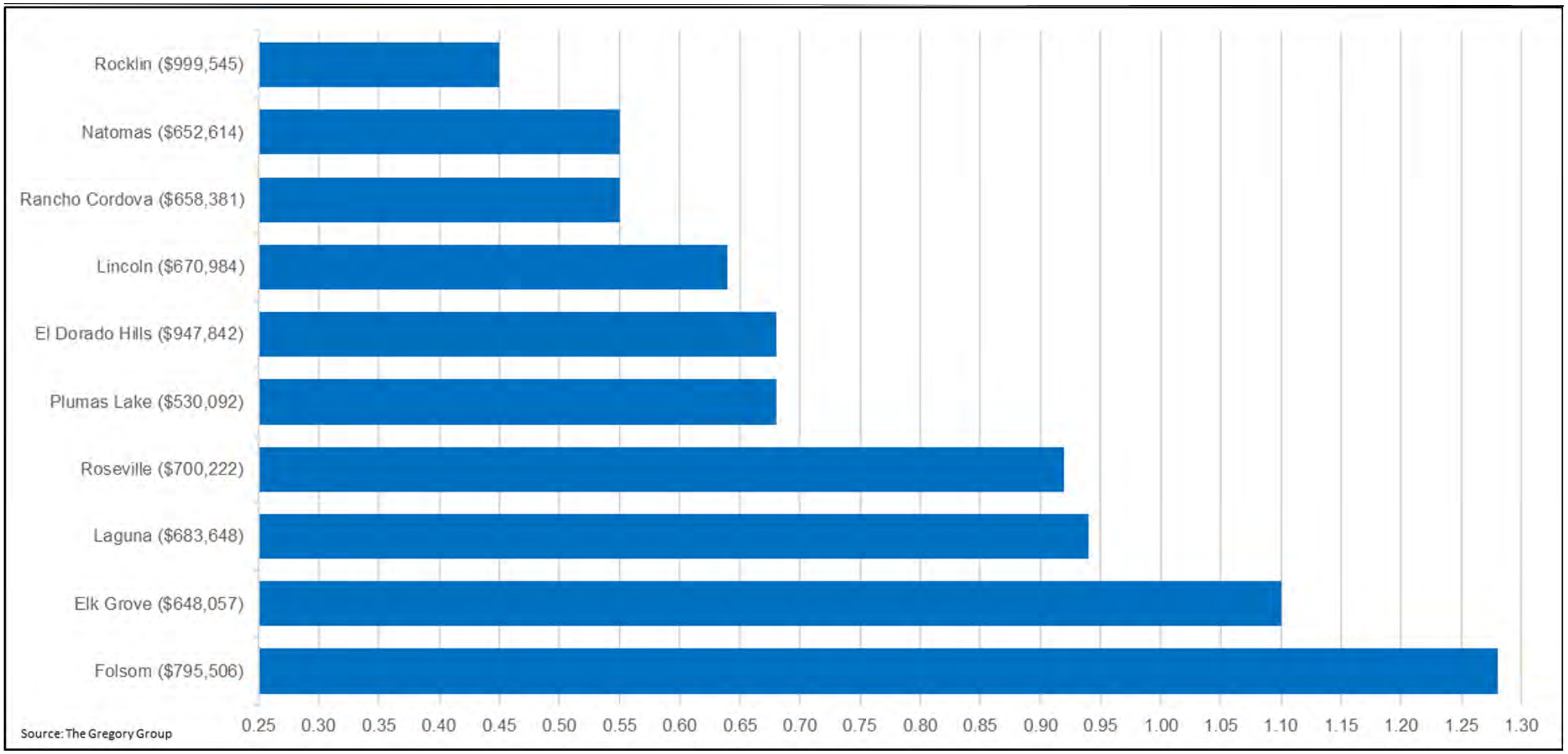
New Housing Market

New Housing – Units Sold By Community



Source: The Gregory Group

New Housing Market
New Housing – Sales Rates By Community

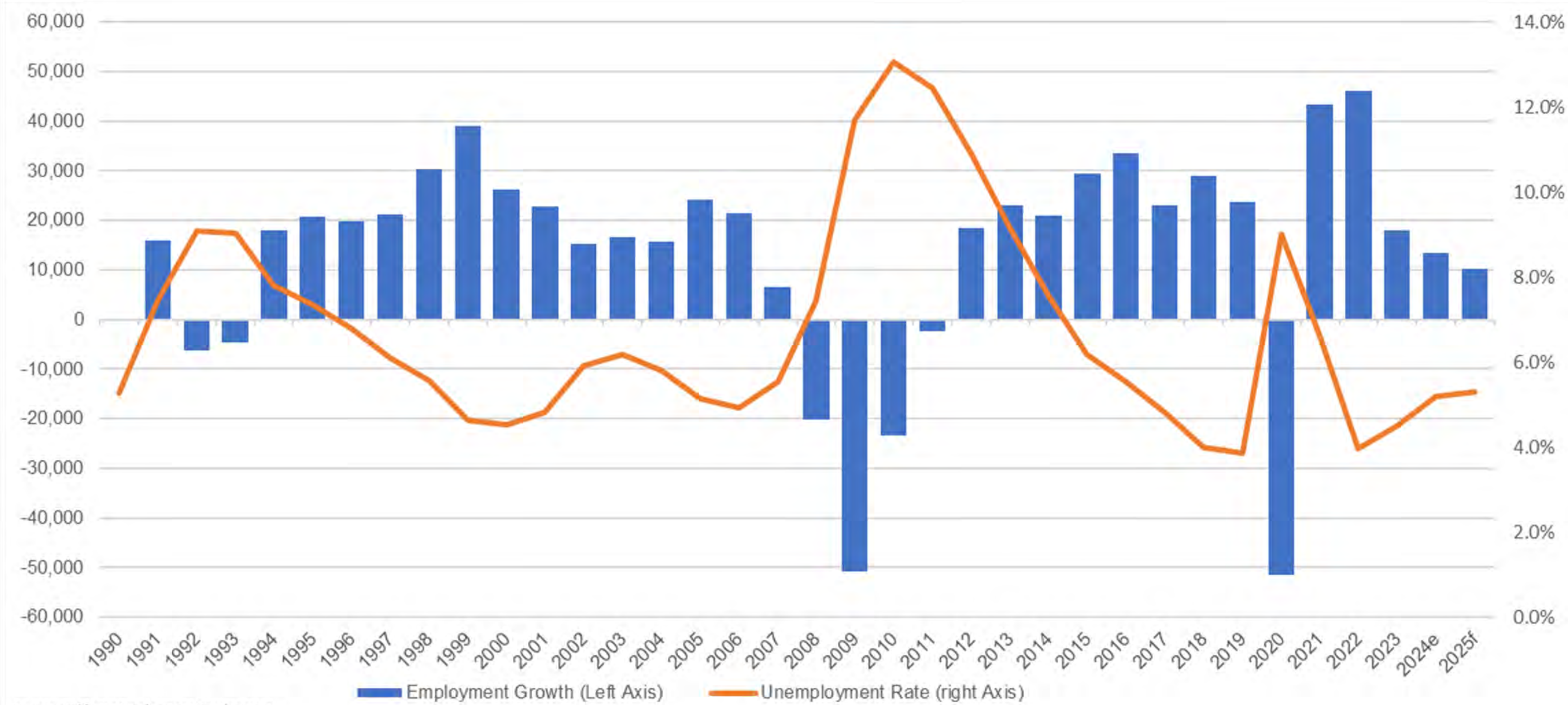


Economics and Demographics

Sacramento Region

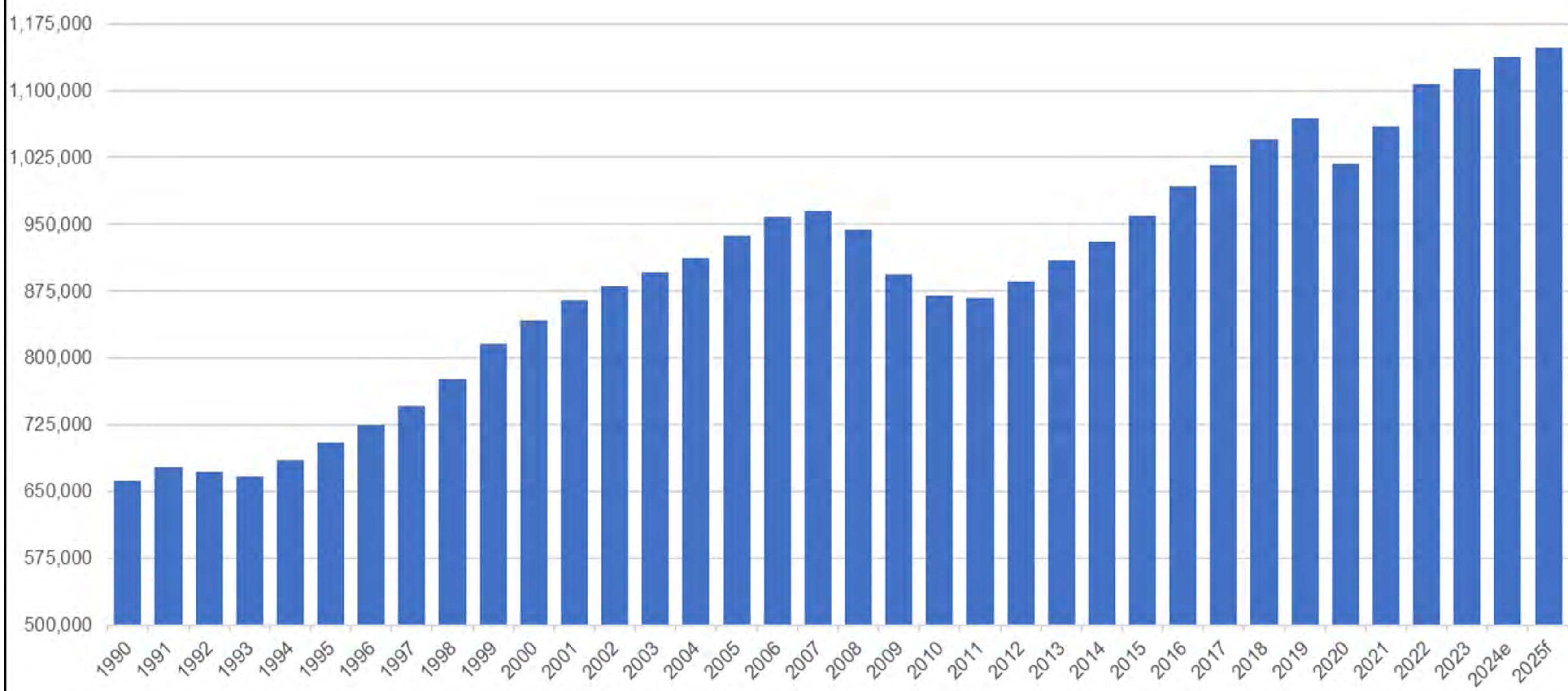
After the pandemic year of 2020 (51,600 jobs lost), employment growth averaged 44,500 new jobs in 2021 and 2022 (an average growth rate of 4.3%), before retreating to 17,900 new jobs in 2023 (a 1.6% growth rate). Estimated job growth for 2024 is 13,500 new jobs (a growth rate of 1.2%) followed by a forecast of 10,200 new jobs in 2025 (a growth rate of 0.9%). The labor market is clearly slowing and at the same time, is undergoing shifting demographics, work trends and attitudes toward work/life balance. The unemployment rate, which was 4.0% in 2022 and 4.5% in 2023 is estimated to increase to 5.2% in 2024 and to 5.3% in 2025.

Employment History and Forecast	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA								Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Non-Farm Employment:	993,200	1,016,200	1,045,200	1,068,800	1,017,200	1,060,500	1,106,700	1,124,600	1,138,100	1,148,300
Change From Prior Year:	33,500	23,000	29,000	23,600	-51,600	43,300	46,200	17,900	13,500	10,200
Annual Percent Change:	3.5%	2.3%	2.9%	2.3%	-4.8%	4.3%	4.4%	1.6%	1.2%	0.9%
Unemployment Rate	5.5%	4.8%	4.0%	3.9%	9.0%	6.6%	4.0%	4.5%	5.2%	5.3%



Source: California Employment Development

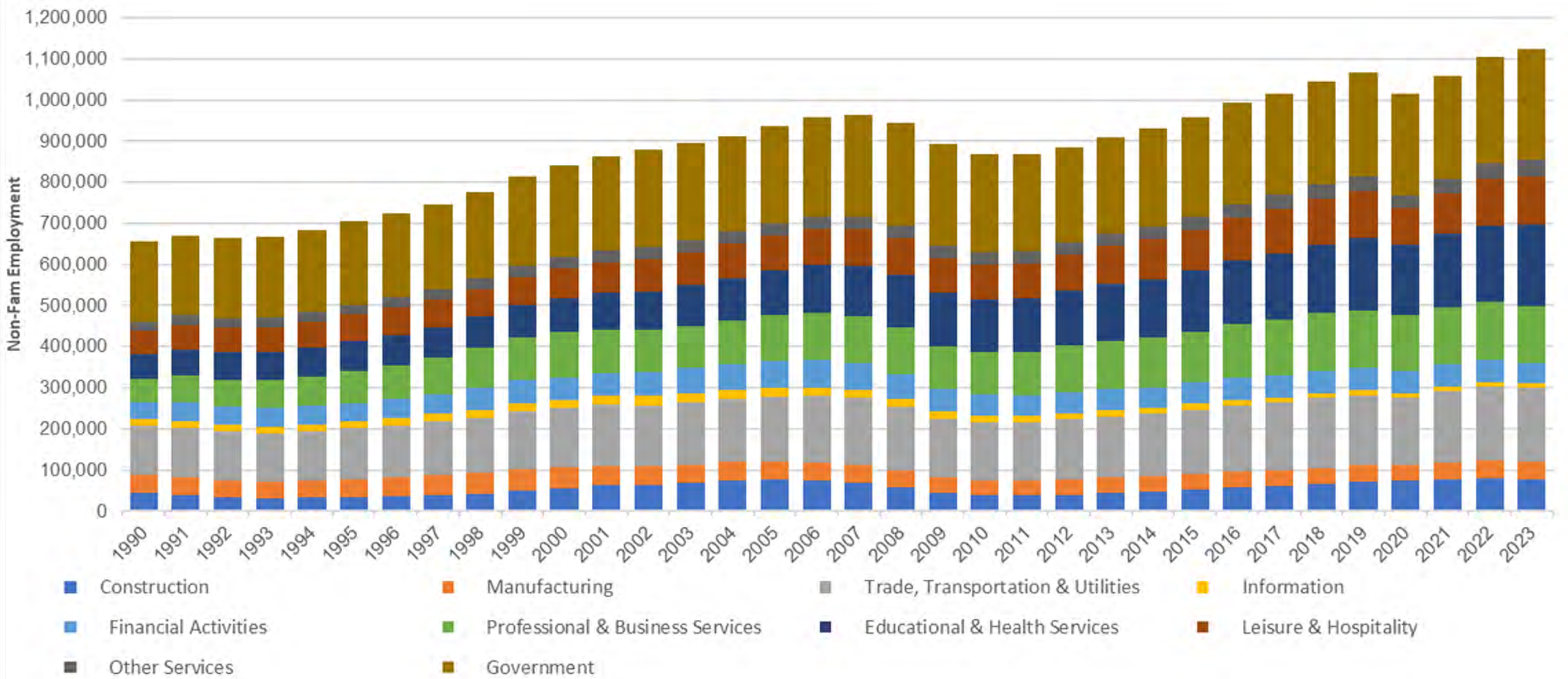
The Sacramento Region lost 51,600 jobs in 2020 due to the pandemic but has rebounded from 1,017,200 jobs to 1,124,600 total jobs in 2023. It is estimated that jobs will total 1,138,100 in 2024 and 1,148,300 in 2025 (an increase of 12.9% since the pandemic year of 2020).



Source: California Employment Development

Economics and Demographics
Total Employment – By Sector

Out of the top ten employment categories, six posted declines and four posted increases in 2023. Education and Health Services led the pack with 7.3% increase followed by Other Services (up 5.6%) and the largest declines were for Information and Financial Activities (both down 5.6%).

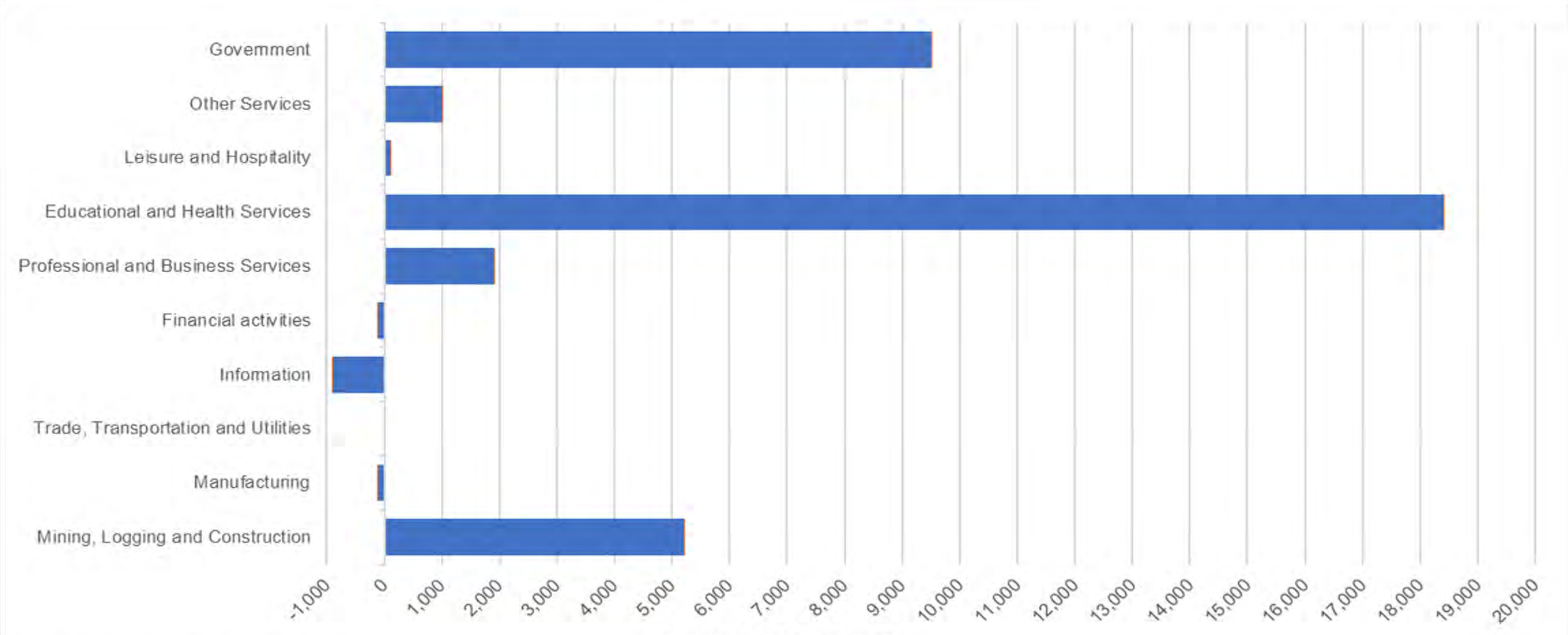


Source: California Employment Department

Economics and Demographics
Employment by Sector

A slowing job market has resulted in only seven of the ten major employment categories being positive with several posting only moderate increases in March of 2024 compared to a year earlier. The most significant decrease was in Information (900 lost jobs; a -8.8% decline). The most significant gains were in Education and Health Services (18,400 new jobs; a 9.5% increase), Mining, Logging and Construction (5,200 new jobs; a 7.1% increase) and Government (9,500 new jobs; a 3.5% increase). The slowing job market is a result of higher interest rates which has resulted in higher borrowing costs translating to slower GDP and moderating wage growth. While consumers are still engaged, they are becoming more cautious. Coupled with changing work habits, and cautious optimism for a soft landing, employment growth is moderating.

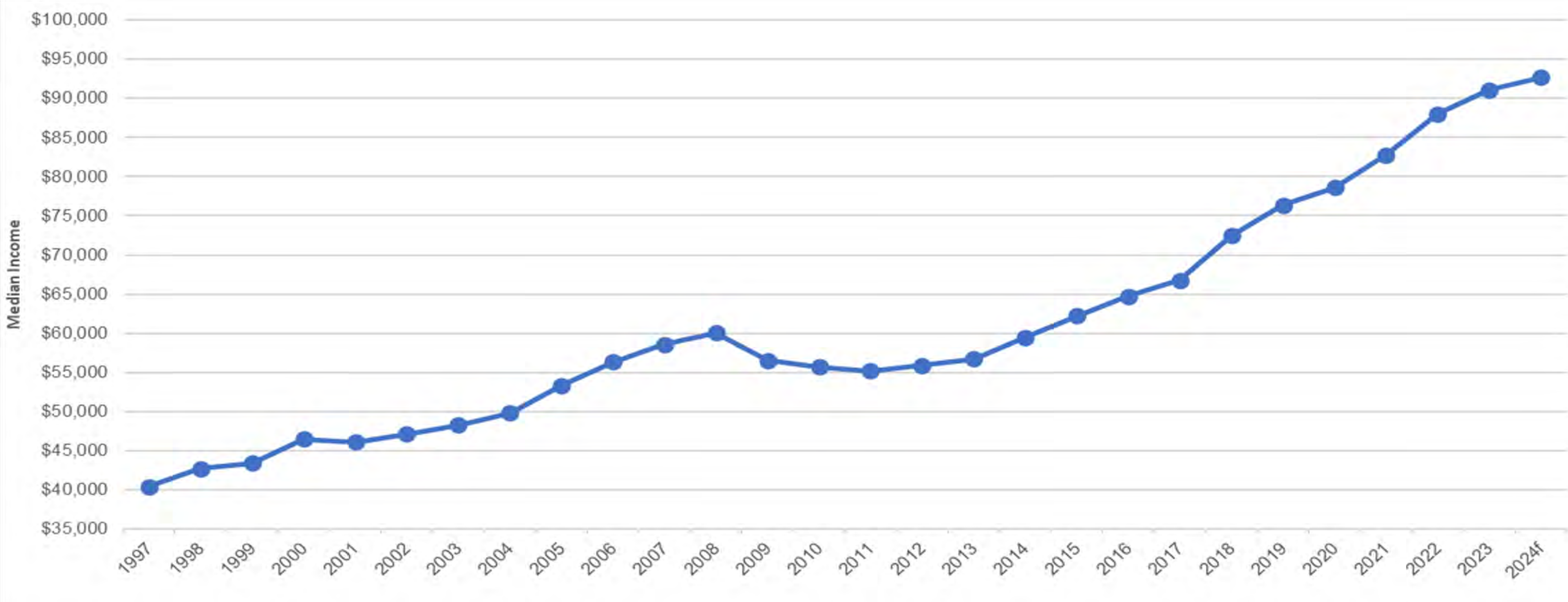
Employment Category	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA			
	Mar-23	Mar-24	Number Change	Percent Change
Mining, Logging and Construction	73,200	78,400	5,200	7.1%
Manufacturing	42,200	42,100	-100	-0.2%
Trade, Transportation and Utilities	177,100	177,100	0	0.0%
Information	10,200	9,300	-900	-8.8%
Financial activities	50,200	50,100	-100	-0.2%
Professional and Business Services	137,300	139,200	1,900	1.4%
Educational and Health Services	193,400	211,800	18,400	9.5%
Leisure and Hospitality	116,900	117,000	100	0.1%
Other Services	38,200	39,200	1,000	2.6%
Government	270,000	279,500	9,500	3.5%



Source: California Employment Development Department

According to the US Census Bureau, median household income increased 6.26% in 2022 before declining to 3.51% in 2023. It is estimated that 2024 will post a more anemic 1.76% increase (and a median income of $92,674). The tight labor market has resulted in strong wage growth during the previous few years, but higher interest rates, and moderating economic activity has resulted in a deceleration of employment growth and slower wage growth. It is anticipated that income growth will continue to moderate into the near future.

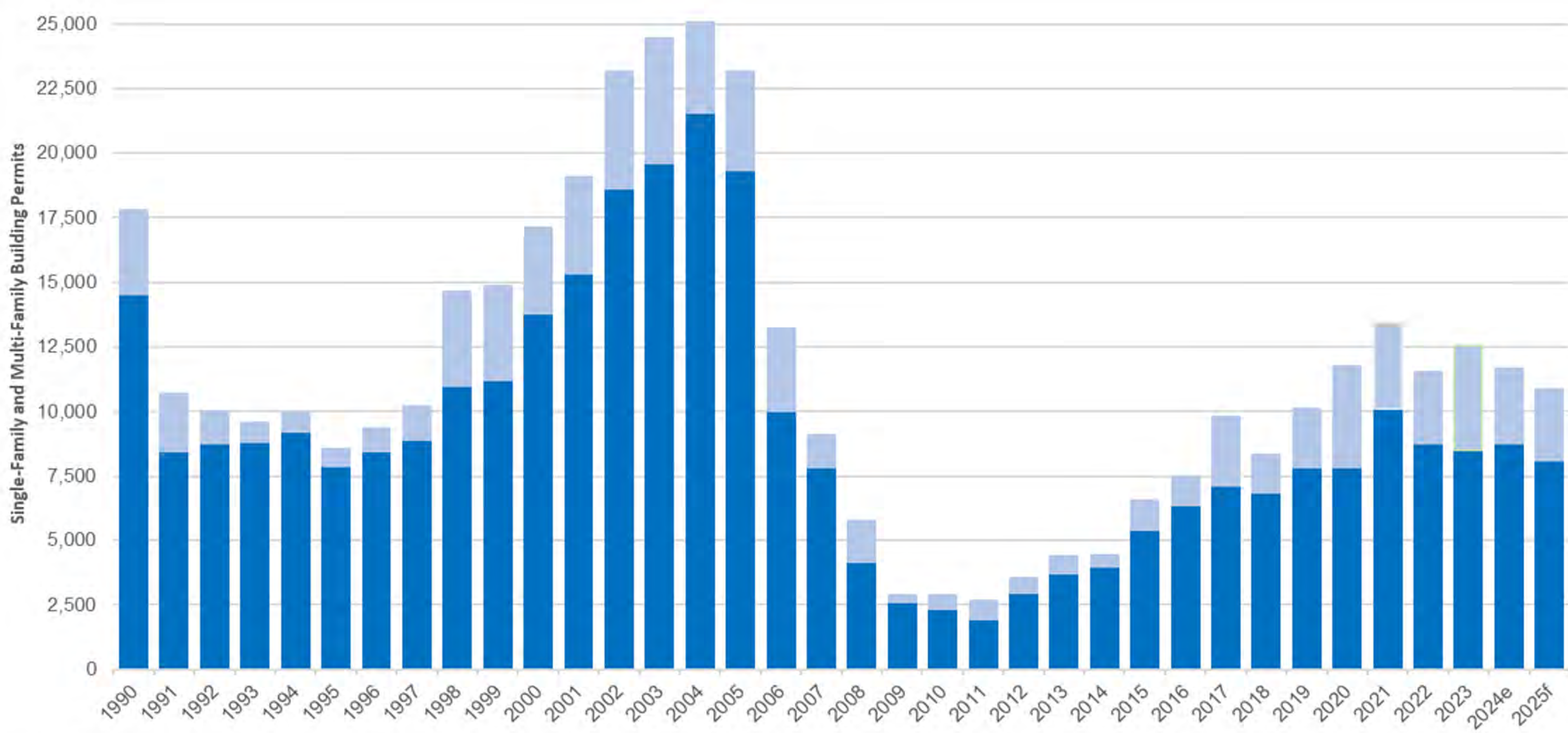
Median Income/ County	Sacramento-Roseville-Arden-Arcade MSA									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024f
El Dorado County	$75,575	$75,100	$78,464	$81,869	$86,202	$87,792	$87,689	$104,859	$106,754	$107,719
Placer County	$76,203	$85,326	$81,366	$89,175	$97,688	$100,662	$103,588	$106,114	$108,511	$109,736
Sacramento County	$58,735	$59,728	$62,959	$69,475	$71,891	$72,953	$79,611	$83,985	$87,401	$89,178
Sutter County	$50,810	$51,283	$54,102	$57,879	$60,910	$65,791	$63,246	$66,071	$70,452	$72,787
Yolo County	$58,766	$63,645	$64,900	$67,804	$70,951	$80,668	$76,247	$82,359	$84,964	$86,307
Yuba County	$46,500	$46,054	$53,822	$47,504	$56,607	$56,278	$60,764	$63,626	$66,214	$67,560
Estimated Region Median Income	$62,267	$64,711	$66,767	$72,492	$76,353	$78,592	$82,794	$87,981	$91,070	$92,674
Annual Percent Change	4.68%	3.93%	3.18%	8.57%	5.33%	2.93%	5.35%	6.26%	3.51%	1.76%



Source: FRED, The Gregory Group

Total building permits have remained elevated since the pandemic in 2020 and the increased housing demand of 2021 with 12,541 total building permits in 2023. However, a lack of supply and higher interest rates are suggesting that total permits will decline 7.1% in 2024 (11,654 total permits) and another 6.9% in 2025 (10,851 total permits).

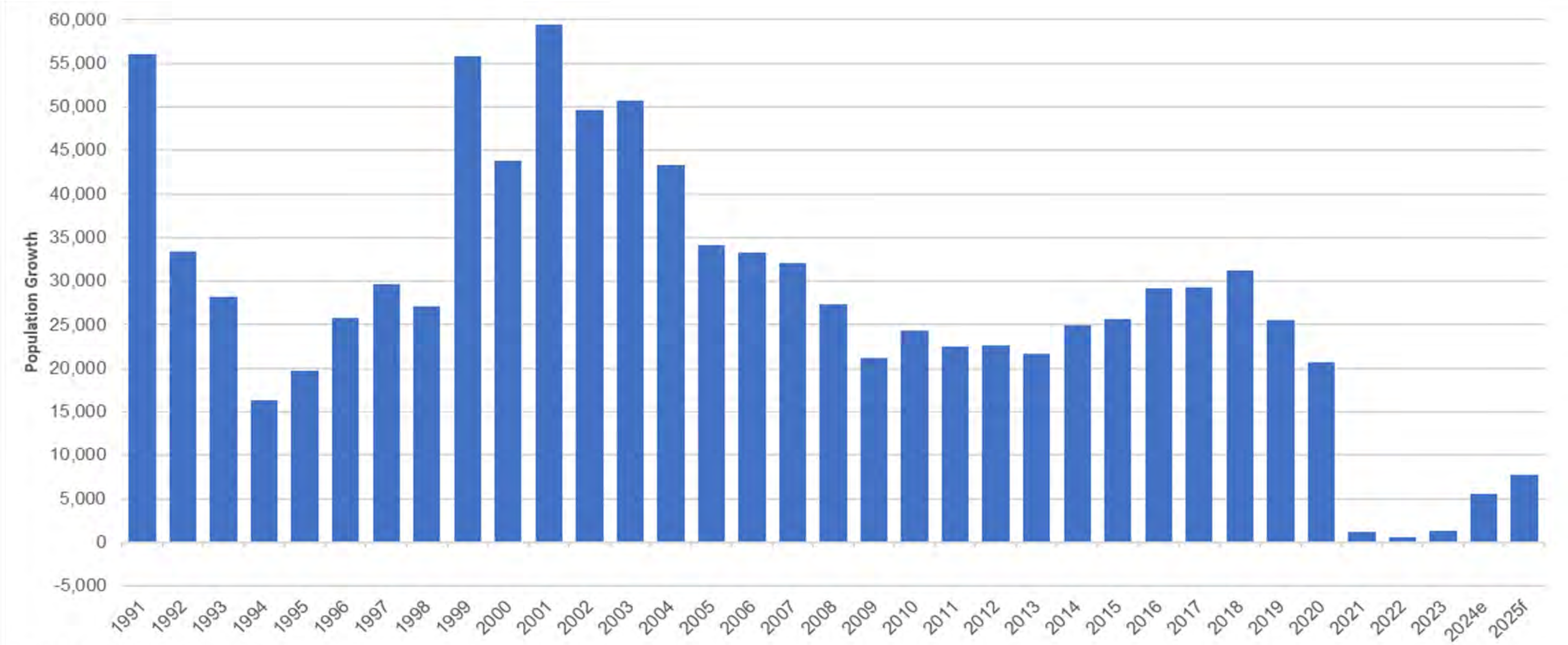
Building Permits	Sacramento-Roseville-Arden-Arcade MSA								Two-Year Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Single-Family Permits	6,392	7,114	6,863	7,838	7,855	10,115	8,762	8,527	8,780	8,121
Multi-Family Permits	1,073	2,692	1,486	2,271	3,895	3,300	2,776	4,014	2,874	2,730
Total Permits	7,465	9,806	8,349	10,109	11,750	13,415	11,538	12,541	11,654	10,851
Annual Percent Change:	13.9%	31.4%	-14.9%	21.1%	16.2%	14.2%	-14.0%	8.7%	-7.1%	-6.9%



Source: US Census Bureau

Post pandemic population growth in the Sacramento Region has been stunted as more people have left the region and the state than before the pandemic. Population growth averaged only 1,020 people in 2021 through 2023. There is hope that population will begin to grow again as the 2024 estimated population growth is 5,607 people (a growth rate of 0.2%) and an increase of 7,774 people projected for 2025 (a growth rate of 0.3%). Overall, a greater number of births over deaths and positive international immigration was barely enough to overcome the movement out of the region and the state. The exodus out of the region and the state appears to be the result of several factors including the lack of affordable housing, higher taxes, the ability to work far from employment centers and societal concerns (traffic, crime, homelessness, etc.). It is possible that a return to normal after the pandemic influences finally wane will provide a more solid base for population growth in the future or if Bay Area transplants will continue to explore living in California, but it is unlikely that the region will suffer long-term anemic population growth.

Population History and Forecast	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA								Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Population:	2,471,871	2,501,114	2,532,318	2,557,863	2,578,590	2,579,787	2,580,372	2,581,651	2,587,258	2,595,032
Change From Prior Year:	29,145	29,243	31,204	25,545	20,727	1,197	585	1,279	5,607	7,774
Annual Percent Change:	1.2%	1.2%	1.2%	1.0%	0.8%	0.0%	0.0%	0.0%	0.2%	0.3%



Source: California Department of Finance

A projection of population change by age group forecasts a significant increase in the oldest age cohort (over 75 years of age), as the Baby-Boomers (and the Silent Generation) continue to age. Likewise, the younger Millennial and Gen-Z populations are continuing to mature with many aging into the prime homebuying age categories (first-time and move-up housing) while the aging population is looking to downsize into housing that offers greater flexibility (smaller lots and single-level living). The offering of these types of housing (first-time and last-time housing) will continue to prove successful and should result in attracting these buyer segments to the region. Growth is less robust in the two age groups under 35 years and in the age groups between 55 and 74 years of age.

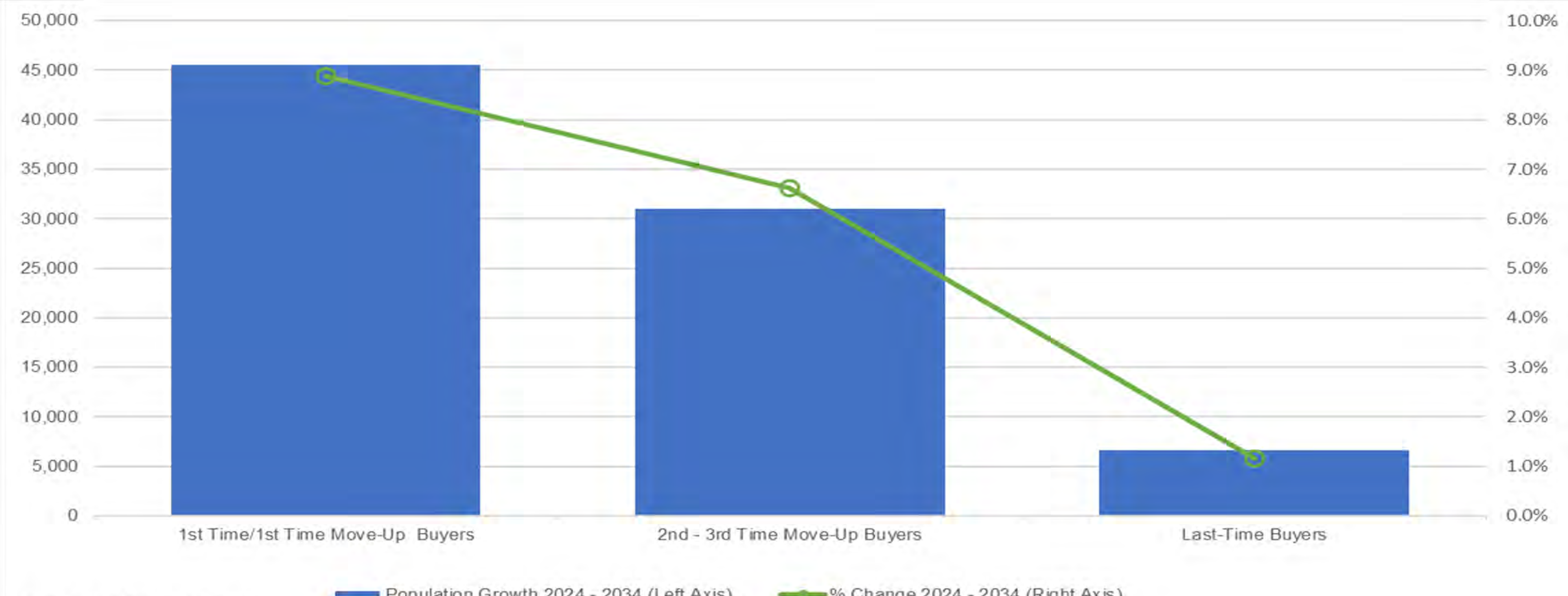
Population Growth by Age Range	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA -- Age Distribution							
	0 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years	Median Age (Est.)
Population (2024):	825,049	358,812	307,455	249,511	309,409	263,640	201,256	34.6
Distribution	32.8%	14.3%	12.2%	9.9%	12.3%	10.5%	8.0%	--
Population (2034):	793,468	364,350	371,596	321,646	295,805	283,866	294,948	--
Distribution	29.1%	13.4%	13.6%	11.8%	10.9%	10.4%	10.8%	--
Change From Prior Decade:	-31,581	5,538	64,141	72,135	-13,604	20,226	93,692	--
Decade Percent Change:	-3.8%	1.5%	20.9%	28.9%	-4.4%	7.7%	46.6%	--

Source: California Department of Finance

Population Change -- By Buyer Category and Over Time

Another way to look at the population distribution is by buyer category; this includes first-time/first-time move-up, second- and third-time move-up and last-time buyers. Over the next ten years, last time buyers include the trailing edge of the Baby-Boomers and the maturing Gen-X (a smaller generation sandwiched between the Baby-Boomers and the Millennials), second- and third-time move-up buyers will include the trailing Gen-X and many of the Millennial generation while the first-time/first-time move-up buyers will include the trailing Millennials and the emerging Gen-Z generation. While many of the Baby-Boomer generation will move beyond their home buying years and into living environments that include ageing in place, independent living, assisted living and memory care, the younger generations (both very large populations) will move into their prime home buying years. Despite a slower rate of growth for last-time buyers, this segment has the greatest population as compared to the other two categories.

Population Growth by Buyer Category	Sacramento Region		
	1st Time/1st Time Move-Up	2nd - 3rd Time Move-Up	Last-Time
Population (2024):	512,887	468,134	573,049
Distribution	33.0%	30.1%	36.9%
Population (2034):	558,446	499,146	579,671
Distribution	34.1%	30.5%	35.4%
Change From Prior Decade:	45,559	31,012	6,622
Decade Percent Change:	8.9%	6.6%	1.2%

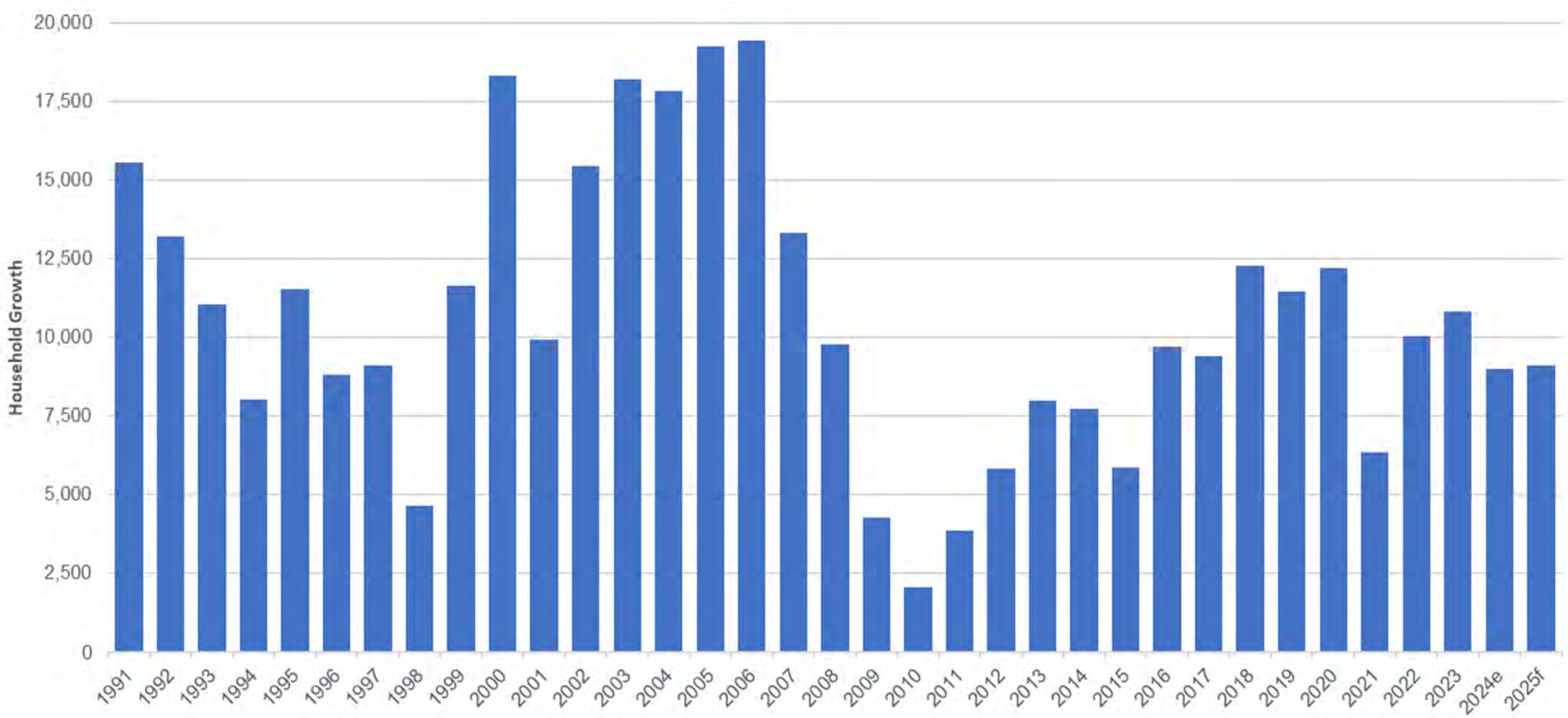


Source: California Department of Finance

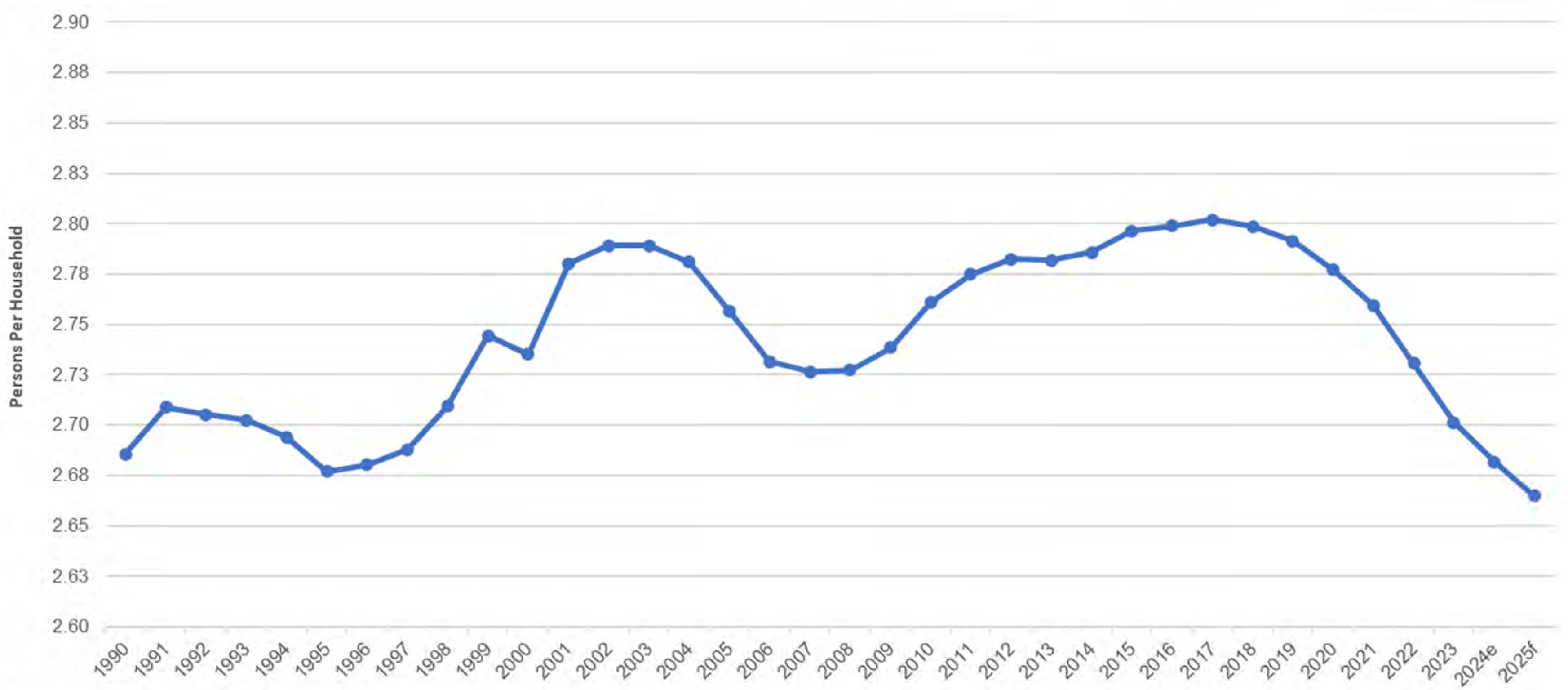
Economics and Demographics
Household Growth

Despite slow population growth, household growth within the Sacramento Region has been robust post pandemic. 2023 posted a strong increase of 10,812 new households and 2024 is estimated to increase only slightly less aggressively, to 9,000 new households followed by a slight increase in 2025 (up 9,104 households). Household growth is a main driver of housing, and the growth appears to be a result of post pandemic lifestyle changes as people who grouped together during the pandemic look for new housing opportunities. In addition, the millennial Generation, a large group, is moving through the housing cycle of first-time buyers to move-up buyers as they marry and have children.

Households History and Forecast	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA								Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Households:	883,197	892,615	904,870	916,331	928,530	934,888	944,911	955,723	964,723	973,827
Change From Prior Year:	9,682	9,418	12,255	11,461	12,199	6,358	10,023	10,812	9,000	9,104
Annual Percent Change:	1.1%	1.1%	1.4%	1.3%	1.3%	0.7%	1.1%	1.1%	0.9%	0.9%
Persons Per Household:	2.80	2.80	2.80	2.79	2.78	2.76	2.73	2.70	2.68	2.66

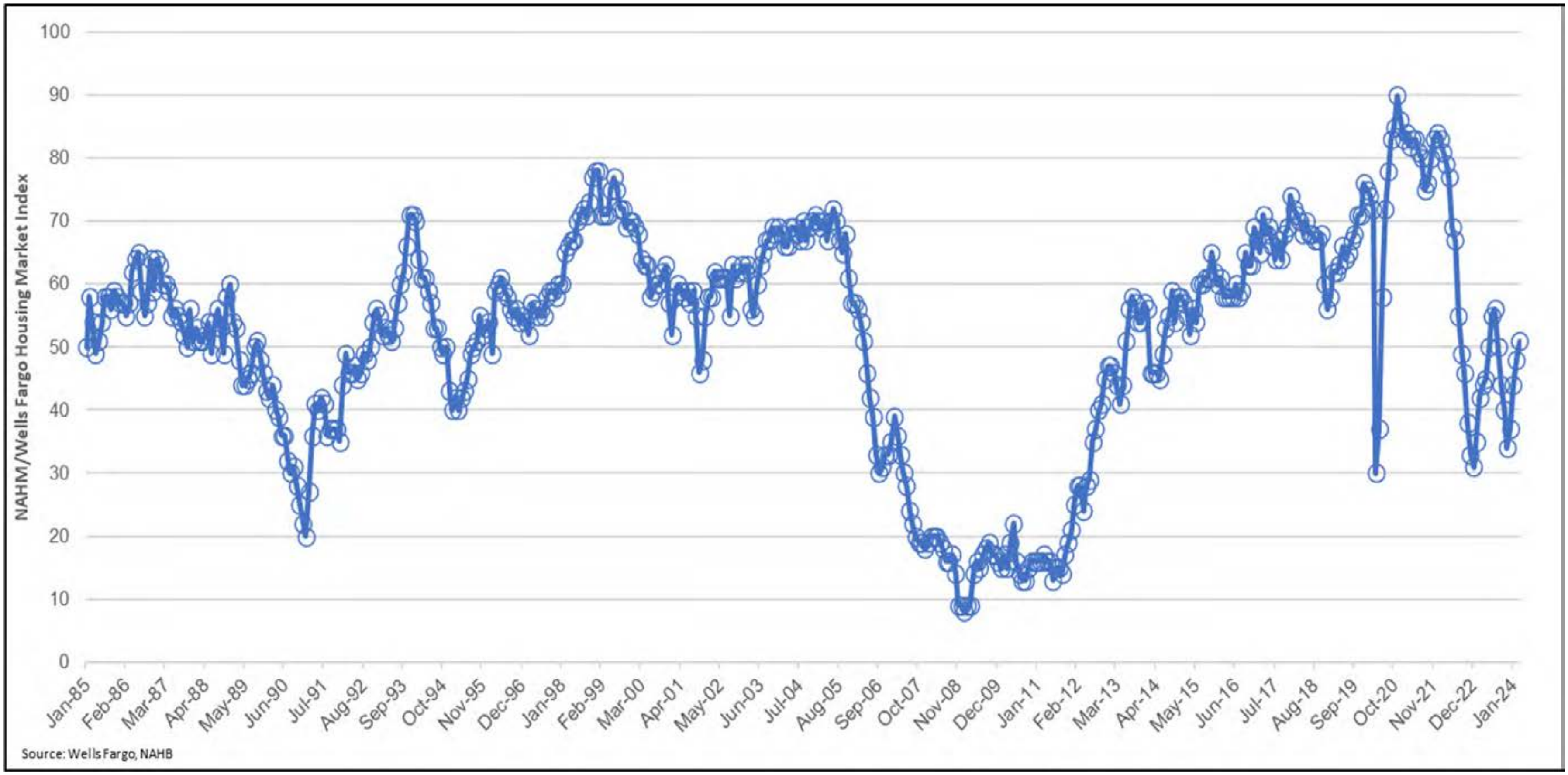


Source: California Department of Finance

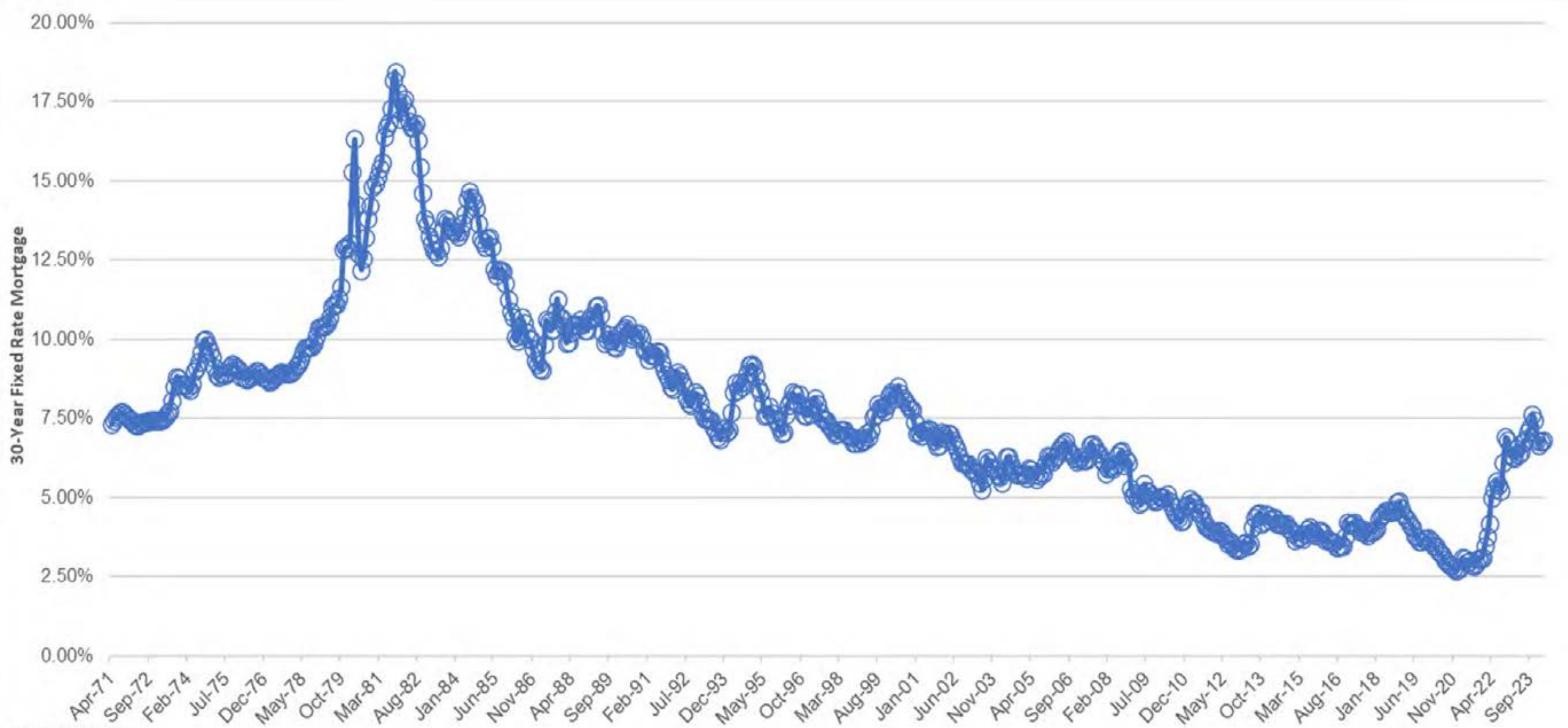


Source: California Department of Finance

Builder optimism has bounced off the bottom (31 in December of 2022) and has increased recently to 51 as of March 2024. The increase has been despite an increase in mortgages rates—a realization that mortgage rates may not return to the 3.5% level for many years in the future (if ever). There is still hope however, that mortgage rates will decline toward five-percent and that buyer optimism will return more substantially.



Despite the rapid increase in mortgage rates, new-home sales increased as the number of available existing homes for sale has stayed below the long-term average. A substantial number of California homeowners currently have a mortgage rate that is less than 5.0% and while easy money and low mortgage rates may be a thing of the past, they may settle at a reasonable five- to six-percent range for the longer-term. As of March 2024, mortgage rates are 6.82%.

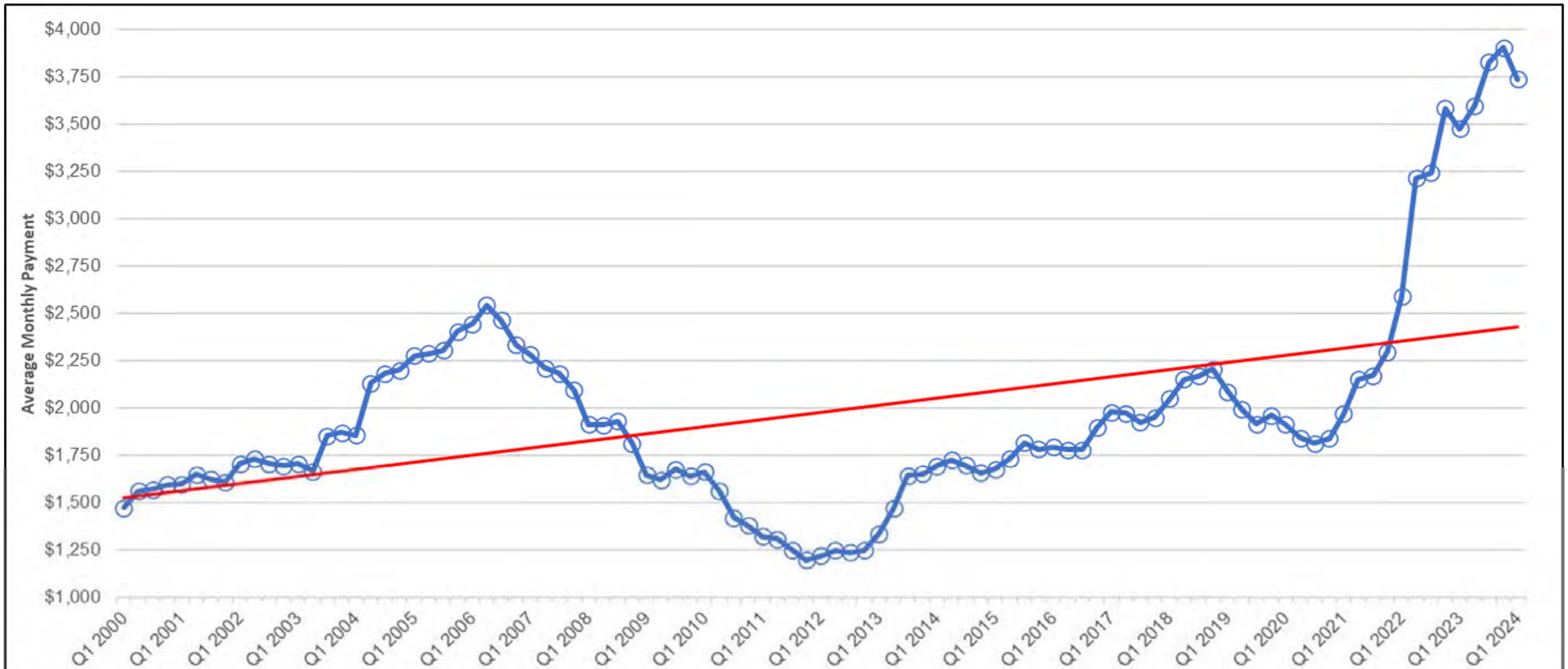


Source: FreddieMac

New Housing -- Average Monthly Principal Payment

The graph below displays the average monthly payment based on the average price of a new-home in the Sacramento Region along with the corresponding 30-year fixed rate mortgage. The principal monthly payment includes a 30-year loan with a 20% down payment and does not include taxes (property taxes or special taxes), insurance or HOA fees. The resulting graph indicates a steep increase in the principal payment from a low of $1,800 in the Third Quarter of 2020 to $3,737 in the First Quarter of 2024. As this graph indicates, the rate has declined over the previous quarter, and there is hope that a decrease in mortgage rates to below seven-percent will push the slope lower.

Because of the increase in interest rates due to inflationary pressures and increasing home prices due to pandemic influences, the cost to afford housing has accelerated in recent years. Despite this, new home sales have been robust due to several factors including all cash or larger down payments (often with Baby-Boomer parents helping millennial children with a down payment), a transfer of equity form the sale of an existing home and higher incomes (especially from Bay Area transplants). The chart below (not adjusted for inflation) represents the entire Sacramento Region, but affordability is more nuanced: Natomas is more affordable than Granite Bay for instance. Affordability is also relative regionally; what is unaffordable in the Bay Area or coastal California can be vey affordable in Sacramento.



Source: The Gregory Group, FreddieMac, Mortgage News Daily

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, Sacramento County, City of Sacramento, American FactFinder, MLS (Trends), The Gregory Group

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THE Gregory Group

Real Estate Information and Consulting Services

Folsom
101 Parkshore Drive, Suite 100
Folsom, CA 95630
(916) 983-3524
info@thegregorygroup.com
www.thegregorygroup.com

Aliso Viejo
120 Vantis, Suite 300
Aliso Viejo, CA 92656
(949) 382-6414
info@thegregorygroup.com
www.thegregorygroup.com

OWNER'S STATEMENT

THE UNDERSIGNED HEREBY CONSENTS TO THE PREPARATION AND FILING OF FINAL MAP OF "GREENBRIAR PHASE 1 VILLAGE 14A".

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES:

THE UNDERSIGNED HEREBY OFFERS FOR DEDICATION AND DOES HEREBY DEDICATE TO ANY AND ALL PUBLIC USES THE BOULEVARD, STREET, WAY, DRIVES AND COURT SHOWN HEREON AND DOES HEREBY DEDICATE TO SPECIFIC PURPOSES THE FOLLOWING:

1. EASEMENTS FOR PLANTING AND MAINTAINING TREES, INSTALLATION AND MAINTENANCE OF ELECTROLIERS, TRAFFIC CONTROL DEVICES, WATER AND GAS PIPES, AND FOR UNDERGROUND AND OVERHEAD WIRES AND CONDUITS FOR ELECTRICAL, TELEPHONE AND TELEVISION SERVICES, TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER, UNDER AND ACROSS THOSE STRIPS OF LAND TWELVE AND ONE HALF (12.50) FEET IN WIDTH AND CONTIGUOUS TO THE BOULEVARD, STREET, WAY, DRIVES AND COURT SHOWN HEREON AND DESIGNATED "12.5' PUBLIC UTILITY EASEMENT" (12.5' PUE).
2. AN EASEMENT FOR CONSTRUCTION AND MAINTAINING CENTRALIZED MAIL DELVERY BOXES, PEDESTALS AND SLABS, TOGETHER WITH ANY AND ALL APFURTENANCES 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 STREET, WAY, DRIVE AND COURT SHOWN HEREON.
3. AN IRREVOCABLE OFFER OF DEDICATION FOR LANDSCAPE EASEMENT, TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER AND ACROSS LOTS C, D AND E SHOWN HEREON AND DESIGNATED "IOD FOR LANDSCAPE EASEMENT" (LEIOD).

THE GREENBRIAR PROJECT OWNER, LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: Caren Read

PRINT NAME: Caren Read

TITLE: AUTHORIZED REPRESENTATIVE

SURVEYOR'S STATEMENT

THIS FINAL MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF THE GREENBRIAR PROJECT OWNER, LLC, A DELAWARE LIMITED LIABILITY COMPANY IN JUNE 2023. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP; THAT ALL THE MONUMENTS SHOWN HEREON ARE OF THE CHARACTER AND OCCUPY THE POSITIONS AS INDICATED, OR WILL BE SET IN THOSE POSITIONS BEFORE ISSUANCE OF NOTICE OF COMPLETION BY THE CITY FOR THE CONSTRUCTION OF REQUIRED PUBLIC IMPROVEMENTS AND THAT THE MONUMENTS ARE OR WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED AND THAT THIS MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP AND ANY APPROVED ALTERATIONS THEREOF.

WOOD RODGERS, INC.

DENNIS L. BARBER, P.L.S. 8067

3/20/24
DATE

PROFESSIONAL LAND SURVEYOR DENNIS L. BARBER No. 8067 STATE OF CALIFORNIA

FINAL MAP OF

GREENBRIAR PHASE 1 VILLAGE 14A

SUBDIVISION NO. P22-023.1

BEING ALL OF LOT C OF THAT CERTAIN FINAL MAP ENTITLED "GREENBRIAR PHASE 1 VILLAGE 5B", FILED IN BOOK 430 BOOK OF MAPS, AT PAGE 3, AND BEING ALL OF PARCELS A AND 23 OF THAT CERTAIN MAP ENTITLED MASTER PARCEL MAP OF "GREENBRIAR PHASE 1", FILED IN BOOK 238 OF PARCEL MAPS, AT PAGE 9, SACRAMENTO COUNTY RECORDS AND SITUATE WITHIN SECTION 33, T.10N. R.4E. M.D.M
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

MARCH 2024

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SHEET 1 OF 6
1116.115

NOTARY'S STATEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF Orange)

ON THIS 21st DAY OF March, 2024 BEFORE ME, Sharon Ward, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED Caren Read WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON~~(S)~~ WHOSE NAME~~(S)~~ IS/~~ARE~~ SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT ~~HE~~/SHE/~~THEY~~ EXECUTED THE SAME IN ~~HIS~~/HER/~~THEIR~~ AUTHORIZED CAPACITY~~(IES)~~, AND THAT BY ~~HIS~~/HER/~~THEIR~~ SIGNATURE~~(S)~~ ON THE INSTRUMENT THE PERSON~~(S)~~, OR THE ENTITY UPON BEHALF OF WHICH THE PERSON~~(S)~~ ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL:

Sharon Ward — SIGNATURE
Sharon Ward — PRINTED NAME

MY PRINCIPLE PLACE OF BUSINESS IS IN THE COUNTY OF: Orange

MY COMMISSION EXPIRES: January 10, 2027

MY COMMISSION No.: 2433731

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF "GREENBRIAR PHASE 1 VILLAGE 14A", AND FIND IT TO BE SUBSTANTIALLY THE SAME AS THE TENTATIVE MAP APPROVED BY THE PLANNING COMMISSION OF THE CITY OF SACRAMENTO, AND ANY APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ALL APPLICABLE CITY ORDINANCES HAVE BEEN COMPLIED WITH AND THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.

I HEREBY APPROVE THIS FINAL MAP OF "GREENBRIAR PHASE 1 VILLAGE 14A" AND ACCEPT ON BEHALF OF THE PUBLIC, THE EASEMENTS HEREON OFFERED FOR DEDICATION, TOGETHER WITH ANY AND ALL APPURTENANCES THERETO, SUBJECT TO IMPROVEMENTS THEREOF, BUT REJECT AT THIS TIME THE IRREVOCABLE OFFERS OF DEDICATION, SAID OFFERS MAY BE ACCEPTED BY THE CITY AT ANY TIME.

THE ABANDONMENTS LISTED HEREON PURSUANT TO SECTION 66434(g) OF THE GOVERNMENT CODE ARE HEREBY APPROVED.

DAVID JAMES VEASEY, P.L.S. 9326
EXP. 03-31-25
SUPERVISING SURVEYOR
CITY OF SACRAMENTO

05-01-2024
DATE

LICENSED LAND SURVEYOR DAVID JAMES VEASEY 9326 STATE OF CALIFORNIA

CITY CLERK'S STATEMENT

I HEREBY ATTEST TO THE APPROVAL OF THIS FINAL MAP OF "GREENBRIAR PHASE 1 VILLAGE 14A".

05/1/2024
DATE

CITY CLERK
CITY OF SACRAMENTO

RECORDER'S STATEMENT

FILED THIS 6th DAY OF May 2024, AT 11:23 A M IN BOOK 456 OF MAPS, AT PAGE 2, AT THE REQUEST OF WOOD RODGERS, INC. TITLE TO THE LAND INCLUDED IN THIS SUBDIVISION IS BEING VESTED AS PER CERTIFICATE NO. 760 ON FILE IN THIS OFFICE.

FEE: $ 208.00 DOCUMENT NO.: 202405060301

Donna Allred
RECORDER OF SACRAMENTO COUNTY
STATE OF CALIFORNIA

BY: DEPUTY

FPM23-0041

LEGEND

○	DIMENSION POINT
◎	SET 2-1/2" LONG X 1/4" DIA. MAG NAIL TAGGED "LS 8067" FLUSH WITH SURFACE.
⊗	SET WELL MONUMENT PER CITY STANDARDS STAMPED L.S. 8067.
⊖	FOUND WELL MONUMENT PER CITY STANDARDS STAMPED L.S. 8067.
⌑	SET 1" X 18" LONG IRON PIPE WITH PLUG STAMPED L.S. 8067.
▣	FOUND 1" X 18" LONG IRON PIPE WITH PLUG STAMPED L.S. 8067.
◉	FOUND 2-1/2" LONG X 1/4" DIA. MAG NAIL TAGGED "LS 8067" FLUSH WITH SURFACE.
✦	FOUND SECTION CORNER
●	FOUND 5/8" REBAR, NOT TAGGED.
ø	FOUND PLASTIC CAP IN CONCRETE FENCE POST FOOTING STAMPED "CALIF".
℄	CENTERLINE
Δ=	XX°XX'XX" (CENTRAL ANGLE OF CURVE)
BM	BOOK OF MAPS
CFR	CALCULATED FROM RECORD
IOD	IRREVOCABLE OFFER OF DEDICATION
PM	BOOK OF PARCEL MAPS
L=	ARC LENGTH
ORSC	OFFICIAL RECORDS SACRAMENTO COUNTY
OA	OVERALL DIMENSION
PUE	PUBLIC UTILITY EASEMENT
(R)	RADIAL BEARING
R=	RADIUS
RIOD	ROAD IRREVOCABLE OFFER OF DEDICATION
RW	EASEMENT FOR PUBLIC ROAD
SF	SQUARE FEET
LEIOD	IRREVOCABLE OFFER OF DEDICATION FOR LANDSCAPE EASEMENT
(6)	SHEET NUMBER REFERENCE

NOTES

1. ALL CURVES DIMENSIONED WITH RADIUS, DELTA, AND ARC LENGTH.
2. ALL DISTANCES SHOWN HEREON ARE EXPRESSED IN FEET AND DECIMALS THEREOF.
3. DUE TO ROUNDING THE SUM OF THE INDIVIDUAL DIMENSIONS MAY NOT EQUAL THE OVERALL DIMENSION.
4. TOTAL AREA FOR THIS "GREENBRIAR PHASE 1 VILLAGE 14A" SUBDIVISION IS 41.880± ACRES AND CONSISTING OF 80 RESIDENTIAL LOTS, 3 LANDSCAPE LOTS, 1 FUTURE DEVELOPMENT LOT, 1 COMMUNITY PARK LOT AND 1 COMMERCIAL LOT.
5. 5/8" REBAR WITH CAP STAMPED "LS 8067" WILL BE SET AT ALL REAR LOT CORNERS, ALONG WITH ALL LOT LINE ANGLE POINTS OR AT 2.00 FOOT PROJECTION ALONG LOT LINES ADJACENT TO WALLS (2.00 FOOT BY 2.00 FOOT OFFSET FOR ANGLE POINTS ADJACENT TO WALLS). FRONT CORNERS WILL BE SET WITH A 1" BRASS DISK STAMPED "LS 8067" AT A 1.00 FOOT PROJECTION OF PROPERTY LINE ONTO THE SIDEWALK.
6. ALL LOTS BEING CREATED BY THIS MAP INCLUDE FEE TITLE TO THE CENTERLINE OF THE BOULEVARD, STREET, WAY, DRIVES AND COURT 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.
7. PURSUANT TO SECTION 66434(g) OF THE GOVERNMENT CODE, THE FOLLOWING: PUBLIC UTILITY EASEMENT (PUE) AND EASEMENT FOR PUBLIC ROAD (RW) ARE HEREBY ABANDONED:
   A. THOSE PORTIONS OF THE PUE AS DEPICTED ON THE FINAL MAP ENTITLED "GREENBRIAR PHASE 1 - VILLAGE 5B", FILED IN BOOK 430 BOOK OF MAPS, AT PAGE 3, ORSC WHICH LIE WITHIN THE BOUNDARY OF THIS MAP THAT ARE NOT SHOWN HEREON.
   B. THOSE PORTIONS OF THE PUE AS DEPICTED ON THE MASTER PARCEL MAP ENTITLED "GREENBRIAR PHASE 1", FILED IN BOOK 238 OF PARCEL MAPS, AT PAGE 9, ORSC WHICH LIE WITHIN THE BOUNDARY OF THIS MAP THAT ARE NOT SHOWN HEREON.
   C. THOSE PORTIONS OF THE RW DEPICTED ON THE FINAL MAP ENTITLED "GREENBRIAR PHASE 1 - VILLAGE 5B", FILED IN BOOK 430 BOOK OF MAPS, AT PAGE 3, ORSC WHICH LIE WITHIN THE BOUNDARY OF THIS MAP THAT ARE NOT SHOWN HEREON.
8. LOT A IS A COMMERCIAL PARCEL TO BE PRIVATELY OWNED AND MAINTAINED.
9. LOT B IS TO GRANTED IOD IN FEE TITLE TO THE CITY OF SACRAMENTO FOR COMMUNITY PARK PURPOSES.
10. LOTS C, D AND E SHALL BE OWNED AND MAINTAINED BY THE HOMEOWNERS ASSOCIATION FOR LANDSCAPING PURPOSES.
11. LOT X IS A FUTURE DEVELOPMENT LOT
12. PER SACRAMENTO CITY CODE SECTION 17.852.010, THIS MAP IS SUBJECT TO THE REQUIREMENT OF PUBLIC IMPROVEMENTS, REFERENCE RPC23-0014.
13. THIS SUBDIVISION IS COVERED BY THE GRANT OF AVIGATION AND NOISE EASEMENT RECORDED JANUARY 28, 2020 IN BOOK 20200128 OF OFFICIAL RECORDS, AT PAGE 1634, SACRAMENTO COUNTY RECORDS.

REFERENCES:

(1)	238 PM 9	MASTER PARCEL MAP OF "GREENBRIAR PHASE 1"
(2)	423 BM 2	FINAL MAP OF "GREENBRIAR PHASE 1 VILLAGE EAST"
(3)	423 BM 3	FINAL MAP OF "GREENBRIAR PHASE 1 VILLAGE 7A"
(4)	423 BM 4	FINAL MAP OF "GREENBRIAR PHASE 1 VILLAGE 5B"
(5)	423 BM 9	FINAL MAP OF "GREENBRIAR PHASE 1 VILLAGE 10A"

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS IDENTICAL TO THAT MAP ENTITLED MASTER PARCEL MAP OF "GREENBRIAR PHASE 1" FILED IN BOOK 238 OF PARCEL MAPS, AT PAGE 9, ORSC.

LEGAL DESCRIPTION

BEING ALL OF PARCELS 23 AND A OF THAT CERTAIN PARCEL MAP ENTITLED "MASTER PARCEL MAP OF GREENBRIAR PHASE 1 SUBDIVISION NO. Z18-096", FILED IN BOOK 238 OF PARCEL MAPS, AT PAGE 9, AND ALL OF LOT C OF THAT CERTAIN FINAL MAP ENTITLED "GREENBRIAR PHASE 1 VILLAGE 5B", FILED IN BOOK 430 OF MAPS, AT PAGE 3, OFFICIAL RECORDS OF SACRAMENTO COUNTY AND SITUATE IN SECTION 33, TOWNSHIP 10 NORTH, RANGE 4 EAST, MOUNT DIABLO MERIDIAN.

FINAL MAP OF

GREENBRIAR PHASE 1 VILLAGE 14A

SUBDIVISION NO. P22-023.1

BEING ALL OF LOT C OF THAT CERTAIN FINAL MAP ENTITLED "GREENBRIAR PHASE 1 VILLAGE 5B", FILED IN BOOK 430 BOOK OF MAPS, AT PAGE 3, AND BEING ALL OF PARCELS A AND 23 OF THAT CERTAIN MAP ENTITLED MASTER PARCEL MAP OF "GREENBRIAR PHASE 1", FILED IN BOOK 238 OF PARCEL MAPS, AT PAGE 9, SACRAMENTO COUNTY RECORDS AND SITUATE WITHIN SECTION 33, T.10N. R.4E. M.D.M
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

MARCH 2024

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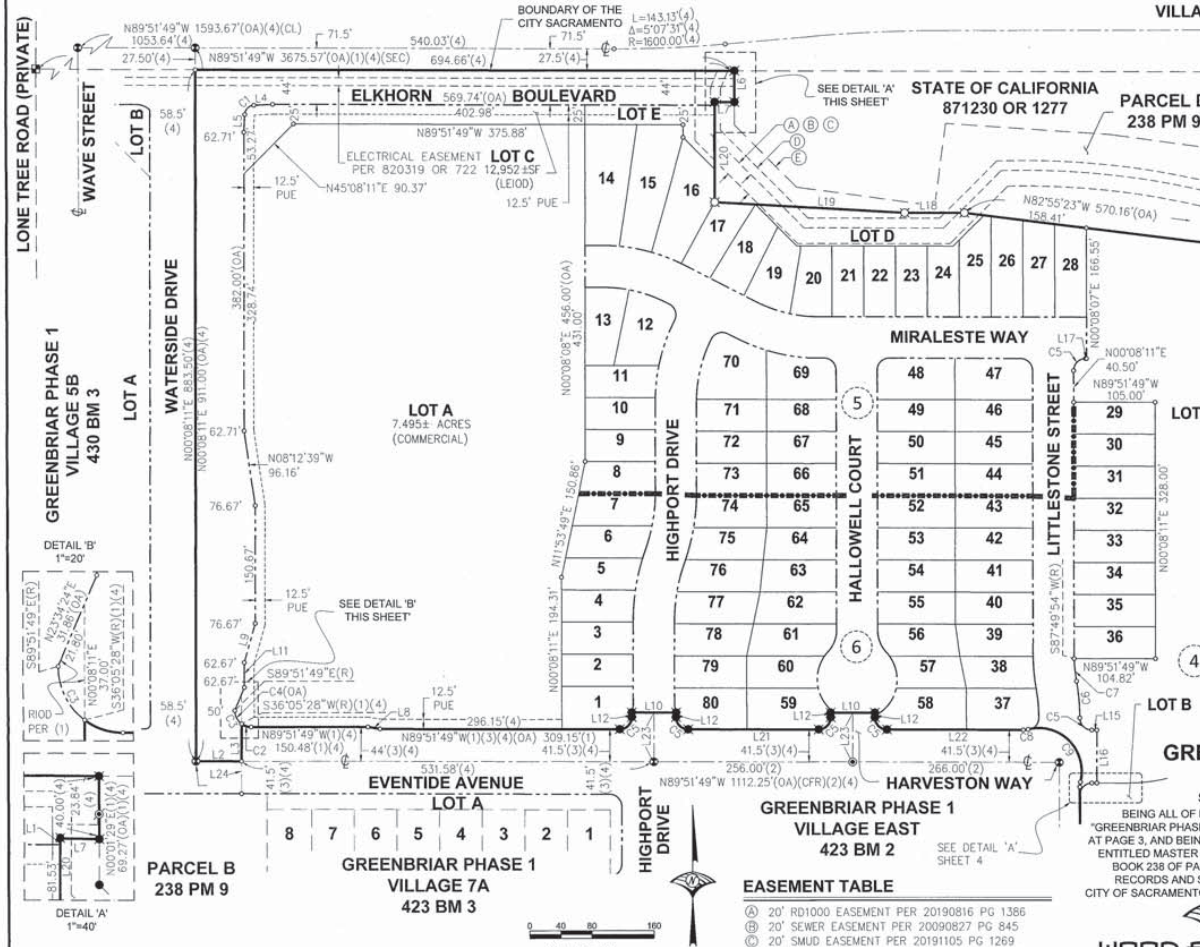
SACRAMENTO, CA 95816 FAX 916.341.7767

1116.115

VILLAGE BOUNDARY AND SHEET INDEX



CURVE TABLE - THIS SHEET ONLY				
NO.	RADIUS	DELTA	LENGTH	REF.
C1	12.33'	85°11'02"	18.33'	
C2	21.00'	35°57'16"	13.18'	(1)(3)(4)
C3	21.00'	54°02'44"	19.81'	
C4	21.00'	90°00'00"	32.99'	
C5	15.50'	90°00'00"	24.35'	(1)(2)
C5	15.50'	90°00'00"	24.35'	
C6	276.50'	9°44'51"	47.04'	
C7	223.50'	9°44'51"	38.02'	
C8	25.50'	14°16'20"	6.35'	(1)(2)
C9	55.50'	118°32'39"	114.83'	(1)(2)

LINE TABLE - THIS SHEET ONLY			
NO.	BEARING	LENGTH	REF.
L1	N0°08'11"E	4.00'	
L2	N89°51'49"W	58.67'	(2)(4)
L3	N0°08'11"E	48.00'	
L4	N87°19'26"E	24.10'	
L5	N2°35'27"E	22.64'	
L6	N0°01'29"E	40.00'	(1)(4)
L7	N89°51'49"W	25.49'	(1)(4)
L8	N80°46'24"W	15.82'	(1)(3)
L9	N15°47'22"E	51.89'	
L10	N89°51'49"W(R)	57.00'	(1)(2)
L11	N0°08'11"E	31.86'	(1)(3)
L12	N0°08'11"E	6.00'	(1)(2)
L15	N89°51'49"W	6.50'	
L16	N0°08'11"E	68.00'	
L17	N89°51'53"W	1.23'	
L18	N89°59'55"E	77.09'	(1)
L19	N86°42'35"W	245.04'	(1)
L20	N0°08'11"E	127.85'	(1)
L21	N89°51'49"W	168.00'	(1)(2)
L22	N89°51'49"W(1)(2)	175.53'	
L23	N0°08'11"E	63.00'	(2)
L24	N0°08'11"E	41.50'	(3)(4)

EASEMENT TABLE

Ⓐ 20' RD1000 EASEMENT PER 20190816 PG 1386
Ⓑ 20' SEWER EASEMENT PER 20090827 PG 845
Ⓒ 20' SMUD EASEMENT PER 20191105 PG 1269
Ⓓ 12.5' SMUD EASEMENT PER 20191105 PG 1269
Ⓔ EASEMENT FOR PUBLIC ROAD PER 871230 PG 1285

FINAL MAP OF
GREENBRIAR PHASE 1 VILLAGE 14A

SUBDIVISION NO. P22-023.1

BEING ALL OF LOT C OF THAT CERTAIN FINAL MAP ENTITLED "GREENBRIAR PHASE 1 VILLAGE 5B", FILED IN BOOK 430 BOOK OF MAPS, AT PAGE 3, AND BEING ALL OF PARCELS A AND 23 OF THAT CERTAIN MAP ENTITLED MASTER PARCEL MAP OF "GREENBRIAR PHASE 1", FILED IN BOOK 238 OF PARCEL MAPS, AT PAGE 9, SACRAMENTO COUNTY RECORDS AND SITUATE WITHIN SECTION 33, T.10N. R.4E. M.D.M CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

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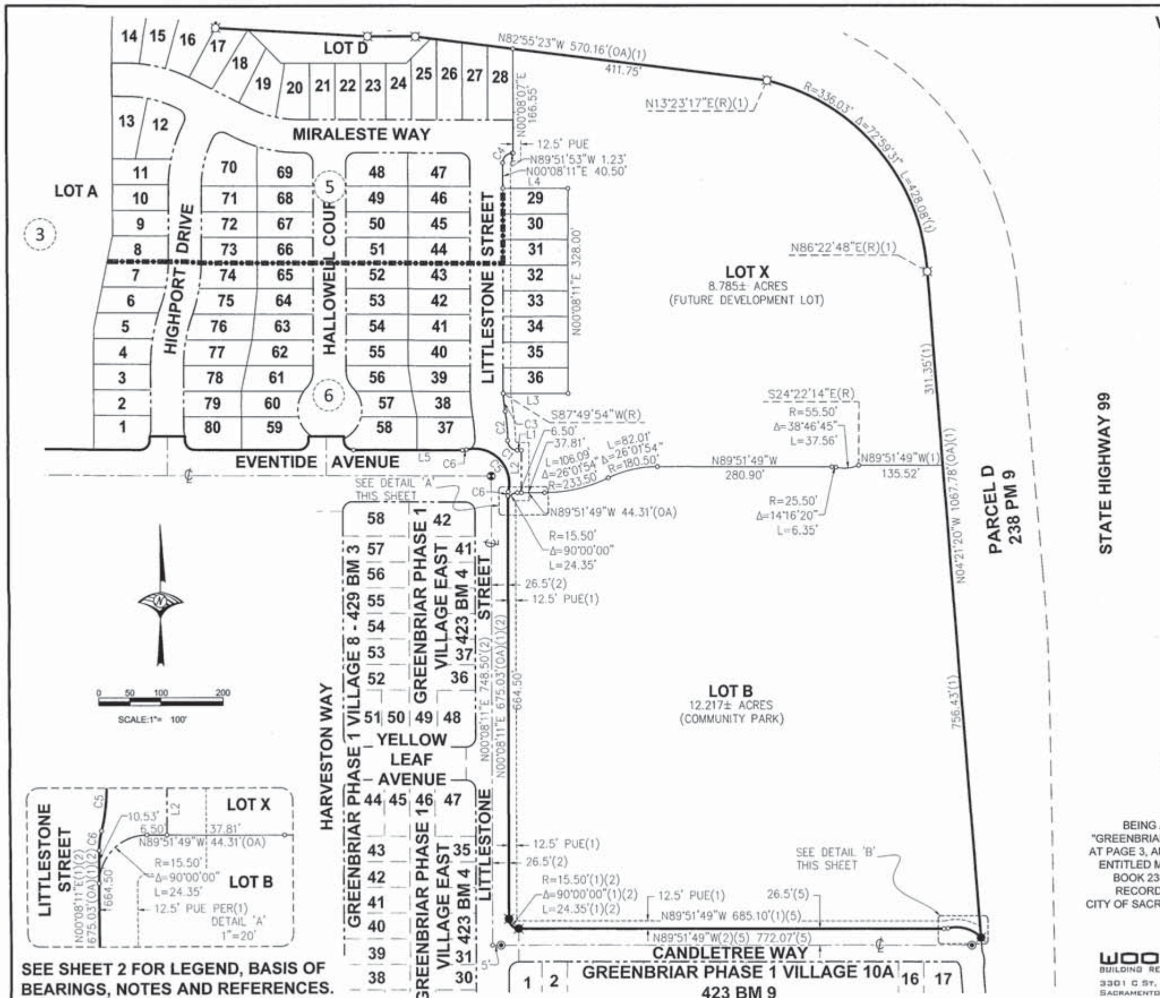
SEE SHEET 2 FOR LEGEND, BASIS OF BEARINGS, NOTES AND REFERENCES.

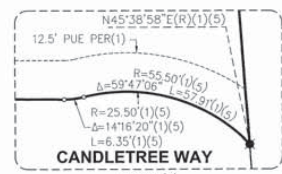
VILLAGE BOUNDARY AND SHEET INDEX



SEE SHEET 2 FOR LEGEND, BASIS OF BEARINGS, NOTES AND REFERENCES.

CURVE TABLE - THIS SHEET ONLY				
NO.	RADIUS	DELTA	LENGTH	REF
C1	15.50'	90°00'00"	24.35'	
C2	276.50'	9°44'51"	47.04'	
C3	223.50'	7°26'34"	29.03'	
C4	15.50'	90°00'00"	24.35'	
C5	55.50'	118°32'39"	114.83'	(1)(2)
C6	25.50'	14°16'20"	6.35'	(1)(2)

LINE TABLE - THIS SHEET ONLY		
NO.	BEARING	LENGTH
L1	N89°51'49"W	6.50'
L2	N0°08'11"E	68.00'
L3	N89°51'49"W	104.82'
L4	N89°51'49"W	105.00'
L5	N89°51'49"W(1)(2)	175.53'



DETAIL 'B'
1"=20'

FINAL MAP OF
GREENBRIAR PHASE 1 VILLAGE 14A
SUBDIVISION NO. P22-0234

BEING ALL OF LOT C OF THAT CERTAIN FINAL MAP ENTITLED "GREENBRIAR PHASE 1 VILLAGE 5B", FILED IN BOOK 430 BOOK OF MAPS, AT PAGE 3, AND BEING ALL OF PARCELS A AND 23 OF THAT CERTAIN MAP ENTITLED MASTER PARCEL MAP OF "GREENBRIAR PHASE 1", FILED IN BOOK 238 OF PARCEL MAPS, AT PAGE 9, SACRAMENTO COUNTY RECORDS AND SITUATE WITHIN SECTION 33, T.10N. R.4E. M.D.M CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

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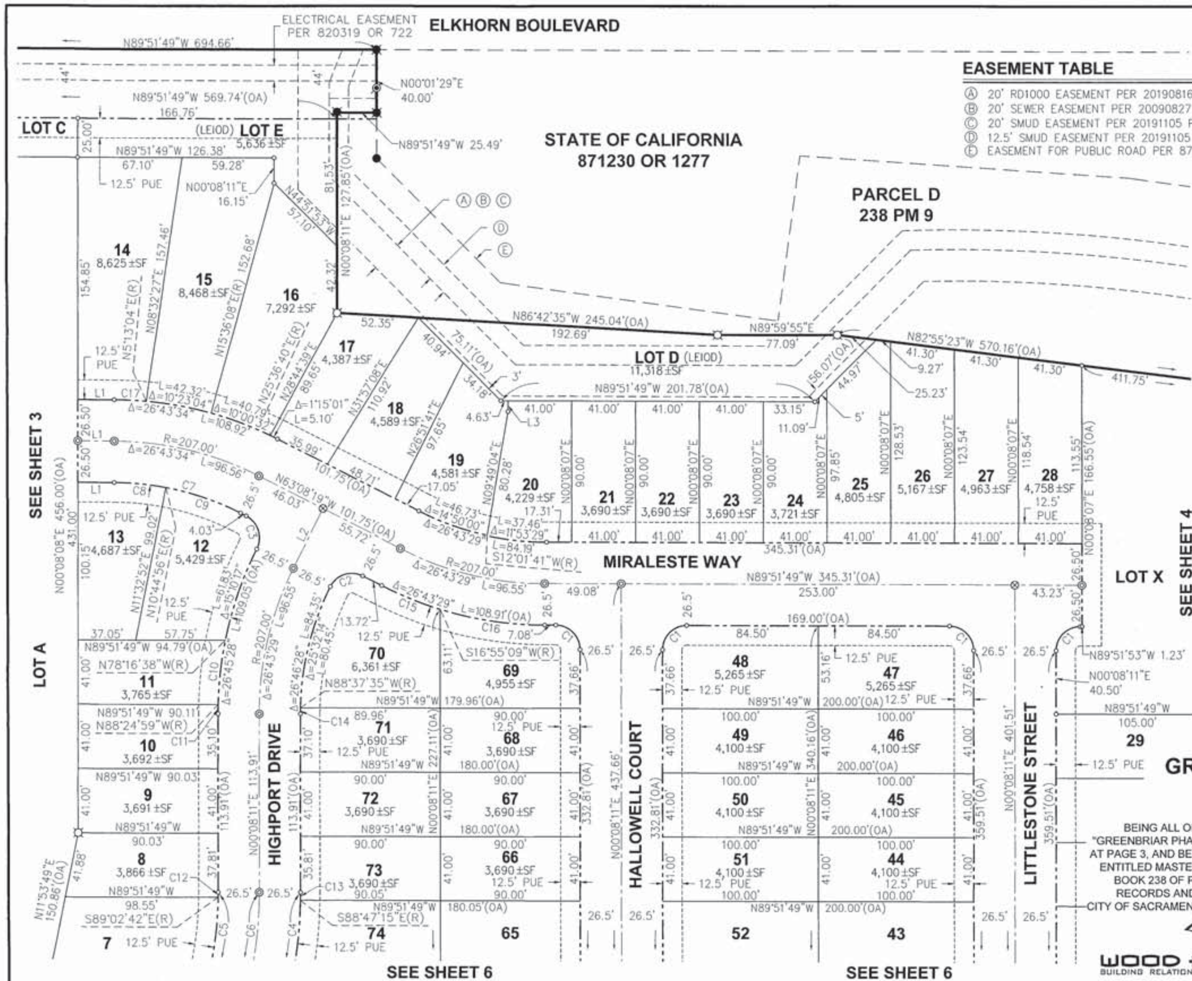

EASEMENT TABLE

Ⓐ 20' RD1000 EASEMENT PER 20190816 PG 1386
Ⓑ 20' SEWER EASEMENT PER 20090827 PG 845
Ⓒ 20' SMUD EASEMENT PER 20191105 PG 1269
Ⓓ 12.5' SMUD EASEMENT PER 20191105 PG 1269
Ⓔ EASEMENT FOR PUBLIC ROAD PER 871230 PG 1285

SCALE:1"= 40'

LINE TABLE - THIS SHEET ONLY		
NO.	BEARING	LENGTH
L1	N89°51'53"W	23.39'
L2	N26°51'41"E	42.14'
L3	N0°08'07"E	6.99'
L4	N89°51'49"W	201.78'

CURVE TABLE - THIS SHEET ONLY			
NO.	RADIUS	DELTA	LENGTH
C1	15.50'	90°00'00"	24.35'
C2	15.50'	89°57'01"	24.33'
C3	15.50'	90°01'58"	24.36'
C4	276.50'	19°32'07"	94.27'
C5	223.50'	19°32'07"	76.20'
C6	250.00'	19°32'07"	85.24'
C7	180.50'	26°43'34"	84.20'
C8	180.50'	10°36'50"	33.44'
C9	180.50'	16°06'44"	50.76'
C10	233.50'	10°08'21"	41.32'
C11	233.50'	1°26'50"	5.90'
C12	223.50'	0°49'06"	3.19'
C13	276.50'	1°04'34"	5.19'
C14	180.50'	1°14'14"	3.90'
C15	233.50'	9°56'32"	40.52'
C16	233.50'	16°46'58"	68.40'
C17	233.50'	5°04'57"	20.71'

FINAL MAP OF
GREENBRIAR PHASE 1 VILLAGE 14A
SUBDIVISION NO. P22-0231

BEING ALL OF LOT C OF THAT CERTAIN FINAL MAP ENTITLED "GREENBRIAR PHASE 1 VILLAGE 5B", FILED IN BOOK 430 BOOK OF MAPS, AT PAGE 3, AND BEING ALL OF PARCELS A AND 23 OF THAT CERTAIN MAP ENTITLED MASTER PARCEL MAP OF "GREENBRIAR PHASE 1", FILED IN BOOK 238 OF PARCEL MAPS, AT PAGE 9, SACRAMENTO COUNTY RECORDS AND SITUATE WITHIN SECTION 33, T.10N. R.4E. M.D.M
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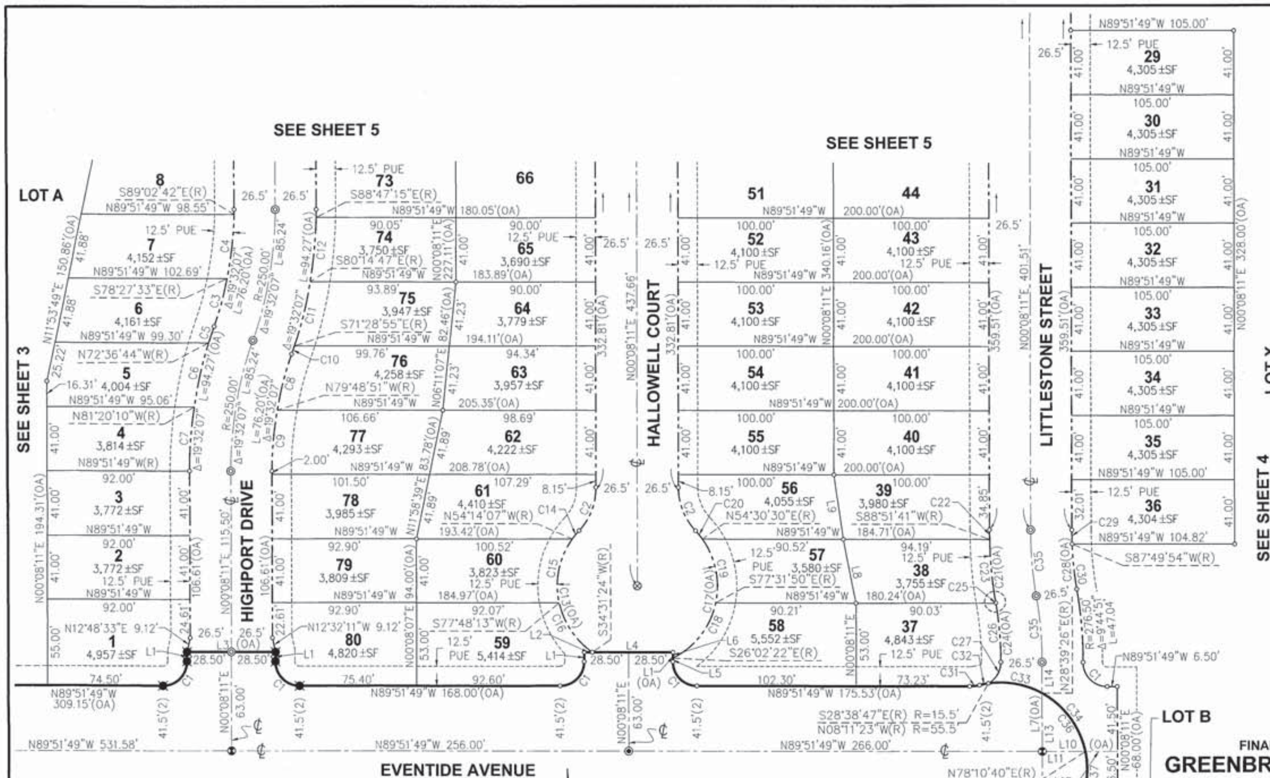
SEE SHEET 2 FOR LEGEND, BASIS OF BEARINGS, NOTES AND REFERENCES.



CURVE TABLE - THIS SHEET ONLY			
NO.	RADIUS	DELTA	LENGTH
C1	15.50'	90°00'00"	24.35'
C2	40.00'	43°23'00"	30.29'
C3	223.50'	8°07'51"	31.72'
C4	223.50'	10°35'09"	41.29'
C5	276.50'	2°17'02"	11.02'
C6	276.50'	8°43'26"	42.10'
C7	276.50'	8°31'39"	41.15'
C8	223.50'	9°29'09"	37.00'
C9	223.50'	10°02'58"	39.20'
C10	276.50'	1°09'13"	5.57'
C11	276.50'	8°45'52"	42.30'
C12	276.50'	8°32'27"	41.22'
C13	51.50'	98°59'47"	88.98'
C14	51.50'	7°45'18"	6.97'
C15	51.50'	47°57'40"	43.11'
C16	51.50'	43°16'49"	38.90'
C17	51.50'	107°12'26"	96.36'
C18	51.50'	51°29'28"	46.28'
C19	51.50'	47°57'40"	43.11'
C20	51.50'	7°45'18"	6.97'
C21	276.50'	9°44'51"	47.04'
C22	276.50'	1°16'30"	6.15'
C23	276.50'	8°28'20"	40.89'
C24	223.50'	9°44'51"	38.02'
C25	223.50'	0°05'18"	0.34'
C26	223.50'	9°39'33"	37.68'
C27	15.50'	61°13'02"	16.56'
C28	223.50'	9°44'51"	38.02'
C29	223.50'	2°18'17"	8.99'
C30	223.50'	7°26'34"	29.03'
C31	25.50'	14°16'20"	6.35'
C32	55.50'	5°56'45"	5.76'
C33	55.50'	36°50'49"	35.69'
C34	55.50'	49°31'14"	47.97'
C35	250.00'	9°44'51"	42.53'
C36	55.50'	118°32'39"	114.83'
C37	55.50'	26°13'51"	25.41'

LINE TABLE - THIS SHEET ONLY		
NO.	BEARING	LENGTH
L1	N0°08'11"E	6.00'
L2	N89°51'49"W	5.20'
L3	N89°51'49"W	57.00'
L4	N89°51'49"W	51.80'
L5	N0°08'11"E	2.28'
L6	N0°08'11"E	3.72'
L7	N0°08'11"E	57.00'

LINE TABLE - THIS SHEET ONLY		
NO.	BEARING	LENGTH
L8	N11°05'47"W	41.80'
L9	N8°01'28"W	41.42'
L10	N89°51'49"W	48.50'
L11	N89°51'49"W	27.80'
L12	N89°51'49"W	20.70'
L13	N0°08'11"E	37.26'
L14	N0°08'11"E	19.74'

0 20 40 80
SCALE: 1"= 40'

FINAL MAP OF

GREENBRIAR PHASE 1 VILLAGE 14A

SUBDIVISION NO. P22-023.1

BEING ALL OF LOT C OF THAT CERTAIN FINAL MAP ENTITLED "GREENBRIAR PHASE 1 VILLAGE 5B", FILED IN BOOK 430 BOOK OF MAPS, AT PAGE 3, AND BEING ALL OF PARCELS A AND 23 OF THAT CERTAIN MAP ENTITLED MASTER PARCEL MAP OF "GREENBRIAR PHASE 1", FILED IN BOOK 238 OF PARCEL MAPS, AT PAGE 9, SACRAMENTO COUNTY RECORDS AND SITUATE WITHIN SECTION 33, T.10N. R.4E. M.D.M CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

MARCH 2024

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SEE SHEET 2 FOR LEGEND, BASIS OF BEARINGS, NOTES AND REFERENCES.

File ID: 2024-01776	10/22/2024	**Consent Item 5.**

Accepting Sacramento Area Flood Control Agency's 2024 Urban Level of Flood Protection (ULOP) Adequate Progress Annual Report

File ID: 2024-01776

Location: Citywide

Recommendation: Adopt a **Resolution** accepting Sacramento Area Flood Control Agency's 2024 Urban Level of Flood Protection Adequate Progress Annual Report.

Contact: Remi Mendoza, Acting Long Range Planning Manager, (916) 808-5003, rmendoza@cityofsacramento.org, Community Development Department; Rosa Millino, Senior Engineer, (916) 808-1451, rmillino@cityofsacramento.org; Neal Joyce, Supervising Engineer, (916) 808-1461, njoyce@cityofsacramento.org; Department of Utilities.

Presenter: None

Attachments:
1-Description/Analysis
2-Resolution
3-Exhibit A-SAFCA 2024 ULOP Adequate Progress Annual Report
4-Transmittal Cover Letter from SAFCA's Board

Description/Analysis
Issue Detail: On June 21, 2016, the City Council passed a resolution accepting the Sacramento Area Flood Control Agency's (SAFCA) Urban Level of Flood Protection (ULOP) Plan, prepared pursuant to Senate Bill 5 (SB 5) and related legislation. The ULOP Plan identifies flood improvement projects, cost estimates, anticipated funding sources, and a schedule to complete them by 2025, which would result in 200-year flood protection for the city.

When considering development within a flood hazard zone, the City has relied on the 2016 ULOP Plan and the subsequent 2017 through 2023 ULOP annual reports as substantial pieces of evidence that SAFCA has made adequate progress on the construction of a 200-year flood protection system.

The purpose of the ULOP annual report is to provide an additional piece of the substantial evidence necessary to support the “adequate progress finding” in the approval of new development within a flood hazard zone. Attached is SAFCA’s eighth annual report, the 2024 ULOP Adequate Progress Annual Report intended to serve that purpose (Attachment 3). The annual report concludes that SAFCA is meeting State standards for adequate progress on achieving a 200-year urban level of flood protection. Staff recommends that Council adopt a resolution accepting the SAFCA 2024 ULOP Adequate Progress Annual Report.

Policy Considerations: The 2040 General Plan includes the following goals and policies related to flood protection:

GOAL Environmental Resources and Constraints (ERC-6) Protection of life and property from flooding hazards.

> **ERC-6.6 Flood Regulations.** The City shall continue to regulate new development in accordance with State requirements for 200-year level of flood protection and federal requirements for 100-year level of flood protection.
>
> **ERC-6.8 Interagency Levee Management.** The City shall coordinate with local, regional, State, and federal agencies to ensure new and existing levees are adequate in providing flood protection and coordinate to achieve local certification of levees for 200-year flood protection by 2025.

Economic Impacts: Not applicable.

Environmental Considerations: Policies to achieve a 200-year level of flood protection were included in the 2040 General Plan and evaluated in the certified Master Environmental Impact Report. Acceptance of the SAFCA 2024 ULOP Adequate Progress Annual Report will enable the City to use this document for future flood-related findings in compliance with state law. Acceptance of this document constitutes an administrative action that will not result in direct or indirect physical changes in the environment, and the action is not a project that requires environmental review under the California Environmental Quality Act (CEQA). See CEQA Guidelines section 15378(b)(5); 15060 (c)(3).

Sustainability: The proposed resolution will reduce flood risk by strengthening the linkage between local land use planning decisions and flood management practices. This resolution would also support the City’s efforts to promote urban infill and redevelopment.

Commission/Committee Action: None.

Rationale for Recommendation: Approval of this resolution will achieve compliance with state law (SB 5 and subsequent amendments) thereby allowing the City to make the required findings related to flood protection for approval of developments projects.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

Background: In 2007, the California Legislature enacted SB 5 and other interrelated bills in effort to strengthen the link between flood management and local land use planning decisions. Per the new state law, effective on July 1, 2016, cities and counties within the Central Valley have been required to make one of the following findings before approving development agreements, tentative maps, discretionary permits, and ministerial permits for new residences:

1. The existing flood management facilities protect the property to an urban level of flood prote ction, or
2. The city has imposed conditions that will protect the property to an urban level of flood protection, or
3. The local flood management agency has made ***adequate progress*** on the construction of a flood protection system to provide an urban level of flood protection by 2025, or
4. The property is in an undetermined risk area.

In most cases the ULOP is defined as protection against a 200-year flood. In the Sacramento region, major improvements to levee systems are ongoing which will provide 200-year flood protection by 2025. In 2016 the City's Local Flood Management Agency - SAFCA - prepared an ULOP Plan which has aided the City in making the "adequate progress finding" (No. 3 above). SAFCA's ULOP plan highlights key planned improvements that will provide Sacramento with a 200-year level of flood protection, their costs, revenues to fund them, and a schedule to complete them by 2025. On June 27, 2016, the City Council accepted SAFCA's ULOP plan (Resolution No. 2016-0226).

In order for the City to continue to rely on making the "adequate progress finding", the California Government Code § 65007(a)(5) further requires the City to annually report to the Central Valley Flood Protection Board on its efforts in working towards completion of the 200-year flood protection system. Accordingly, SAFCA staff and consultants have prepared the 2024 ULOP: Adequate Progress Annual Report for the City to fulfill Government code requirements which document the following:

- The total project scope, schedule, and cost of the flood protection system have been developed to meet 200-year flood protection.
- That 90% of the required revenues scheduled to be received by that year have been appropriated and is being expended;
- Critical features of the Flood Protection System are under construction and progressing based upon the actual expenditures of the construction budget; and

- The City has not been responsible for a significant delay in the completion of the system.

In summary the 2024 ULOP adequate progress annual report demonstrates that:

- Over 100% of the revenue scheduled to be received has been appropriated and are currently being expended;

- Critical features of the flood protection system are under construction and progressing based upon the actual expenditures of the construction budget in that:

  All Protected Areas - All of the SAFCA protected basins benefit from the Folsom Dam Modifications. The first element of the modifications, the JFP, was largely completed in 2016.Since then the completed project has been turned over to the U.S. Bureau of Reclamation and the Water Control Manual has been formally executed.

  Natomas - SAFCA has largely completed its Natomas Levee Improvement Program (NLIP), which improved levees on the north and part of the west perimeter of the basin. The ARCF 2014 Natomas Basin Project is improving the basin's remaining levees and drainage infrastructure, which are referred to in sequential reaches starting with Reach A from the American River confluence to San Juan Road and moving around the basin in a clockwise direction (USACE, 2022b). Levee construction is underway in Reach A on the SREL. Work on the drained stability berm from City Sump 160 to Gateway Oaks Boulevard will likely be completed in 2026. Work at the RD 1000 Pump Plant 1B should be completed in 2026. ULOP conformance in 2025 will require obtaining a set of record drawings as of 2025 and engineer confirmation that the interim construction condition meets ULDC. USACE Reach B (along the SREL north of San Juan Road to Elverta Road) construction is essentially complete. Construction of Riverside Pumping Plant in this reach is underway. Levee construction is essentially complete in Reach C (from Elverta Road to the Natomas Cross Canal) with Pritchard Pumping Plant construction scheduled for 2025. Levee construction in Reach D (Natomas Cross Canal South Levee) is complete except at Highway 99. Work continues at Pumping Plant 4, where the remaining electrical equipment is expected to be installed by the end of 2024. The construction contract for Reach E (Pleasant Grove Creek Canal West Levee) was awarded in April 2023. Reaches F and G (Natomas East Main Drainage Canal West Levee) are currently being designed. Construction award is expected in 2025 and completion in 2028. A ULDC exception for freeboard deficiencies may be required in the northern part of Reach F and would require slope hardening features. At this point, it's unclear whether this will be constructed by the USACE. If not, then SAFCA will need to design and construct, and completion would occur in 2030. Seepage cutoff wells, levee slope flattening, and improvements to two stormwater pumping stations are essentially complete on USACE Reach H (along the NEMDC West Levee from Dry Creek to the Arden Garden Connector). Reach I Contract 1 (American River North Levee west of Northgate Boulevard) included a blanket drain constructed under the I-5 overpass and a cutoff wall to the west along the Garden Highway. Both of these components are now complete. Reach I contract 2 will begin construction in 2024. Natomas benefits from the Folsom Dam Modifications discussed above.

Dry Creek North Levee System - No construction projects are required for the Dry Creek North Levee.

Robla Creek to Arcade Creek - In 2017, fourteen relief wells were constructed along the Arcade Creek North Levee. Construction of cutoff walls under SAFCA construction Contract 4355 is now substantially complete. Improvements to the Magpie Creek Diversion Channel as part of ARCF 2016 are known as the Magpie Creek Project. The project is being designed now and will be constructed after 2025. A short reach of the Robla Creek south levee downstream of Dry Creek Road does not meet freeboard, but affects a small area and flooding would be less than three feet deep.

American River North Levee - Cutoff walls along the Arcade Creek South Levee and NEMDC East Levee and were completed by USACE in 2015.

American River South and Sacramento River East Levee - Structural improvements to the Sacramento River East Levee have been designed, and USACE has retained a construction contractor. Contract 1 included work in the Pocket area and a seepage berm near Front Street and Miller Park that is now complete (USACE, 2022a). The second contract along the Sacramento River East Levee in the Pocket area, includes cutoff wall construction, now complete, and relief wells to address seepage and stability issues. Construction Contract 3 is complete. SREL Contract 4 was awarded in 2023 and should be complete in 2024.

Work is also planned north of Miller Park near U.S. Highway 50. Encroachments in the construction footprint were removed by SAFCA. Under its “levee modernization” project, SAFCA acquired a property adjoining the levee and removed encroachments on it preparatory to splitting the property under the flood easement and conveying fee title to the State or City. A voluntary encroachment removal program has been initiated for other affected properties. The Morrison Creek and Beach Lake Levee Resiliency Project 65% design is complete. In 2019, SAFCA also constructed an oak woodland mitigation project to provide a wind-wave buffer for the levee.

South Sacramento Streams Group - Upstream of the UPRR, construction is complete on the Florin Creek channel improvements and the Florin Creek Multi-Use Basin project. This project was intended to meet FEMA 100 year criteria but was not designed to meet ULDC requirements. The Federal Emergency Management Agency (FEMA) issued a LOMR for that work that became effective on March 25, 2019. The City or County may choose to investigate whether some areas where 200-year flood depths are below 3 feet may be newly eligible for a ULOP finding based on the project providing 100-year protection.

- The City of Sacramento has not been responsible for a significant delay in the completion of the flood protection system.

The annual report shows that SAFCA is meeting State standards for adequate progress on achieving the 200-year Urban Level of Flood Protection (ULOP). On July 18, 2024, this report was reviewed and approved by the SAFCA Board for distribution to and use by local agencies.

Staff recommends the Council pass a resolution accepting SAFCA's 2024 ULOP Adequate Progress Annual Report. When considering development within a flood hazard zone, the City will rely on SAFCA's 2016 ULOP Plan and the most recent 2024 annual report as important pieces of substantial evidence in making the "adequate progress finding".

RESOLUTION NO. 2024-

Adopted by the Sacramento City Council
Date Adopted

ACCEPTING THE SACRAMENTO AREA FLOOD CONTROL AGENCY 2024 URBAN LEVEL OF FLOOD PROTECTION ADEQUATE PROGRESS ANNUAL REPORT

BACKGROUND

A. The Central Valley Flood Protection Act of 2008 (the “Act”) prohibits cities and counties, beginning July 1, 2016, from entering into development agreements, approving discretionary permits or ministerial permits that would result in the construction of a new residence, or approving tentative or parcel maps for areas located within a flood hazard zone unless the city or county makes one of the findings set forth in the legislation. (See Government Code sections 65865.5, 65962, and 66474.5.)

B. On March 1, 2016, the City Council adopted Ordinance No. 2016-0012, which makes various changes to the City Code to conform to the Act.

C. One of the Act’s required findings—the “adequate-progress finding”—allows development to proceed within a flood hazard zone if the city or county finds the local flood management agency has made adequate progress (as defined in Government Code section 65007) on the construction of a flood protection system that will result in flood protection equal to or greater than the urban level of flood protection (“ULOP”) in urban or urbanizing areas or the national Federal Emergency Management Agency (“FEMA”) standard of flood protection in nonurbanized areas intended to be protected by the system.

D. The California Department of Water Resources has declared that the adequate-progress finding must be based on the following: a report prepared by the applicable local flood management agency demonstrating adequate progress; a report prepared by a professional civil engineer that documents the data and analysis for demonstrating the property, development project, or subdivision will have an urban level of flood protection at the time when the flood protection system is completed; a report by an independent panel of experts on the review of the report prepared by the professional civil engineer; a response by the professional civil engineer to the comments from the independent panel of experts; the most recent annual report prepared by local flood management agency that was submitted to the Central Valley Protection Board documenting the efforts in working toward completion of the flood protection system; and any additional data and information that cities or counties use to make the finding. (See California Department of Water Resources, Urban Level of Flood Protection Criteria, page 2-10.)

E. In 2016, consistent with these mandates, the City of Sacramento’s (City) local flood management agency—the Sacramento Area Flood Control Agency (SAFCA)—prepared documents to support the adequate-progress. On June 21, 2016, the City Council adopted

Resolution No. 2016-0226 accepting SAFCA's urban level of flood protection plan and adequate progress baseline report and adequate progress towards an urban level of flood protection engineer's report.

F. On November 7, 2017, the City Council adopted Resolution No. 2017-0418 accepting SAFCA's ULOP Adequate Progress Annual Report.

G. On November 20, 2018, the City Council adopted Resolution No. 2018-0445 accepting SAFCA's ULOP Adequate Progress Annual Report.

H. On October 22, 2019, the City Council adopted Resolution No. 2019-0398 accepting SAFCA's ULOP Adequate Progress Annual Report.

I. On October 13, 2020, the City Council adopted Resolution No. 2020-0326 accepting SAFCA's ULOP Adequate Progress Annual Report.

J. On November 9, 2021, the City Council adopted Resolution No. 2021-0328 accepting SAFCA's ULOP Adequate Progress Annual Report.

K. On October 11, 2022, the City Council adopted Resolution No. 2022-0313 accepting SAFCA's ULOP Adequate Progress Annual Report.

L. On October 24, 2023, the City Council adopted Resolution No. 2023-0337 accepting SAFCA's ULOP Adequate Progress Annual Report

M. In 2024, SAFCA has prepared the following to support the adequate-progress finding: the Urban Level of Flood Protection Adequate Progress Annual Report. This document concludes that the levees that protect much of the City do not currently meet ULOP requirements, but SAFCA is meeting the State standards in demonstrating adequate progress towards achieving ULOP in urban or urbanizing areas or the national Federal Emergency Management Agency standard of flood protection in nonurbanized areas for property located within a flood hazard zone, intended to be protected by the system, by 2025.

N. On July 18, 2024, the SAFCA Board of Directors approved the ULOP Adequate Progress Annual Report for distribution to and use by the City and other agencies.

O. The 2024 ULOP Adequate Progress Annual Report is an informational document that describes actions already being undertaken or planned by SAFCA and is not subject to the California Environmental Quality Act (CEQA). The environmental effects of the projects have been addressed at a program level by the 2016 Updated Local Funding Mechanisms for Sacramento Area Flood Control Improvements Subsequent Environmental Impact Report (EIR) and the underlying 2007 Program EIR. Policies to achieve a 200-year level of flood protection were included in the 2040 General Plan and evaluated in the certified Master Environmental Impact Report. The City's acceptance of the SAFCA 2024 Urban Level of Flood Protection Adequate Progress Annual Report will enable the City to use that document and the ULOP and Engineer's Report for flood related findings in compliance with State law. Acceptance of these documents constitutes an administrative action that will not result in direct or indirect physical changes in the environment, and the action is not a project that requires environmental review under the California Environmental Quality Act (CEQA). See CEQA Guidelines sections 15378(b)(5) and 15060(c)(3). The need for additional CEQA compliance for individual projects will need to be considered at the time those projects are advanced.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council accepts SAFCA's 2024 ULOP Adequate Progress Annual Report, attached as Exhibit A and by this reference made a part of this resolution

Section 2. When considering development within a flood hazard zone, the City may rely on the 2024 ULOP Adequate Progress Annual Report, the ULOP and the Engineer's report referenced in Resolution No. 2016-0226, as substantial evidence that SAFCA has made adequate progress (as defined in Government Code section 65007) on the construction of a flood protection system that will result in flood protection equal to or greater than the urban level of flood protection in urban or urbanizing areas or the national Federal Emergency Management Agency standard of flood protection in nonurbanized areas for property located within a flood hazard zone, intended to be protected by the system.

Table of Contents:

2024

Urban Level of Flood Protection

Annual Report

Final – August 2024

Sacramento Area Flood Control Agency

1325 J Street Suite 1700
Sacramento, CA 95814

(916) 874-7606

TABLE OF CONTENTS

FIGURES

TABLES

1. INTRODUCTION

California Government Code (CGC) Section 65007(a)(5) requires local agencies to "annually report to the Central Valley Flood Protection Board on the efforts in working toward completion of the flood protection system." State requirements are further described in the Urban Level of Flood Protection Criteria (ULOP Criteria; DWR, 2013).

This report describes Sacramento Area Flood Control Agency (SAFCA)'s efforts in improving the regional flood protection system over the fiscal year ending on June 30, 2024. Section 5 of the SAFCA Final Urban Level of Flood Protection Plan and Adequate Progress Baseline Report (ULOP Plan) noted that the majority of funding for SAFCA's projects comes from State and Federal agencies over which SAFCA has no control (SAFCA, 2016).

This annual report only addresses the State Plan of Flood Control (SPFC) facilities. The local land use agencies, acting as floodplain managers, must consider this plan along with their own data to determine whether residual risks, including interior drainage and flood sources not managed by SPFC facilities, affect development projects to such a degree that the projects would be subject to flood protection findings under state law. If a land use agency is required to make a flood protection finding, the finding must be selected from one of those summarized below:

> (1) Existing facilities provide ULOP in urban areas or meet the Federal Emergency Management Agency (FEMA) standard in nonurbanized areas;
>
> (2) Conditions on the project will protect it to the applicable standard;
>
> (3) The local flood management agency has made adequate progress on a flood system providing the applicable level of protection. For urban and urbanizing areas protected by project levees, ULOP will be achieved by 2025; or
>
> (4) The property in an undetermined risk area has met ULOP based on substantial evidence in the record.

Development in areas dependent on flood risk reduction projects that are still under construction typically relies on the third finding listed above. In the event that ULOP has not been or cannot be achieved by 2025 under one of the possible findings, the local agency may not approve certain development activities within the affected area. This report is not intended to be a substitute for the independent judgment of the local agencies in adopting their findings.

2. PLANNED SCOPE, SCHEDULE, AND COST

CGC Section 65007(a)(1) requires the local flood management agency to report "the total project scope, schedule, and cost" of meeting ULOP with the agency's flood protection system. This information was detailed in the ULOP Plan and is summarized here.

2.1 Project Scope

The following projects, illustrated in Figure 1, will help attain the Urban Level of Flood Protection in SAFCA's protected areas.

Folsom Dam Modifications – Folsom Dam Modifications include three related projects: the Folsom Joint Federal Project (JFP), the Folsom Dam Raise Project, and the Folsom Dam Water Control Manual Update.

The JFP is a joint project of the US Bureau of Reclamation, US Army Corps of Engineers (USACE), DWR, and SAFCA. The JFP created a new, gated auxiliary spillway on the east abutment of the dam, enabling the dam to be operated to accommodate a 200-year flood with a discharge of about 115,000 cubic feet per second (cfs) into the lower American River. The design flow accommodated by full use of the dam's river outlets and the auxiliary spillway is 160,000 cfs.

The Folsom Dam Raise Project is increasing the height of the main dam, wing dams, and dikes that contain Folsom Reservoir. Congress has authorized raising the height of the wing dams and dikes by 3.5 feet. This will allow flood operators to store more flood water when forecasted inflows are decreasing (resulting in no imminent threat to the dam) and the additional storage is required to maintain releases from the dam at a level that can be safely contained by the downstream levee system. The project also includes improving the flood gates on the main dam (USACE, 2017).

The Folsom Dam Water Control Manual was updated in 2019 to optimize operations at the dam with the JFP improvements. Once the Folsom Dam Raise Project is completed, the manual will be adjusted again to reflect the increased reservoir storage capacity created by that project.

American River Common Features (ARCF) 2014 Natomas Basin Project (formerly called the Natomas Basin USACE Project) – The Natomas levees are being improved in two phases. Physical construction of the Natomas Levee Improvement Program (NLIP) Local Project, led by SAFCA, is complete and comprised eighteen miles of improvements to the Natomas Cross Canal south levee and the Sacramento River East Levee. The ARCF 2014 Natomas Basin Project consists of levee improvements around the remainder of the 42-mile Natomas Basin perimeter. The USACE is planning and implementing the remaining elements (USACE, 2015):

- American River North Levee adjacent to Natomas Basin – widen 2 miles of levee in place and install a seepage cutoff wall through the levee and foundation.
- Sacramento River East Levee adjacent to Natomas Basin – construct 5 miles of adjacent levee, 3.3 miles of deep seepage cutoff walls, and 4.3 miles of seepage berms
- Pleasant Grove Creek Canal adjacent to Natomas Basin - Widen 3.3 miles of levee in place and install a soil bentonite cutoff wall on the Pleasant Grove Creek Canal West Levee.
- Natomas East Main Drainage Canal (NEMDC)/Steelhead Creek West Levee – widen 12.8 miles of existing levee and install 10.7 miles of cutoff wall.

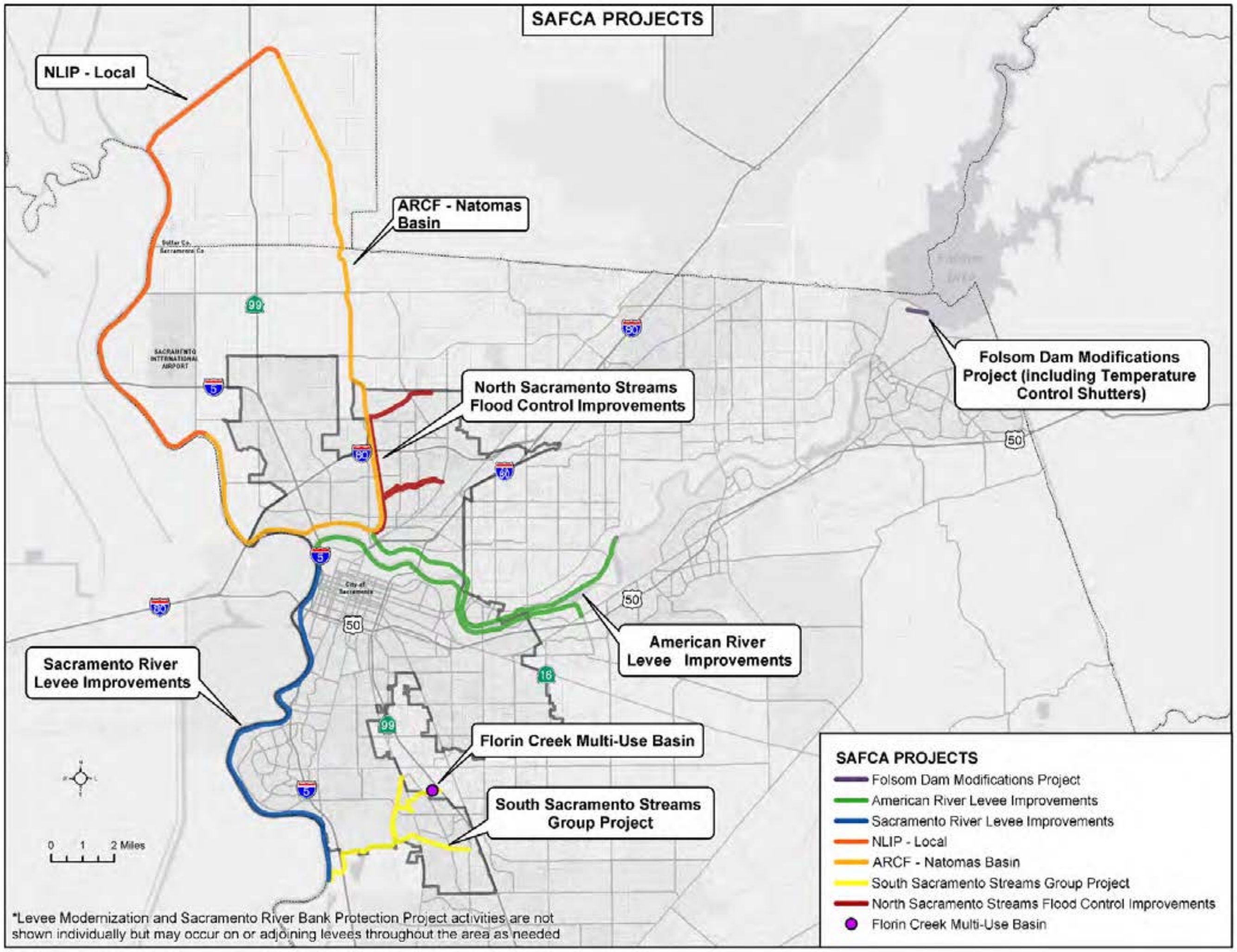

Figure 1: SAFCA Projects

- Natomas Cross Canal (NCC) South Levee – complete construction at gaps not remediated as part of NLIP at Bennett and Northern pumping plants and at the State Route 99 closure structure.

ARCF 2016 (formerly called American River Common Features General Reevaluation Report (GRR)) – The ARCF GRR was authorized by Congress in the Water Resources Development Act (WRDA) 2016 and is now known as ARCF 2016. ARCF 2016 features include additional bank protection along the American and Sacramento Rivers; levee height and seepage improvements along Arcade Creek; levee improvements, levee extension, purchase of flowage easements, and channel widening on the Magpie Creek Diversion Channel (MCDC); and changes to the Sacramento Weir and Bypass. On the Sacramento River East Levee downstream of the American River, ARCF 2016 is improving deficient sites with features like the following:

- Slurry cutoff walls to address levee seepage and stability
- Rock bank protection to address erosion
- Geotextile slope stabilization to address levee stability
- Slope flattening to address levee stability
- Levee raise to address freeboard deficiency

Bank protection along the American River consists of rock revetment with planting berms where feasible. In some cases “launchable rock” trenches, when undermined by erosion, are designed to release rocks onto the erosion surface.

Levee Accreditation Project (LAP) – The LAP is a locally-led construction project that advanced portions of the ARCF 2016 prior to congressional authorization and funding. The LAP includes slurry cutoff walls along the Arcade Creek North Levee, the NEMDC East Levee, and the Arcade Creek South Levee (AECOM, 2015). SAFCA also began design along the Sacramento River East Levee (SREL) downstream of the American River. SAFCA’s design project included stability berms, relief wells, relief well improvements, cutoff walls, and toe drains. The project also included erosion repairs. The USACE took over design efforts along the Sacramento River in 2018 and is leading construction. Structures and vegetation encroaching on the levees will be removed if necessary to meet National Flood Insurance Program (NFIP) standards and the State’s Urban Levee Design Criteria (ULDC).

The southernmost reach of the SREL at its junction with the Beach Lake Levee was evaluated in 2018 (MBK, 2018). MBK recommended improving the Beach Lake Levee and the Sacramento River East Levee downstream of the Beach Lake Levee. The recommendations included raising the Beach Lake Levee to meet ULDC requirements, possibly in conjunction with a riparian wind-wave buffer and DWR improvements to the levees of the McCormack-Williamson Tract. These improvements can provide ULOP. SAFCA has proceeded with the wind-wave buffer and is designing potential levee improvements consistent with ULDC known as the Morrison Creek and Beach Lake Levee Resiliency Project. In 2022 SAFCA submitted a grant request to FEMA to complete the levee raise with additional nature-based features for resiliency. The grant was awarded in 2024.

South Sacramento County Streams Group (SSSG) Project – USACE was the lead agency on this completed project, which consisted of improvements to the Beach Levee, levees and channels along Morrison Creek and its tributaries in South Sacramento, including Florin Creek, Elder Creek, and Unionhouse Creek. Physical work is now complete.

Florin Creek Multi-Use Basin Project – In moderate and larger flood events, the completed Florin Creek Multi-Use Basin Project can store up to 30 acre-feet of Florin Creek flows at Florin Creek Park on the north bank of Florin Creek (ESA, 2014). It provides at least 100-year flood protection within its floodplain in conjunction with the Florin Creek capacity improvements constructed by USACE as part of the South Sacramento County Streams Group Project.

Non-Structural Actions – The state's ULDC (DWR, 2012) are incorporated by reference in the ULOP Criteria and require many actions that are good practices for the effective operation and maintenance of levee systems to sustain system performance. These actions include such measures as engineering evaluation and documentation, development of security and safety plans, and other items. The non-structural actions and their necessity are described in greater detail in the Adequate Progress Engineer's Report (MBK, 2016). Ongoing operation, maintenance, repair, and rehabilitation may be considered ongoing non-structural actions that to the extent required are funded by SAFCA and its land use agency and local maintaining agency partners. Progress on these actions is not reported here unless the actions are "critical features" under the meaning of CGC Section 65007(a)(3).

2.2 Schedule

The Urban Level of Flood Protection must be achieved by the year 2025 in order for land use agencies, in approving new development, to make a finding that adequate progress is being made on the construction of a flood protection system (CGC §65865.5, §65962, and §66474.5). Table 1 on the next page lists the schedule for SAFCA projects. Table 2 provides additional detail on the ARCF 2014 Natomas Basin Project, Table 3 provides additional detail on the ARCF 2016 Project, and Table 4 provides additional detail on the Morrison Creek and Beach Lake Levee Resiliency Project.

Table 1: Timeline for Projects

Project	Natomas Levee System	Dry Creek Levee System	Robla Creek – Arcade Creek Levee System	American River North Levee System	American River South and Sacramento River East Levee System	South Sacramento Streams Levee System	Construction Status
Folsom Dam Modifications - JFP	JFP required for ULOP	Not required	JFP required for ULOP	JFP required for ULOP	JFP required for ULOP	JFP required for ULOP	JFP complete.
Folsom Dam Modifications - Raise	Not required for ULOP	Not required for ULOP	Not required for ULOP	Not required for ULOP	Not required for ULOP	Not required for ULOP	Not required for ULOP
ARCF 2014 Natomas Basin Project	Required for ULOP (Table 2)	Not required	Not required	Not required	Not required	Not required	See detail in Table 2
NLIP Local Project	Required for ULOP	Not required	Not required	Not required	Not required	Not required	Complete
ARCF 2016 (elements required for 200-year protection)	Provides resiliency (lowers water surface)	Not required	Provides resiliency	Some elements required for ULOP (Table 3)	Some elements required for ULOP (Table 3)	Provides resiliency	See detail in Table 3
LAP	Not required	Not required	Required for ULOP	Required for ULOP	Not required	Not required	Complete by 2023
SSSG	Not required	Not required	Not required	Not required	Not required	Site specific*	Complete
Florin Creek Multi-Use Basin	Not required	Not required	Not required	Not required	Not required	Site specific*	Complete
Additional South Sacramento SPFC Project(s) at Beach Lake Levee	Not required	Not required	Not required	Not required	Some elements required for ULOP (Table 4)	Not Required	See detail in Table 4
*This plan provides 200-year design flood risk reduction in the South Sacramento Streams area downstream of the Union Pacific Railroad (UPRR), subject to the evaluation of additional south Sacramento SPFC projects. Upstream of UPRR, the land use agency's determination of whether ULOP is attained will depend on the specific site and development proposal as some areas of residual flooding over 3 feet deep remain. At some sites, the listed projects will help attain ULOP.							

Table 2: ARCF Natomas Basin Project Status Detail

Element	Status	Elements Required for ULOP	ULOP Ready for Engineer's Report*
Reach A Gateway Oaks Dr to Farm Rd	Cutoff wall work upstream of I-80 to be completed in 2024, with the full adjacent levee to be completed in 2025. Pumping Plant 1B and drained stability berm from Sump 160 to Gateway Oaks Drive to be finished in 2026.	All	Complete by 2025**
Reach B San Juan Rd to W. Elverta Rd	Levee construction complete. Pumping Plant #3, and I-5 window complete. Riverside Pumping Plant underway. Elkhorn Pumping Plant to begin in 2025.	All	Complete by 2025**
Reach C W. Elverta Rd to Sankey Rd	Levee construction completed by SAFCA. Pritchard Pumping Plant to begin construction in 2025.	All	Complete by 2025**
Reach D Sankey Rd to Howsley Rd	Levee construction completed by SAFCA. Highway 99 window work begins 2024. Pumping Plant #4 to be completed 2024.	All	Complete by 2025
Reach E Howsley Rd to Sankey Rd	Levee construction began Spring 2023 and continues in 2024.	All	Complete by 2025
Reaches F&G Sankey Rd to NEMDC Pumping Station	Levee construction and slope improvements to start in 2025 and be completed in 2028 (2030 if landside slope hardening features aren't contracted by USACE). Pumping Plant #6 to begin Summer 2024.	All	Construction underway by 2025.***
Reach H NEMDC Pumping Station to Northgate Blvd	Contract 1 - NEMDC Pump Station to Arden-Garden: Work has been completed. Contract 2 - Arden-Garden to Northgate: Landside levee work and installation of maintenance road to begin 2024.	All	Complete by 2025
Reach I Northgate Blvd to Gateway Oaks Dr	Contract 2: Landside levee improvements and installation of maintenance road to begin 2024.	All	Complete by 2025

Sources: USACE 2022b, SAFCA.
*Reflects status at the time of this report based on the substantial completion of construction features sufficient to complete an Engineer's Report showing attainment of ULOP. Estimates are subject to change. SAFCA cannot control the schedule of projects led by other agencies.
**Construction is expected to be substantially complete by the end of 2025. Final completion and documentation may go into 2026.
***The schedule for reaches F&G is contingent on continued full funding from the federal government and continued actions by the SAFCA Board of Directors authorizing necessary real estate purchases as well as the USACE constructing the landside slope hardening.

Table 3: ARCF 2016 Project Status Detail

Element	Status	Elements Required for ULOP	ULOP Attainment*
Sacramento River East Levee – Seepage, Stability, & Overtopping	Contracts C1 and C2 complete. Contract C3 complete. SREL C4 under construction.	All	Complete by 2025
Sacramento River East Levee – Erosion	Contract C1 complete. C2 to be constructed in 2023 and 2024.	Only C1 and C2 are required for ULOP.	Contracts C1 and C2 complete by 2025.
Magpie Creek	Construction will begin after 2025.	Areas where flood depths are greater than 3 feet and buildings cannot be elevated.	Attainment will be after 2025.
North Area Streams	Work on Arcade Creek is complete except for utility remediation at NEMDC to be completed by 2025. A short reach of the Robla Creek South Levee does not meet freeboard but the area protected is below the applicable 3-foot flood depth criterion LOC-1 in the ULOP Criteria.	All	Complete by 2025. An isolated floodplain with insufficient freeboard on Robla Creek South levee may remain.
American River – Erosion	Contract C1 under construction. C2 – under construction. C3A – under construction in 2024	Only C1 and C2 are required for ULOP.	Complete by 2025.
Sources: USACE 2022c, USACE 2022d, SAFCA *Attainment status reflects the most current information at the time of this report. These estimates are subject to change. SAFCA cannot control the schedule of projects led by other agencies.			

Table 4: Morrison Creek and Beach Lake Levee Resiliency Project Status Detail

Element	Status	Elements Required for ULOP	ULOP Attainment*
Up to 1.7 Foot Levee and Floodwall Raise, Seepage berm and Pump Station Improvements	Major pump station maintenance is planned to start in 2024. Backwater freeboard will be provided under an emergency management plan in the event of a rural levee failure on the Sacramento River downstream of Beach Lake Levee.	Required for ULOP.	SAFCA is investigating whether a ULDC exception is feasible allowing interim findings to be made under the Urban Level of Flood Protection Criteria until completion of construction within five years.
Source: SAFCA *Attainment status reflects the most current information at the time of this report. These estimates are subject to change. SAFCA cannot control the schedule of projects led by other agencies.			

2.3 Costs, Revenues, and Appropriations

System improvement costs, or planned expenditures, were shown in the ULOP Plan as required by CGC Section 65007(a)(1). Revenues to fund those expenditures were also identified pursuant to CGC 65007(a)(2)(A). Table 5 shows combined planned expenditures for all agencies along with actual expenditures. Table 5 demonstrates that expenditures are keeping pace with or exceeding the planned level.

Table 5: Planned Expenditures ($millions, all sources)

Fiscal Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Original ULOP Plan Costs*	$171.6	$141.0	$111.3	$149.9	$125.5	$125.5	$163.6	$126.6	$126.6	$108.8	$53.9
Actual Spent**	$167.8	$114.3	$123.1	$171.3	$428.3	$644.5	$608.3	$242.7	$199.0	N/A	N/A
* Original ULOP Plan Costs include capital projects and levee modernization. Values in the 2016 ULOP Plan included system operations and maintenance (O&M) which are no longer shown. ** Actual expenditures are SAFCA actuals plus estimates of other agency expenditures based on funding agreements and/or the progress of the projects.											

SAFCA, State, and Federal appropriations also remain consistent with the plan, as shown in Table 6. CGC Section 65007(a)(2)(A) specifies that adequate progress means that 90 percent of the revenues scheduled to be received by that year have been appropriated and are currently being expended. Table 6 shows this requirement has been met with over 100 percent of scheduled revenues appropriated to date. The Federal and State appropriations reflect Congressional authorizations and executed funding agreements. SAFCA appropriations reflect past spending and current year appropriations. Section 3 of this report will describe how these appropriations are being expended.

Table 6: Cumulative Planned Expenditures, Actual Appropriations and Actual Expenditures Through 2023-2024 ($millions, all sources)

Agency	Planned Expenditures*	Actual Appropriations**	Actual Expenditures***	Percent Appropriated Versus Planned Expenditures****
Federal	$1,489.9	$2,736.8	$2,801.5	>100%
State	$870.0	$1,056.6	$867.1	>100%
Local	$47.5	$47.4	$47.5	100%
SAFCA	$388.7	$538.73	$548.3	>100%
Total	$2,796.1	$4,379.53	$4,264.4	>100%

Notes:
*Planned expenses are the planned cumulative capital project expenses from Fiscal Year 2006-2007 through Fiscal Year 2021-2022 as shown in the 2016 ULOP report.
** For purposes of this report, State appropriations represent the amount of executed State funding agreements with SAFCA. Amounts listed as SAFCA appropriations include past spending plus current year appropriations to avoid double-counting unspent appropriations from prior years.
*** Actual expenditures are SAFCA actuals plus estimates of other agency expenditures based on funding agreements and/or the progress of the projects. June 2024 expenditures projected and subject to revision.
**** The federal and total percent appropriated exceed 100% because the federal Bipartisan Budget Act of 2018 (Public Law 115-123) included full funding for the American River Common Features and Folsom Dam Raise.

3. CONSTRUCTION OF CRITICAL FEATURES

Pursuant to Government Code Section 65007(a)(3), adequate progress on construction of a flood protection system means that critical features of the system are under construction and progress is indicated by the expenditure of the budgeted construction funds. The preceding section documented that SAFCA expenditures are on track. This section provides a brief summary of the construction progress in each of the SAFCA protected areas. This report does not distinguish between expenditures for physical construction and those for pre-construction permitting, engineering, and design because the cash flow and planned expenditures in the ULOP Plan do not provide line items for construction alone; and the pre-construction work is a planned and necessary component of ULOP Plan implementation.

All Protected Areas – All of the SAFCA protected basins benefit from the Folsom Dam Modifications. The first element of the modifications, the JFP, was largely completed in 2016.

Since then the completed project has been turned over to the U.S. Bureau of Reclamation and the Water Control Manual has been formally executed.

Natomas – SAFCA has largely completed its Natomas Levee Improvement Program (NLIP), which improved levees on the north and part of the west perimeter of the basin. The ARCF 2014 Natomas Basin Project is improving the basin's remaining levees and drainage infrastructure, which are referred to in sequential reaches starting with Reach A from the American River confluence to San Juan Road and moving around the basin in a clockwise direction (USACE, 2022b). Levee construction is underway in Reach A on the SREL. Work on the drained stability berm from City Sump 160 to Gateway Oaks Boulevard will likely be completed in 2026. Work at the RD 1000 Pump Plant 1B should be completed in 2026. ULOP conformance in 2025 will require obtaining a set of record drawings as of 2025 and engineer confirmation that the interim construction condition meets ULDC. USACE Reach B (along the SREL north of San Juan Road to Elverta Road) construction is essentially complete. Construction of Riverside Pumping Plant in this reach is underway. Levee construction is essentially complete in Reach C (from Elverta Road to the Natomas Cross Canal) with Pritchard Pumping Plant construction scheduled for 2025. Levee construction in Reach D (Natomas Cross Canal South Levee) is complete except at Highway 99. Work continues at Pumping Plant 4, where the remaining electrical equipment is expected to be installed by the end of 2024. The construction contract for Reach E (Pleasant Grove Creek Canal West Levee) was awarded in April 2023. Reaches F and G (Natomas East Main Drainage Canal West Levee) are currently being designed. Construction award is expected in 2025 and completion in 2028. A ULDC exception for freeboard deficiencies may be required in the northern part of Reach F and would require slope hardening features. At this point, it's unclear whether this will be constructed by the USACE. If not, then SAFCA will need to design and construct, and completion would occur in 2030. Seepage cutoff wells, levee slope flattening, and improvements to two stormwater pumping stations are essentially complete on USACE Reach H (along the NEMDC West Levee from Dry Creek to the Arden Garden Connector). Reach I Contract 1 (American River North Levee west of Northgate Boulevard) included a blanket drain constructed under the I-5 overpass and a cutoff wall to the west along the Garden Highway. Both of these components are now complete. Reach I contract 2 will begin construction in 2024. Natomas benefits from the Folsom Dam Modifications discussed above.

Dry Creek North Levee System – No construction projects are required for the Dry Creek North Levee.

Robla Creek South Levee, NEMDC East Levee, and Arcade Creek North Levee – In 2017, fourteen relief wells were constructed along the Arcade Creek North Levee. Construction of cutoff walls under SAFCA construction Contract 4355 is now substantially complete. Improvements to the Magpie Creek Diversion Channel as part of ARCF 2016 are known as the Magpie Creek Project. The project is being designed now and will be constructed after 2025. A short reach of the Robla Creek south levee downstream of Dry Creek Road does not meet freeboard, but affects a small area and flooding would be less than three feet deep.

American River North Levee – Cutoff walls along the Arcade Creek South Levee and NEMDC East Levee and were completed by USACE in 2015.

American River South and Sacramento River East Levee – Structural improvements to the Sacramento River East Levee have been designed, and USACE has retained a construction contractor. Contract 1 included work in the Pocket area and a seepage berm near Front Street and Miller Park that is now complete (USACE, 2022a). The second contract along the Sacramento River East Levee in the Pocket area, includes cutoff wall construction, now complete, and relief wells to address seepage and stability issues. Construction Contract 3 is complete. SREL Contract 4 was awarded in 2023 and should be complete in 2024.

Work is also planned north of Miller Park near U.S. Highway 50. Encroachments in the construction footprint were removed by SAFCA. Under its "levee modernization" project, SAFCA acquired a property adjoining the levee and removed encroachments on it preparatory to splitting the property under the flood easement and conveying fee title to the State or City. A voluntary encroachment removal program has been initiated for other affected properties. The Morrison Creek and Beach Lake Levee Resiliency Project 65% design is complete. In 2019, SAFCA also constructed an oak woodland mitigation project to provide a wind-wave buffer for the levee.

South Sacramento Streams Group – Upstream of the UPRR, construction is complete on the Florin Creek channel improvements and the Florin Creek Multi-Use Basin project. This project was intended to meet FEMA 100 year criteria but was not designed to meet ULDC requirements. The Federal Emergency Management Agency (FEMA) issued a LOMR for that work that became effective on March 25, 2019. The City or County may choose to investigate whether some areas where 200-year flood depths are below 3 feet may be newly eligible for a ULOP finding based on the project providing 100-year protection.

4. DELAYS

Adequate progress towards achieving an Urban Level of Flood Protection means, according to Government Code section 65007(a)(4), that "the city or county has not been responsible for a significant delay," among other things. In SAFCA's flood protected areas, this standard has been achieved. As Table 6 demonstrated, to date local agencies have exceeded 100% of their planned expenditures for flood protection.

The ULOP Criteria recommend that annual progress reports address "any delay in State funding appropriation consistent with an agreement between a State agency and a local flood management agency." As demonstrated earlier, State appropriations to date exceed their planned level.

As the December 31, 2025 deadline for ULOP attainment draws near, it is evident that new delays to remaining scheduled construction activities could constrain attainment for affected portions of the subject basins. Should such a delay arise, the affected jurisdiction or jurisdictions would need to choose whether to temporarily suspend development approvals as required by current ULOP legislation, or to seek a legislative extension that may entail the assumption of some liability for future flood damage to any developments approved without ULOP.

5. REFERENCES FOR DATA USED

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Sacramento Area Flood Control Agency

August 22, 2024

Mr. Remi Mendoza
Planning Division
City of Sacramento
300 Richards Blvd, 3rd Floor
Sacramento, CA 95811-0218

Mr. Kevin Siu
Department of Water Resources
County of Sacramento
827 Seventh St, Room 301
Sacramento, CA 95814

Mr. David Tomm
Public Works
County of Sutter
1130 Civic Center Blvd.
Yuba City, CA 95993

Subject: **URBAN LEVEL OF FLOOD PROTECTION ADEQUATE PROGRESS ANNUAL REPORT**

Dear Sirs:

Enclosed please find the Sacramento Area Flood Control Agency (SAFCA) 2024 Urban Level of Flood Protection Annual Report. This report identifies SAFCA's progress on achieving the Urban Level of Flood Protection (ULOP) for State Plan of Flood Control (SPFC) facilities within our jurisdiction. On July 18, 2024, the SAFCA Board of Directors approved Resolution No. 2024-056 approving distribution of this report. Because this progress is germane to the authorities vested in your agency, I encourage your agency to use the information provided herein in conjunction with your own data and judgment in reporting annual progress to the Central Valley Flood Board prior to September 30.

SAFCA staff recommend a close reading of the enclosed report. No local or state delays in ULOP funding have occurred, and SAFCA, State, and Federal appropriations remain consistent with the ULOP plan. SAFCA is working diligently with our state and federal partners to have major ULOP projects substantially complete by the December 2025 deadline and will continue to coordinate with you, especially as we begin work on an interim Engineer's report in early 2025.

Office 916-874-7606
Fax 916-874-8289

1325 J Street, Suite 1700
Sacramento, CA 95814

SAFCA appreciates the opportunity to work with your agency on flood matters of mutual interest and looks forward to continued cooperation in achieving adequate progress in this and future years.

Sincerely,

Gary Bardini, P.E.
Director of Planning

Enclosure

cc (w/o enclosure):
Jason Campbell
Melanie Saucier
Mick Klasson

APPENDIX B-2

APPRAISAL REVIEW REPORT

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BBG
REAL ESTATE SERVICES

The insight you need. The independence you trust.

Appraisal Review

Greenbriar Community Facilities District No. 2018-3, Improvement Area #2
NWQ of Interstate 5 and State Highway 99
Sacramento, California 95835

BBG File #0124021150

Prepared For

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

Appraisal Review Report Date

November 12, 2024

Prepared By

BBG, Inc., Northern California
Sacramento Office
1708 Q Street
Sacramento, CA 95811
Client Manager: Scott Beebe, MAI
Ph: (916) 949-7360

BBG Website

bbgres.com

Valuation + Assessment

November 12, 2024

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

Re: Appraisal Review
Greenbriar Community Facilities District No. 2018-03, Improvement Area #2
NWQ of Interstate 5 and State Highway 99
Sacramento, California 95835

Prepared by John E. Carrothers, MAI
BBG File #0124021150

Dear Mr. Sinclair:

BBG is pleased to provide this appraisal review of the appraisal report prepared completed by John Carrothers, MAI of Smith & Associates pertaining to the Greenbriar Community Facilities District No. 2018-03, Improvement Area #2 commonly referred to as the CFD. The appraisal report date is November 12, 2024, with a date of value of September 25, 2024. The attached review report incorporates by reference the entire appraisal (190 pages, including the Addenda), referred to as "the Report".

The purpose of the attached appraisal review is to provide my opinion as to the completeness, accuracy, adequacy, relevance, and reasonableness of salient aspects of the written appraisal report in compliance with Review Standards 3 and 4 of the Uniform Standards of Professional Appraisal Practice (USPAP 2024). I assessed the appraisal's compliance with Standards 1 and 2 of the USPAP and the Appraisal Standards for Land Secured Financing, published by the California Debt and Investment Advisory Commission (CDIAC).

Summary Observations and Conclusions

After my review of the Report, it is my opinion the report under review complies with Standards 1 and 2 of USPAP and the appraisal regulations issued in connection with CDIAC. Further, the market value opinions are consistent with the relevant market conditions and the market data presented in the report as of the date of value.

My opinions are summarized as follows:

- The material under review is complete.

- The data used is adequate and relevant.

- The methods and techniques used are appropriate.

- The value opinions stated in the Report are adequately supported and are credible, given the data and analyses presented. However, I express no opinions of value of the subject properties.

- In my judgment, the Report complies with the Uniform Standards of Professional Appraisal Practice.

I limited my review work solely to a review of the Report. I did not gather any substantial additional data. I inspected the subject property on September 27, 2024, including the market data. Further, I did not complete any independent verification of the market data or market information.

Thank you for the opportunity to provide this appraisal review. Please contact me should you have questions.

Respectfully submitted,

BBG

Scott Beebe, MAI
Certified General Real Estate Appraiser
California License #AG015266

BBG
REAL ESTATE SERVICES

TABLE OF CONTENTS

INTRODUCTION

REVIEWER IDENTIFICATION

Company:	BBG 1708 Q Street Sacramento, CA 95811
Reviewer:	Scott Beebe, MAI California Certified General Real Estate Appraiser, AG 015266 Expires February 10, 2025 916-949-7360 sbeebe@bbgres.com
Date of Appraisal Review:	November 12, 2024

CLIENT AND INTENDED UERS OF THE REVIEW:

Review Client:	Bill Sinclair, City of Sacramento
Review Intended Users:	City of Sacramento, CFD finance team and prospective bond investors. No other users are intended.

INTENDED USE AND PURPOSE OF THE REVIEW

Intended Use:	The intended use of this appraisal review is to assist the client's reliance on the Report for underwriting the bond financing secured by the subject property described in the Report. No other uses are intended.
Purpose of the Review:	The purpose of the appraisal review is to develop and report a credible opinion of the quality of another appraiser's work while considering the completeness, accuracy, adequacy, relevance, and reasonableness of the conclusions in the Report. This review is to determine if the results of the work under review are credible for the intended users' intended use. I also assessed the appraisal's compliance with Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice (USPAP) and the appraisal regulations issued in connection with CDIAC. I

inspected the subject property on September 27, 2024 including the market data. Further, no independent verification of the market data or market information was made. This review report was completed and written in conformance with Standards 3 and 4 of USPAP, respectively.

APPRAISER

Company:	Smith & Associates 111 Woodmere Road, Suite 140 Folsom, CA 95630
Appraiser:	John E. Caruthers, MAI State Certified General Real Estate Appraiser, California AG 014187 Expiration April 11, 2025 916-357-5860 jcarrothers@smithassociatesinc.com

SUBJECT PROPERTY IDENTIFICATION

The real property in the appraisal report under review is:

The subject property is located along the northwest quadrant of Interstate 5 and State Highway 99 in the Natomas community of the City of Sacramento. This project area encompasses a total land area of approximately 296.00 gross acres generally allocated among 127.1 acres identified for the development of 1,177 residential lots, 9.2 acres identified for the development of 331 multi-family residential units with the balance for commercial uses and non-revenue generating parcels. According to the Scope of Work, the analysis included only the 127.1 acres for development of 1,177 residential lots. Values are not identified for the multi-family residential components or the commercial components.

Property Address:	NWQ of Interstate 5 and State Highway 99 Sacramento, CA 95835
Property Ownership:	Greenbriar Phase 2, LLC is the owner 969 lots. Lennar Homes of California, LLC is the owner of 208 lots and homes.
Land Area & Improvements:	The subject property includes 1,177 residential lots. Site development is nearly completed for this project as of the effective date of value. In addition, home development has commenced including the completion of 17 model homes under Lennar ownership. The homes range in size from 1,640 to 3,037 SF. The proposed base pricing ranges from $570,240 to $751,823.

Assessor's Parcel Numbers:

xxxx

PROJECT AREA	# LOTS	APNs
Village 1	104	201-1540-001..011
		201-1540-026..061
		201-1600-001..017
		201-1510-045
Village 2	89	201-1540-012..025
		201-1510-033
Village 3	11	201-1520-001..011
Village 4	68	201-1510-044
Village 5	61	201-1550-001..003
		201-1590-001..058
Village 6	54	201-1550-016..019
		201-1640-001..050
Village 7	26	201-1530-001..026
Village 8	88	201-1550-010..015
		201-1510-037
Village 9	53	201-1550-004..009
		201-1510-046
Village 10	59	201-1550-020..035
		201-1630-001..042, 044
Village 11	44	201-1520-012..014
		201-1510-040
Village 12	60	201-1510-041
Village 13	50	201-1510-014
Village 14	54	201-1510-016
Village 15	31	201-1510-042
Village 16	34	201-1510-017
Village 17	44	201-1570-001..046
Village 18	59	201-1580-001..059
Village 19	49	201-1510-043
Village 14/20	139	201-0300-179
Total	1,177	

The description above includes all of the taxable parcels within the boundaries of the Greenbriar Community Facilities District No. 2018-03, Improvement Area #2. In addition, there are non-revenue parcels included in the district.

APPRAISAL REPORT INFORMATION AND CONCLUSIONS

Date of the Report:	November 12, 2024
Date of Inspection:	September 25, 2024
Effective Date of Market Value:	September 25, 2024
Interest Appraised:	Fee simple estate
Report Type:	The appraisal report is identified as an Appraisal Report in accordance with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice.
Valuation Approaches:	Sales Comparison Approach, Subdivision Development Method, Land Residual Analysis and Valuation per declared cost reported under the permit for the model homes.
Market Value Descriptions:	The market values estimated are for the subject properties as of the date of inspection.
Opinions of Market Value:	Ownership/ Description/ Value by Ownership Greenbriar Phase 2, LLC, 969 lots: $79,880,000 Lennar Homes of California, LLC, 208 lots and homes: $54,725,000 Aggregate Value of Appraised Properties: $134,605,000
Appraisal Client:	Mr. Bill Sinclair, City of Sacramento
Appraisal Intended User:	City of Sacramento, CFD finance team and prospective bond investors.
Appraisal Intended Use:	The intended use of this report is to reasonably validate the estimated value-to-lien coverage for purposes for a land-secured bond financing. The appraisal is not intended for any other use or users.

SCOPE OF WORK

The Client/Reviewer agreed upon Scope of Work for this review assignment outlined as follows:

- I read the submitted appraisal report in its entirety.
- I determined the report's compliance with Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice (USPAP) and compliance with CDIAC appraisal requirements.
- I developed opinions as to the completeness, accuracy, adequacy, relevance, and reasonableness of various salient aspects of the written report.
- I did not provide my own market value opinion but during the review period I did provide comments and questions based on the draft reports provided by the Client prepared by the appraiser.
- I determined the reliability of the market values reported in the appraisal based solely on the contents of the appraisal report under review and generally accepted appraisal methodology and valuation techniques.
- I inspected the subject property. I reviewed the market data. Further, no independent verification of the market data or market information was made.
- I completed this written review report in compliance with Standard 4 of the Uniform Standards of Professional Appraisal Practice (USPAP).

APPRAISAL REVIEW CHECKLIST

INTRODUCTION AND FACTUAL DESCRIPTIONS		**YES**	**NO**	**N/A**
1.	Letter of transmittal accurately reflects the contents of the report?	X		
2.	Is the property adequately identified through legal description, parcel number(s), parcel map, etc.?	X		
3.	Does the appraisal correctly define and identify the real property interest appraised?	X		
4.	Are the dates of inspection, date of report and effective date of value stated? If applicable, are retrospective and prospective values properly identified per USPAP?	X		
5.	Does the appraisal provide a correct definition of market value and cite the source of the definition?	X		
6.	Are the intended use(s), client/intended user(s) and scope of work of the appraisal identified, including a description of the extent of collecting, confirming, and reporting data?	X		
7.	Are all applicable extraordinary assumptions and/or hypothetical conditions disclosed and presented in a clear and conspicuous manner in the report?	X		
8.	Is a statement of ownership history of the subject property provided, and is any listing, option, or pending contract disclosed and discussed?	X		
9.	Are the discussion and analyses of regional and neighborhood data and trends relevant and adequate considering the scope of the assignment?	X		

Comments:

The introduction and factual descriptions in the General Information section sufficiently present the subject identification, history, current ownership and sale history, the facilities and costs the City will finance by way of bonds issued on behalf of a CFD, and the purpose and use of the appraisal. The correct property rights appraised, and the market value definitions are provided. Additionally, a separate section reports the developer's marketing and development strategy (refer to report page 122).

The report provides a detailed Scope of Work section. The Report employs Extraordinary Assumptions (EAs) and Hypothetical Conditions (HC) (page 4 of report). Given the stated scope of work and the intended use, the assumptions and conditions are appropriate. I recommend that appraisal user carefully review the assumptions and conditions that are premises for the valuation.

The Regional and Neighborhood analyses are detailed and relevant. A history of the subject is included. The approved entitlements as of September 25, 2024 are reported and analyzed.

SUBJECT PROPERTY DESCRIPTIONS	YES	NO	N/A
1. Is the site description adequate, including size, shape, frontage, drainage, and discussion of surrounding properties?	X		
2. Are easements, flood plain, wetlands, earthquake zone, and/or other encumbrances adequately identified and addressed?	X		
3. Are environmental hazards identified and addressed or standard disclaimer included?	X		
4. Are zoning and tax analysis adequately addressed?	X		
5. Is the description of improvements adequate, including photographs, site plan and drawings of improvements?	X		
6. Is improvement conformance with zoning considered?	X		

Comments: The appraisal included detailed description and analysis of the physical, legal, environmental characteristics of the site and improvements. This description as reported beginning on page 31 was adequately reported.

MARKET ANALYSIS AND HIGHEST AND BEST USE	YES	NO	N/A
1. Is the historical performance of the market presented and analyzed?	X		
2. Is the position (such as design of the project or the marketing efforts) of the subject property within the market considered?	X		
3. Is the level of market analysis compliant with the terms of the engagement and the size and complexity of the subject property?	X		
4. Does the appraisal follow the four criteria of highest and best use analysis?	X		
5. Is highest and best use as vacant analyzed?	X		
6. Is highest and best use as improved (proposed) analyzed?	X		
7. Are any probable physical, legal, or external changes considered, such as a pending change in zoning that may impact property value?	X		
8. Does the appraisal provide an adequate discussion of the potential for an expansion of, or changes to, the existing improvements?	X		

Comments: The appraisal beginning on page 99 included detailed market analysis including pricing, absorption, market capture, real estate supply and demand factors and trends. The subject pricing and absorption conclusions were consistent with the Market Study report prepared by The Gregory Group dated May 2024 (located in addenda).

VALUATION METHODOLOGY	**YES**	**NO**	**N/A**
1. Are exclusions of one or more of the three traditional approaches to value properly disclosed?	X		
2. Is the rationale for the exclusion of one or more of the three traditional approaches to value reasonable?	X		

COST APPROACH	**YES**	**NO**	**N/A**
1. Are land sales current, comparable, and appropriately adjusted?			X
2. Is the land value conclusion logical and reasonable?			X
3. Is basis for the replacement cost estimate properly documented?			X
4. Does the estimated cost to complete proposed improvements include leasing expenses and/or holding cost during construction?			
5. Are all forms of accrued depreciation considered and supported?			X
6. Does the appraisal account for and adequately support entrepreneurial profit obtained from non-confidential or proprietary sources?			X
7. Is the cost approach conclusion logical and reasonable?			X

Comments: The report deemed the cost approach to not be applicable to the development of credible assignment results for the valuation analyses. Nevertheless, parts of the appraisal utilize cost estimates that have support and appear credible (supported by developer's budgets and costs, cost comparables, and a cost service) for the cost estimates for development of the land residuals/extraction analysis. The costs used appear reasonable and supported.

SALES COMPARISON APPROACH (SCA)	**YES**	**NO**	**N/A**
1. Are the land sales current and reasonably comparable?	X		
2. Are the land sales sufficiently identified and the descriptions adequate?	X		
3. Is the appropriate unit of comparison analyzed?	X		
4. Is the reasoning and analysis employed adequate and are the sales properly adjusted?	X		
5. Is the final value conclusion of the sales comparison approach logical and reasonable?	X		

Comments SFR lots: The appraisal utilized eleven land sale comparables to arrive at finished lot values. The quality of the comparable land sale data was good. The sales has unadjusted prices from $189,536 to $470,000 per lot. Appropriate adjustments were applied to the sales with final adjusted prices from $175,993 to $350,300 per lot with an average of $245,378 and a median of $238,066. A Benchmark Value of $230,000 was concluded which included building permit fees. Refinements were applied to the Benchmark Value to arrive at finished lot values for each product type. These conclusions from this approach were as follows:

<u>Shore - 193 Lots:</u> These lots were valued at $185,000 per lot from this approach. This value is reasonable for their minimum lot size of 2,788 SF.

<u>Lakelet - 173 Lots:</u> These lots were valued at $195,000 per lot from this approach. This value is reasonable for their minimum lot size of 3,690 SF.

<u>Watersyde - 153 Lots:</u> These lots were valued at $195,000 per lot from this approach. This value is reasonable for their minimum lot size of 4,000 SF.

<u>Wavmor – 163 Lots:</u> These lots were valued at $202,000 per lot from this approach. This value is reasonable for their minimum lot size of 4,500 SF.

<u>Crestvue -138 Lots:</u> These lots were valued at $202,000 per lot from this approach. This value is reasonable for their minimum lot size of 4,675 SF.

<u>Bleau -110 Lots:</u> These lots were valued at $207,000 per lot from this approach. This value is reasonable for their minimum lot size of 5,000 SF.

<u>Drifton -108 Lots:</u> These lots were valued at $212,000 per lot from this approach. This value is reasonable for their minimum lot size of 5,500 SF.

<u>V14/20 – 139 Lots:</u> These lots were valued at $178,000 per lot from this approach. This value is reasonable for their minimum lot size of 3,690 SF.

INCOME APPROACH		YES	NO	N/A
1.	If Income Approach excluded, was proper justification provided?			X
2.	Is Income Approach methodology adequately summarized?	X		
3.	Is Subject Revenue analyzed and estimated?	X		
4.	Is Lot absorption analyzed and estimated?	X		
5.	Are remaining lot development construction costs analyzed and estimated?	X		
6.	Are Holding and Sales costs detailed and analyzed?	X		
7.	Is the Discount Rate and Profit supported and analyzed?	X		
8.	Were inputs to the discounted cash flow reasonable?	X		
9.	Were all calculations in Income Approach model mathematically correct?	X		
10.	Were appropriate deductions and discounts applied or accounted for in the analysis?	X		
11.	Is the final value estimates consistent with the data presented?	X		

Comments (SFR lots): An Extraction and Discounted Cash Flow analyses were performed to supplement the Sales Comparison Approach in the valuation of the finished lots. The inputs, quality of data and assumptions regarding the above referenced factors were adequately considered. The conclusions from this approach were as follows:

<u>Shore Lots:</u> The Extraction and Discounted Cash Flow methods arrived at finished lot value of $186,000 per lot. This was reconciled with the Sales Comparison Approach $185,000 per lot) to arrive at a final lot value $185,000.

<u>Lakelet Lots:</u> The Extraction and Discounted Cash Flow methods arrived at finished lot value of $196,000 per lot. This was reconciled with the Sales Comparison Approach $195,000 per lot) to arrive at a final lot value $195,000.

<u>Watersyde Lots:</u> The Extraction and Discounted Cash Flow methods arrived at finished lot value of $196,000 per lot. This was reconciled with the Sales Comparison Approach $195,000 per lot) to arrive at a final lot value $195,000.

<u>Wavmor Lots:</u> The Extraction and Discounted Cash Flow methods arrived at finished lot value of $190,000 per lot. This was reconciled with the Sales Comparison Approach $202,000 per lot) to arrive at a final lot value $200,000.

<u>Crestvue Lots:</u> The Extraction and Discounted Cash Flow methods arrived at finished lot value of $200,000 per lot. This was reconciled with the Sales Comparison Approach $202,000 per lot) to arrive at a final lot value $200,000.

<u>Bleau Lots:</u> The Extraction and Discounted Cash Flow methods arrived at finished lot value of $234,500 per lot. This was reconciled with the Sales Comparison Approach $207,000 per lot) to arrive at a final lot value $225,000.

Drifton Lots: The Extraction and Discounted Cash Flow methods arrived at finished lot value of $205,000 per lot. This was reconciled with the Sales Comparison Approach $212,000 per lot) to arrive at a final lot value $210,000.

V14/20 Lots: The Extraction and Discounted Cash Flow methods arrived at finished lot value of $164,500 per lot. This was reconciled with the Sales Comparison Approach $178,000 per lot) to arrive at a final lot value $170,000.

RECONCILIATION, FINAL VALUE CONCLUSIONS	**YES**	**NO**	**N/A**
1. Is the estimated exposure time disclosed and reasonable?	**X**		
2. Is the final value appropriately divided between realty and non-realty items? Is the impact of their inclusion/exclusion on the estimate of value discussed?	**X**		
3. Are final value estimates consistent with the data presented, and sufficient documentation included to assess the appraisal's logic, reasoning, judgment, and analysis?	**X**		
4. Is the as-is value appropriately analyzed?	**X**		

REVIEWER'S CONCLUSIONS

The appraisal appropriately valued the subject based on the intended use and methods peers would use and users of the service would expect.

Summary Comments:

The aggregate or cumulative conclusion of **$134,605,000** appears reasonably supported by the market data and analyses included within the appraisal.

The reported extraordinary assumptions applied in the appraisal were reasonable.

Market Value of Greenbriar Phase 2, LLC

This owner has 969 lots. The valuation of these lots was completed using a Discounted Cash Flow analysis. The analysis considered the retail value of the lots, remaining lot development construction costs, absorption of the lots, holding and selling costs and profit/discount rate. All of the inputs were well supported and reasonable. The indicated bulk value of this property is $79,880,000 as shown on Page 189.

Market Value of Lennar Homes, LLC

Lennar Homes of California LLC has 208 lots. Adjustments to the valuation included the completion of homes and permits paid. The following was concluded for the Lennar Homes of California LLC:

Market Value (Lennar Homes of California, LLC)				
Project	**Takedown**	**No. Lots**	**Lot Value**	**Value**
Watersyde	1	19	$195,000	$3,705,000
Crestvue	1	22	$200,000	$4,400,000
Shor	1	16	$185,000	$2,960,000
Lakelet	1	19	$195,000	$3,705,000
Land Component Value				$14,770,000
Plus: Completed Homes /Permits				$12,336,123
Indicated Value				$27,106,123
Rounded - 1st Takedown				**$27,105,000**
Project	**Takedown**	**No. Lots**	**Lot Value**	**Value**
Shor	2	9	$185,000	$1,665,000
Crestvue	2	6	$200,000	$1,200,000
Lakelet	2	8	$195,000	$1,560,000
Watersyde	2	17	$195,000	$3,315,000
Crestvue	2	7	$200,000	$1,400,000
V14/20	2	21	$170,000	$3,570,000
Land Component Value				$12,710,000
Plus: Permits & Fees				$1,678,425
Indicated Value				$14,388,425
Rounded - 2nd Takedown				**$14,390,000**
Project	**Takedown**	**No. Lots**	**Lot Value**	**Value**
Crestvue	3	12	$200,000	$2,400,000
Shor	3	12	$185,000	$2,220,000
Lakelet	3	12	$195,000	$2,340,000
Watersyde	3	14	$195,000	$2,730,000
V14/20	3	14	$170,000	$2,380,000
Land Component Value				$12,070,000
Plus: Permits & Fees				$1,162,288
Indicated Value				$13,232,288
Rounded -3rd Takedown				**$13,230,000**
Aggregate Value				**$54,725,000**

ADDITIONAL USPAP & FIRREA REPORTING REQUIRMENTS

		YES	NO	N/A
1.	Are general assumptions and limiting conditions reasonable?	X		
2.	Are the extraordinary assumptions and hypothetical conditions reasonable and prominently disclosed?	X		
3.	Is certification signed by appraiser(s) who prepared the report?	X		
4.	Are qualifications included in the report for all appraisers providing a significant contribution to the completion of the appraisal assignment?	X		
5.	Does the appraisal conform to generally accepted appraisal standards as evidenced by the USPAP and the appraisal regulations of CDIAC?	X		
6.	Is appraisal written with sufficient information and analysis to support the institution's decision to engage in the transaction?	X		
7.	Does the appraisal analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units?	X		
8.	Did state licensed or certified appraisers prepare the appraisal?	X		
9.	If information was unavailable, is that fact disclosed and explained in the report?	X		
10.	Are engagement instructions and other appraiser correspondence included in the report?	X		
11.	Are third party studies well supported, incorporated into the appraisal or are the conclusions of the third-party studies modified with supporting data by the appraiser to justify the changes?	X		

Comments: In my opinion, given the reasons put forth previously in this review, the appraisal report complies with USPAP and the CDIAC appraisal requirements.

This review is subject to the Assumptions and Limiting Conditions contained in this report. The reviewer's compensation is not contingent on an action or event result from the analysis, opinions, or conclusions in or the use of this report.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed prior services, as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Scott Beebe did not inspect the subject property.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Scott Beebe, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.

Scott Beebe, MAI
Certified General Real Estate Appraiser
California License #AG01526

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
   a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
   b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
   c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
   d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
   e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.

f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would 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 has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.

h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.

i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.

j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.

k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.

l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.

m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal repot based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.

2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations

should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.

11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
13) Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report , in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (b) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of an Appraisal Report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

BBG

Scott Beebe, MAI
Senior Managing Director
Work: 916-949-7360
sbeebe@bbgres.com

PROFILE

Scott Beebe is a Senior Managing Director at BBG in the Sacramento office. Mr. Beebe has over 30 years of experience in the valuation and analysis of commercial real estate including multi-family, retail, industrial, office, mixed-use and development land. Prior to BBG, Scott was one of the founding partners of Integra Realty Resources in 1999. Specialized property types include all types of lodging facilities, affordable housing, senior apartment communities, sports and health club facilities, golf course properties, automobile dealerships, manufactured home parks, self-storage facilities, regional malls and power centers and others.

Mr. Beebe has provided valuation and consulting services for condemnation purposes, estate, financing, equity participation and due diligence support. Specialized services include portfolio valuations, institutional-grade property valuations, market feasibility studies and acquisition/disposition counseling. Mr. Beebe has testified as an expert witness in superior and municipal courts. Clients served include life insurance companies, pension funds and pension fund advisors, banks and financial institutions, conduits, developers and investors, law firms, businesses/ corporations and government.

PROFESSIONAL AFFILIATIONS & LICENCES

Appraisal Institute, Member (MAI)
Lambda Alpha International – Honorary Land Economics Society

General Certified Appraiser:

State of California (License # AG 015266)

EDUCATION

B.B.A. Degree, Business Administration, University of Texas, Austin, Texas, 1988

Successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, accredited universities and others.

Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Michael S. Beebe

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 015266

Effective Date: February 11, 2023
Date Expires: February 10, 2025

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3069663

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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

City Council
City of Sacramento
915 I Street
Sacramento, California 95814

OPINION: $36,950,000 City of Sacramento
Greenbriar Community Facilities District No. 2018-03 (Improvements)
Improvement Area No. 2 Special Tax Bonds, Series 2024

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, certifications, opinions 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 December 3, 2024 (the "Resolution"), and a Master Indenture, dated as of December 1, 2024, as amended and supplemented by a First Supplemental Indenture, dated as of December 1, 2024 (together, the "Indenture"), by and between the City and U.S. Bank Trust Company, National Association, as trustee. Under the Indenture, the City has pledged certain revenues (the "Net Special Tax Revenues") 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. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of the city attorney to the City, and others, 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 Net Special Tax Revenues 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 Net Special Tax Revenues 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.

It should be noted that interest on the Bonds may be subject to the corporate alternative minimum tax. We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions, and any assumptions expressed herein, and in reliance upon the representations, and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX 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 County or the State or any of its political subdivisions, and the County, and the State and its political subdivisions are not liable therefor. The Bonds are special limited obligations of the City payable solely from the Net Special Tax Revenues (as defined in the Official Statement) and other amounts as set forth in the Indenture.

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 2020 through 2024.

CITY AND COUNTY OF SACRAMENTO
Population Estimates

Calendar Year	*City of Sacramento*	*County of Sacramento*	*State of California*
2020	513,626	1,553,157	39,648,938
2021	518,067	1,580,120	39,327,868
2022	516,529	1,572,254	39,114,785
2023	519,466	1,576,639	39,061,058
2024	520,407	1,578,938	39,128,162

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 4.3% in 2023. The table below provides information about employment rates and employment by industry type for the Sacramento MSA for calendar years 2019 through 2023. As of September 2024, the unemployment rate in the Sacramento MSA was 4.7%.

SACRAMENTO MSA
Civilian Labor Force, Employment and Unemployment
Calendar Years 2019 through 2023
Annual Averages

	2019	*2020*	*2021*	*2022*	*2023*
Civilian Labor Force [(1)]	1,100,800	1,091,700	1,099,300	1,112,100	1,129,200
Employment	1,060,300	994,000	1,028,800	1,069,700	1,080,500
Unemployment	40,500	97,700	70,500	42,400	48,600
Unemployment Rate	3.7%	9.0%	6.4%	3.8%	4.3%
Wage and Salary Employment [(2)]					
Agriculture	8,700	8,300	9,000	8,600	9,100
Natural Resources and Mining	500	600	700	500	500
Construction	69,400	70,200	74,100	77,100	74,700
Manufacturing	36,800	36,100	37,500	40,600	40,500
Wholesale Trade	28,600	26,500	26,400	28,300	28,500
Retail Trade	100,500	95,200	101,100	100,300	99,000
Transportation, Warehousing and Utilities	32,200	34,300	37,100	40,800	41,600
Information	11,900	10,200	10,000	10,500	9,900
Finance and Insurance	35,200	34,800	34,300	33,000	30,500
Real Estate and Rental and Leasing	17,300	16,900	17,400	18,800	18,400
Professional and Business Services	137,400	132,500	136,700	139,700	134,400
Educational and Health Services	166,600	164,000	168,400	175,600	188,700
Leisure and Hospitality	109,600	83,900	92,900	108,700	112,500
Other Services	35,400	31,000	32,600	36,100	38,300
Federal Government	14,200	14,800	14,500	14,400	14,500
State Government	121,900	121,700	126,800	129,800	134,400
Local Government	105,300	98,900	98,000	102,700	107,400
Total, All Industries	1,031,400	979,700	1,017,200	1,065,400	1,083,000

(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 employers located in the County as of fiscal year 2023.

COUNTY OF SACRAMENTO
PRINCIPAL EMPLOYERS
As of June 30, 2023

Rank	*Name of Company*	*Number of Employees*	*Percentage of Total City Employment*
1.	UC Davis Health System	16,075	2.30%
2.	Kaiser Permanente	10,934	1.56
3.	Sutter/California Health Services	9,350	1.33
4.	Dignity/Mercy Healthcare	7,353	1.05
5.	Intel Corporation	5,000	0.71
6.	Raley's Inc./Bel Air	2,756	0.39
7.	Siemens Mobility Inc.	2,500	0.36
8.	Safeway	1,874	0.27
9.	Golden 1 Credit Union	1,776	0.25
10.	Pacific Gas and Electric Co.	1,370	0.20

Source: County of Sacramento Annual Comprehensive Financial Report for the year ending June 30, 2023.

The following table shows the largest employers located in the City as of fiscal year 2023.

CITY OF SACRAMENTO
PRINCIPAL EMPLOYERS
As of June 30, 2023

Rank	*Name of Company*	*Number of Employees*	*Percentage of Total City Employment*
1.	State of California	107,876	15.34%
2.	UC Davis Health System	16,075	2.29
3.	Sacramento County	13,252	1.88
4.	Kaiser Permanente	10,934	1.56
5.	U.S. Government	10,507	1.49
6.	Sutter Health	9,350	1.33
7.	Dignity Health	7,353	1.05
8.	Intel Corporation	5,000	0.71
9.	San Juan Unified School District	4,801	0.68
10.	Los Rios Community College District	3,049	0.43

Source: City of Sacramento Annual Comprehensive Financial Report for the year ending June 30, 2023.

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 2018 through 2022.

COUNTY OF SACRAMENTO
Personal Income
2017 through 2022

Year	*Sacramento County*	*California*	*United States*
2018	$78,804,776	$2,431,821,953	$17,671,054,000
2019	82,669,864	2,567,425,600	18,575,467,000
2020	90,908,707	2,790,523,500	19,812,171,000
2021	98,105,641	3,006,183,900	21,288,709,000
2022	97,517,936	3,006,647,281	21,820,248,000

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 2018-2022. 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
2018 Through 2022

Year	*Sacramento County*	*California*	*United States*
2018	$51,187	$61,508	$53,786
2019	53,278	64,919	56,250
2020	58,307	70,647	59,765
2021	61,775	76,614	64,143
2022	61,558	77,036	65,470

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Commercial Activity

A summary of historic taxable sales within the City for 2019-2023 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***
2019	10,006	$4,999,470	15,970	$7,463,634
2020	11,088	4,430,901	17,722	6,839,199
2021	10,362	5,401,724	16,793	8,118,898
2022	10,527	5,763,861	17,452	9,054,662
2023	10,371	5,683,785	17,208	8,815,975

Source: State Board of Equalization.

A summary of historic taxable sales within the County for 2019-2023 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***
2019	25,530	$18,195,302	40,858	$26,836,365
2020	28,055	18,488,106	45,361	27,173,406
2021	25,936	23,700,364	42,482	33,783,460
2022	26,589	24,679,703	44,158	36,511,260
2023	25,913	24,289,157	43,252	35,778,877

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 2019 through 2023.

CITY OF SACRAMENTO
Total Building Permit Valuations
(valuations in thousands)

	2019	*2020*	*2021*	*2022*	*2023*
Permit Valuation					
New Single-family	$ 400,648.4	$ 254,127.0	$ 359,957.8	$ 278,041.4	$ 305,689.5
New Multi-family	176,862.7	465,623.0	284,928.5	211,378.2	199,279.2
Res. Alterations/Additions	140,240.6	174,415.1	171,615.1	151,297.8	164,471.7
Total Residential	$ 717,751.7	$ 894,165.1	$ 816,501.4	$ 640,717.4	$ 669,440.4
New Commercial	$ 540,144.9	$ 154,484.2	$ 152,871.0	$ 73,271.9	$ 170,884.5
New Industrial	31,485.4	31,155.0	83,171.4	11,349.9	-
New Other	427,661.2	302,114.6	55,183.7	40,926.1	139,361.0
Com. Alterations/Additions	491,148.7	230,448.0	163,431.5	177,804.2	371,033.1
Total Nonresidential	$1,490,440.2	$ 718,201.8	$ 454,657.6	$ 303,352.1	$ 681,278.6
New Dwelling Units					
Single-Family	1,552	956	1,150	952	951
Multiple Family	1,487	2,855	1,193	1,619	2,682
TOTAL	3,039	3,811	2,343	2,571	3,633

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF SACRAMENTO
Total Building Permit Valuations
(valuations in thousands)

	2019	*2020*	*2021*	*2022*	*2023*
Permit Valuation					
New Single-family	$1,108,399.8	$ 1,088,390.6	$ 1,310,379.5	$ 1,183,213.4	$ 1,408,893.4
New Multi-family	265,188.8	467,418.7	323,462.5	413,368.8	436,365.8
Res. Alterations/Additions	293,210.5	262,864.6	276,570.3	373,409.6	332,233.2
Total Residential	$1,666,799.1	$ 1,818,673.9	$ 1,910,412.3	$ 1,969,991.8	$ 2,177,492.4
New Commercial	$ 639,170.3	$ 411,058.0	$ 152,871.0	$ 203,314.1	$ 256,310.9
New Industrial	31,851.4	31,155.0	83,171.4	38,163.3	-
New Other	131,286.6	113,793.0	150,008.7	220,339.3	294,989.6
Com. Alterations/Additions	700,603.9	335,458.0	320,3447.6	432,950.0	569,570.4
Total Nonresidential	$1,502,912.2	$ 891,464.0	$ 3,589,498.7	$ 894,766.7	$ 1,120,870.9
New Dwelling Units					
Single-Family	3,981	3,588	4,205	3,832	4,181
Multiple Family	2,008	2,868	2,266	3,419	6,290
TOTAL	5,989	6,456	6,471	7,251	10,471

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 13 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.

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. 2, 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. 2.

"Bond Redemption Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 2, 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. 2, 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. 2 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. 2, 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. 2, 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. 2, 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 levy and collection of the Special Tax and the payment of the Special Tax (including, but not limited to, the costs and expenses associated with any foreclosure-related actions or proceedings), 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. 2” means Improvement Area No. 2 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.

“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).

"MAI" means the designation assigned by the Appraisal Institute of professionals who adhere to ethical professional practice, continuing education, and best practices and industry trends with respect to real property valuation.

"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.

"Net Special Tax Revenues" means the proceeds of the Special Tax, less the Priority Administrative Expenses.

"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 --

Bonds cancelled and destroyed by the Trustee or delivered to the Trustee for cancellation and destruction;

Bonds paid or deemed to have been paid within the meaning of the Indenture; and

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.

"Priority Administrative Expenses" means (i) for Fiscal Year 2025-26, $20,000, and (ii) for each subsequent Fiscal Year, an amount equal to the preceding Fiscal Year's Priority Administrative Expenses plus 3% of such amount.

"Rebate Fund" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 2, 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, with respect to any Series of Bonds (unless otherwise specified in a Supplemental Indenture, including to create a single parity reserve fund for multiple Series of Bonds), the least of (a) 10% of the principal amount of the applicable Series of Bonds, (b) Maximum Annual Debt Service with respect to the applicable Series of Bonds, and (c) 125% of the average annual Debt Service with respect to the applicable Series of Bonds, all as determined by the City under the Code and specified in writing to the Trustee; provided, that

(1) if a parity reserve fund for multiple Series of Bonds is established, references to the applicable Series of Bonds shall mean all Bonds covered by such parity reserve fund;

(2) 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;

(3) the amount of the Required Bond Reserve shall not increase at any time except (potentially) upon the issuance of a new Series of Bonds; and

(4) with respect to the issuance of any issue of Bonds, if the amount on deposit in the Bond Reserve Fund or other applicable reserve fund for a Series of Bonds 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 2024 Bonds" means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) Improvement Area No. 2 Special Tax Bonds, Series 2024.

"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. 2 in accordance with the Special Tax Formula under and pursuant to the Act.

"Special Tax Formula" means the Second Amended and Restated Rate and Method of Apportionment of Special Tax for Improvement Area No. 2, approved at the special election of qualified electors held in Improvement Area No. 2, 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. 2, 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. 2 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 Trust Company, 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.

"Undeveloped Property" means all parcels of Taxable Land for which a building permit has not been issued.

"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 2024 Bonds; Redemption

General provisions of the Series 2024 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 2024 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 2024 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 2024 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) Priority Administrative Expenses to Expense Fund (maintained by Treasurer). Promptly after the receipt of any proceeds of the Special Tax in a Fiscal Year, the Treasurer shall, from the money in the Special Tax Fund, transfer to and deposit in the Expense Fund a sum equal to the Priority Administrative Expenses for such Fiscal Year.

(2) Bond Redemption Fund (maintained by the Trustee). At least one Business Day Prior to the first day in each March and September, 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 interest becoming due and payable on all Outstanding Bonds on such March 1 or September 1, as the case may be, and at least one Business Day prior to the first 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, subject to the terms of the Supplemental Indenture providing for the issuance of such Series of Bonds, shall be used only to pay interest on that Series of Bonds.

(3) Bond Reserve Fund and Other Reserve Funds (if applicable) (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 and any other reserve fund established for a Series of Bonds, on a pro rata basis, such amount of money as shall be required to restore the Bond Reserve Fund or other reserve fund, as applicable, to an amount equal to the Required Bond Reserve for each Series of Bonds secured thereby. Investments held in the Bond Reserve Fund and any other reserve fund established for a Series of Bonds 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 or any other reserve fund established for a Series of Bonds if the amount contained therein is at least equal to the Required Bond Reserve for each Series of Bonds secured thereby.

All money in the Bond Reserve Fund and any other reserve fund established for a Series of Bonds shall be used and withdrawn by the Trustee solely for the purpose of (i) paying the interest on or principal of each Series of Bonds secured thereby, as applicable, 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 therein 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 Section 5.02(3) it is determined that the amount of money in the Bond Reserve Fund or any other reserve fund established for a Series of Bonds exceeds the Required Bond Reserve for each Series of Bonds secured thereby, 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.

(4) 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, in either case, to the extent such Expenses were not already funded or reimbursed by Priority Administrative Expenses. 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 herein provided, or to reimburse the City for the payment of unbudgeted Expenses as herein provided, 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), (3) and (4), 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 Parity Bonds

Provisions regarding the issuance of Parity 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 Net Special Tax Revenues 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 Net Special Tax Revenues 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 2025) 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 or any other reserve fund established for a Series of Bonds to pay any interest on or principal of any Series of 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 Net Special Tax Revenues provided in the Indenture to the fullest extent possible under applicable law of the State of California.

The Trustee

U.S. Bank Trust Company, 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, as finally adjudicated by a court of competent jurisdiction, 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.

Except during the continuance of an Event of Default, the Trustee undertakes to perform only such duties as are specifically set forth in the Indenture, and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise in the conduct of its own affairs.

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 hereof 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 herein or in the Bonds, and shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct, as finally adjudicated by a court of competent jurisdiction. The Trustee shall not be liable for any reasonable error of judgment made in good faith, unless it is proven 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 hereunder, or in the exercise of any of its rights or powers under the Indenture.

The Trustee shall not be considered in breach of or in default in its obligations under the Indenture or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Indenture and delivered using Electronic Means. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. All immunities, indemnifications and releases from liability granted to the Trustee will extend to the directors, employees, officers and agents thereof. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any of the registered owners pursuant to the provisions of this Indenture unless such registered owners shall have offered to the Trustee security or indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities which may be incurred therein or thereby. The Trustee shall have no duty to review, verify or analyze any financial statements furnished to it by the City and shall hold such financial statements solely as a repository for Owners of the Bonds. The Trustee shall not be deemed to have notice of any information contained therein or any Event of Default that may be disclosed therein in any manner. In no event shall the Trustee be responsible or liable for punitive damages of any kind whatsoever.

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 Net Special Tax Revenues 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 City, an amount equal to the Priority Administrative Expenses for the applicable Fiscal Year.

(b) 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.

(c) 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.

(d) 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 Net Special Tax Revenues and other amounts 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 Net Special Tax Revenues and other amounts 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.

APPENDIX F

FORM OF CITY CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of December 1, 2024 (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. 2, Special Tax Bonds, Series 2024 (the "**Bonds**"). The Bonds are being issued under Resolution No. 2024-0356 adopted by the Sacramento City Council on December 3, 2024, and a Master Indenture, dated as of December 1, 2024, as supplemented by a First Supplemental Indenture dated as of December 1, 2024 (collectively, the "**Indenture**"), each between the Issuer and U.S. Bank Trust Company, 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. 2"*** means Improvement Area No. 2 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 Second Amended and Restated Rate and Method of Apportionment of Special Tax for Improvement Area No. 2 approved by the Resolution of Formation.

- "***Resolution of Formation***" means the Resolution adopted by the Sacramento City Council on March 12, 2024, and designated as Resolution No. 2024-0074, by which the City undertook change proceedings with respect to Improvement Area No. 2.

- "***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, 2024, 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, 2025 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. 2 for the Fiscal Year in which the Annual Report is filed.

(3) A statement of the debt-service requirements for the Bonds for the prior Fiscal Year.

(4) An update of the information in Table 4A of the Official Statement based on the assessed valuation of the Taxable Property within Improvement Area No. 2 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. 2 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

APPENDIX G

FORMS OF PROPERTY OWNERS CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE
(Greenbriar Phase 2, LLC)

This Continuing Disclosure Certificate (Greenbriar Phase 2, LLC) (this "**Disclosure Certificate**") is executed and delivered by Greenbriar Phase 2, 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. 2 Special Tax Bonds, Series 2024 (the "**Bonds**"). The Bonds are being issued pursuant to Resolution No. 2024-0356 adopted by the Sacramento City Council on December 3, 2024, and a Master Indenture, dated as of December 1, 2024 as supplemented by a First Supplemental Indenture dated as of December 1, 2024, each by and between the City and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**") (collectively, the "**Indenture**"). The Property Owner covenants and agrees as follows:

Section 1. <u>Purpose of the Disclosure Certificate</u>. 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. <u>Definitions</u>. 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, LLC, a California limited liability company ("**Lennar Homes**").

*"**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. 2 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. 2 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. As set forth in Section 7(b), the sale of property to Lennar Homes will not require an Assumption Agreement so long as Lennar Homes is subject to an outstanding continuing disclosure certificate.

"***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. 2**"* means Improvement Area No. 2 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 189 or more residential lots (or property intended to be subdivided into 189 or more residential lots) in Improvement Area No. 2.

"***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 December 10, 2024, 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. 2 of the District, and (ii) the property in Improvement Area No. 2 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. For purposes of clarity, subsection (ii) above will not include property sold to Lennar Homes so long as Lennar Homes is subject to an outstanding continuing disclosure certificate.

"***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. 2.

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, 2025, 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. 2 of the District consists of fewer than 189 residential lots (or property intended to be subdivided into fewer than 189 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. 2 table under the caption "DEVELOPMENT OF PROPERTY IN IMPROVEMENT AREA NO. 2 – 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. 2 to Lennar Homes. Lennar Homes has entered into a continuing disclosure certificate wherein Lennar Homes has agreed to provide information regarding the property Lennar Homes owns in Improvement Area No. 2 (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 Homes, 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:	Greenbriar Phase 2, 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: December 19, 2024

GREENBRIAR PHASE 2, LLC,
a Delaware limited liability company

By: ______________________________

Name: ______________________________

Title: ______________________________

EXHIBIT A

SEMI-ANNUAL REPORT

[MARCH 31, ____ / SEPTEMBER 30, _____]

$36,950,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 2
SPECIAL TAX BONDS, SERIES 2024

This Semi-Annual Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Greenbriar Phase 2, LLC) (the "**Disclosure Certificate**") dated December 19, 2024, 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. 2 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. 2 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. 2 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. 2. 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. 2, 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. 2" (other than under the captions "Acquisition of Lots by Lennar Homes" and "Home Construction"), including an update to the table, "Status of Improvements Within Improvement Area No. 2" 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:______________________

GREENBRIAR PHASE 2, LLC,
a Delaware limited liability company

By: _________________________________

Name: _________________________________

Title: _________________________________

CONTINUING DISCLOSURE CERTIFICATE
(Lennar Homes of California, LLC, a California limited liability company)

This Continuing Disclosure Certificate (Lennar Homes of California, LLC, a California limited liability company) (this "**Disclosure Certificate**") is executed and delivered by Lennar Homes of California, LLC, a California 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. 2 Special Tax Bonds, Series 2024 (the "**Bonds**"). The Bonds are being issued pursuant to Resolution No. 2024-0356 adopted by the Sacramento City Council on December 3, 2024, and a Master Indenture, dated as of December 1, 2024 as supplemented by a First Supplemental Indenture dated as of December 1, 2024, each by and between the City and U.S. Bank Trust Company, 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). For purposes of this Disclosure Certificate, the term "Affiliates" shall not include Greenbriar Phase 2, LLC, a Delaware limited liability company.*"**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. 2 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. 2 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. 2**"* means Improvement Area No. 2 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 189 or more residential lots (or property intended to be subdivided into 189 or more residential lots) in Improvement Area No. 2.

"***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 December 10, 2024, 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. 2 of the District, and (ii) the property in Improvement Area No. 2 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, 2025, 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. 2 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 189 residential lots (or property intended to be subdivided into fewer than 189 residential lots) in Improvement Area No. 2, 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. 2 from Greenbriar Phase 2, 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. 2 (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. 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:	Lennar Homes of California, LLC 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. 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: December 19, 2024

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By: ____________________

Name: ____________________

Title: ____________________

EXHIBIT A

SEMI-ANNUAL REPORT

[MARCH 31, ____ / SEPTEMBER 30, _____]

$36,950,000
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)
IMPROVEMENT AREA NO. 2
SPECIAL TAX BONDS, SERIES 2024

This Semi-Annual Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Lennar Homes of California, LLC, a California limited liability company) (the "**Disclosure Certificate**") dated December 19, 2024, 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. 2 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. 2 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. 2 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. 2—Acquisition of Lots by Lennar Homes” and “--Home Construction” and under the heading PROPERTY OWNERSHIP — Lennar Homes of California, LLC, a California limited liability company” 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, LLC,
a California limited liability company

By: ____________________

Name: ____________________

Title: ____________________

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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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May 2024

Northlake

Prepared for the City of Sacramento

City of Sacramento (Natomas), California

THE Gregory Group

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 a Market Absorption Study related to the Northlake planned community located north of Interstate 5, west of Highway 99 and south of Elkhorn Boulevard in the City of Sacramento (the Community of Natomas). The entire Northlake planned community is scheduled to include a total of 2,892 units on 616.7-acres (a density of 4.69 units per acre).

This absorption study is concerned with only Phase 2 of the project including 1,177 residential, for-sale units on 269 acres (4.38 units per acre). There are an additional 331 units that are in a multi-family, for-rent housing configuration that are not a part of this analysis. In addition to the for-sale residential housing, the project is planned to include 1.5 acres of commercial uses, lakes (21.0-acres), parks (6.4-acres), and open space (32.6-acres).

The project is planned to be developed given the following parameters:

- 193 units; 2,788 square foot lots (in a 41-foot wide by 68-foot-deep configuration).
- 173 units; 3,690 square foot lots (in a 41-foot wide by 90-foot-deep configuration).
- 153 units; 4,000 square foot lots (in a 50-foot wide by 80-foot-deep configuration).
- 163 units; 4,500 square foot lots (in a 45-foot wide by 100-foot-deep configuration).
- 138 units; 4,675 square foot lots (in a 55-foot wide by 85-foot-deep configuration).
- 110 units; 5,000 square foot lots (in a 50-foot wide by 100-foot-deep configuration).
- 108 units; 5,500 square foot lots (in a 55-foot wide by 100-foot-deep configuration).
- 139 units; 3,690 square foot lots (in a 41-foot wide by 90-foot-deep configuration).

The primary objective of this analysis is to provide conclusions related to the absorption per project per year.

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


Google Earth
Data LDEO-Columbia, NSF, NOAA

Executive Summary

Executive Summary

Sacramento Region Market Summary

The Sacramento Region (consisting of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba Counties) reported a total of 2,355 new-home sales in the First Quarter of 2024, a significant increase of 68.5% from the Fourth Quarter of 2023 (1,398 sales) and a strong increase of 32.2% from a year earlier (with 1,782 sales). Despite the increase in mortgage rates during the past eighteen months, new-home sales have surged in the first quarter due to a realization by many buyers that interest rates will likely stay elevated for the foreseeable future. In addition, the effect of mortgage lock (where low interest rate homeowners are reluctant to sell their home with a current mortgage rate that is below 5%) has incentivized many potential home buyers to look to the new-home market. As a result, this surge in new buyers has pushed prices up in the most recent quarter (after leveling off for the last three quarters), recording an increase of 1.2% on a quarter-over-quarter basis and an increase of 3.4% on a year-over-year basis (the current average new-home price is $720,203).

Another sign of an improving new-home market is the decline in the use of incentives. Incentives are still present in almost all projects surveyed, but the value is less than it was during the past few years. In fact, the average incentive in the First Quarter of 2024 was $8,013 compared to the First Quarter of 2023 at $14,242 (a decline of 43.7%). Mortgage rates remain high, and most builders continue to offer some form of an interest rate buydown (i.e., a 2-1 buydown where the interest rate is 2% lower in year one and 1% lower in year two before returning to market rate in year three)—this is especially true with the recent increase in rates due to stubborn inflation. But there are many potential buyers that can purchase a home even in a higher interest rate environment. For instance, many buyers continue to pay cash or make a large down-payment with estimates ranging from 30% to 50% of buyers for homes that are priced at $900,000 and greater. All-in-all, pandemic adjustments (working-from-home and hybrid-work), inflation and increasing interest rates have clearly influenced the housing market, but there is a resilient demand based on changing demographics (the aging of the millennials into first-time and move-up buyers, and the aging of the baby-boomers into empty-nester, move-down and retiree buyers), societal changes brought about by the pandemic and strong incomes and significant equity positions.

Unsold inventory has increased with 1,417 units currently available as of the First Quarter of 2024 compared to 1,369 units in the previous quarter (an increase of 3.5%) and 1,299 units a year earlier (an increase of 9.1%). Total inventory has increased as well; moving from 12,155 units in First Quarter of 2023 to 13,747 units currently (a 13.1% increase) and from 12,382 units in the Fourth Quarter of 2023 (a 11.0% increase). The overall pace of sales (the average sales rate of all currently selling projects since the beginning of sales) has increased from an average of 0.62 sales per week per project in the First Quarter of 2023 to the current average of 0.72 sales per week per project and the quarter pace of sales has increased from an average of 0.60 sales per week per project in the Fourth Quarter of 2023 to the current average of 0.78 sales per week per project.

It should also be noted that inventory of existing homes in the Sacramento Region is the lowest it has been in more than 20 years. Currently around 2000 units and with some seasonal variation, the long-term average is 6,288 units (compared to 2,550 units between 2021 and March of 2024). The lack of inventory is primarily a result of mortgage lock (homeowners are unwilling to sell a home with a very low mortgage rate) which incentivizes people to purchase a new home.

The uncertainties associated with the housing market during the past eighteen months (the recovery from the pandemic, inflation, increasing mortgage rates and a lack of available inventory) are still with us to some degree, but the economy is strong with robust employment and higher consumer spending and while prices are still high, worries of future inflation (and economic downturns) have largely dissipated. There is a strong sense of optimism that the economy will remain healthy and that the future for housing is strong—perhaps even a more predictable scenario of future moderate new-home pricing growth and more robust new-home sales. However, it is worth noting that credit card defaults have recently increased moderately and interest rates, once thought to be declining, have shown some slight upticks with strong employment and stubborn inflation readings. It does not feel like a recession is looming, but a cautionary eye is warranted on these and other economic factors as we move further into 2024.

Executive Summary

The Gregory Group

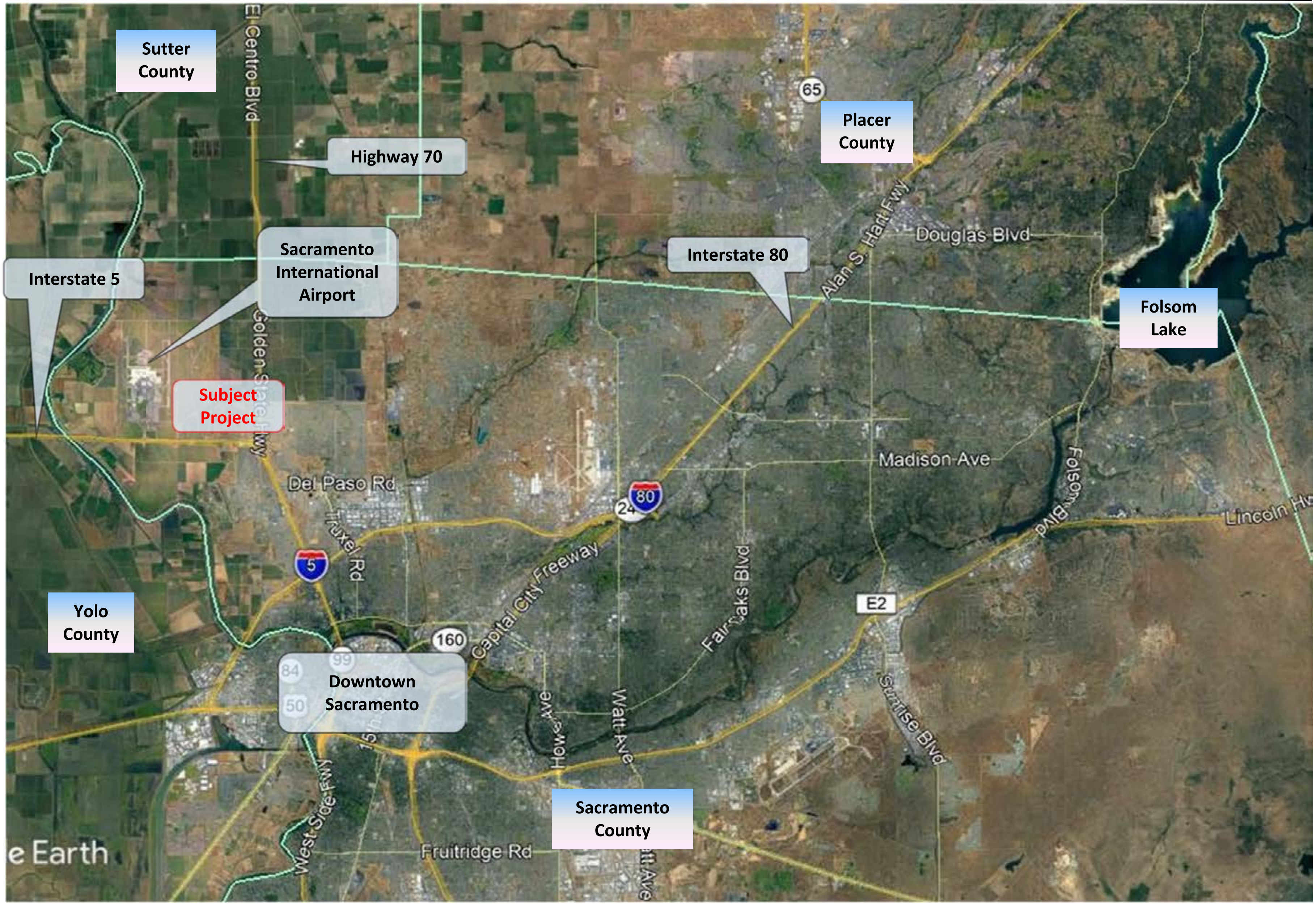
Sacramento Region Market Summary

Sacramento Region	1st Qtr 2022	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr 2023	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr 2024	Quarter % Change	Year Ago % Change
Average Price	$692,892	$725,889	$704,659	$696,922	$696,754	$710,853	$716,363	$711,883	$720,203	**1.2%**	**3.4%**
Median Price	$662,990	$685,990	$680,935	$642,990	$640,990	$646,990	$657,990	$653,970	$663,990	**1.5%**	**3.6%**
Average Home Size	2,304	2,357	2,346	2,358	2,386	2,419	2,435	2,405	2,419	**0.6%**	**1.4%**
Average Pr/Sq Ft	$307.37	$314.03	$305.24	$299.12	$294.97	$296.73	$298.06	$300.32	$301.92	**0.5%**	**2.4%**
Total Weekly Sales Rate	0.96	0.83	0.73	0.62	0.62	0.65	0.65	0.60	0.72	**20.0%**	**16.1%**
Quarter Sold	2,331	1,580	792	810	1,782	1,910	1,929	1,398	2,355	**68.5%**	**32.2%**
Quarter Weekly Sales Rate	0.84	0.55	0.27	0.27	0.60	0.67	0.67	0.49	0.78	**59.2%**	**30.0%**
Unsold Inventory	651	1,057	1,457	1,485	1,299	1,144	1,323	1,369	1,417	**3.5%**	**9.1%**
Weeks of Inventory	3	6	9	10	9	8	9	10	8	**-20.0%**	**-11.1%**

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	5,663
2018	328	1,676	2,674	109	278	169	5,234
2019	259	1,592	3,220	92	505	328	5,996
2020	417	2,300	3,885	94	670	424	7,790
2021	358	2,958	3,859	102	432	390	8,099
2022	228	2,170	2,557	53	166	364	5,538
2023	271	2,571	3,351	33	434	359	7,019
2024 (Jan - Mar)	85	719	1,220	17	191	123	2,355
Averages (2004 - 2023):	**315**	**1,745**	**2,934**	**140**	**445**	**326**	**5,905**

Executive Summary
Sacramento Region Market Summary

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	3,220	28.4%	3,220	5,996	53.7%	15.3%
2020	835	3,885	21.5%	3,885	7,790	49.9%	10.7%
2021	894	3,859	23.2%	3,859	8,099	47.6%	11.0%
2022	479	2,557	18.7%	2,557	5,538	46.2%	8.6%
2023	541	3,351	16.1%	3,351	7,019	47.7%	7.7%
2024 (Jan - Mar)	71	1,220	5.8%	1,220	2,355	51.8%	3.0%
Average (2000 - 2023):	**936**	**3,855**	**24.3%**	**3,855**	**7,363**	**52.4%**	**12.7%**


Sutter County
Highway 70
Placer County
Sacramento International Airport
Interstate 80
Interstate 5
Folsom Lake
Subject Project
Yolo County
Downtown Sacramento
Sacramento County
El Centro Blvd
Golden State Hwy
Douglas Blvd
Alan S. Hart Fwy
Madison Ave
Del Paso Rd
Truxel Rd
Capital City Freeway
Folsom Blvd
Lincoln Hwy
Fair Oaks Blvd
Watt Ave
Howe Ave
Sunrise Blvd
West Side Fwy
Fruitridge Rd

Primary Market Area Summary – New Housing

Given the subject project location, the product type and the overall community plan, a total of eight currently selling new-home projects were surveyed from within the primary market area. This specifically includes the Community of Natomas (within the City of Sacramento) with seven projects from the Northlake planned community, and one infill project from Regency Park. While there are additional projects that could provide potential competition to the subject project (in the City of Woodland, the City of West Sacramento and projects in Yuba County for example), it is believed that these eight projects are the most relevant (given that seven of the surveyed projects are within the Northlake planned community—the subject of this analysis) comparable projects based on location, product type, community profile, lot size and buyer profile. The other potential market areas are either too far removed, live differently, attract a different buyer or offer a different product.

When considering the entire Natomas market area, the average home price is $646,826 ($254 per square foot) with homes that are situated on lots that are an average of 3,950 square feet. There is a total of 2,107 units planned in the surveyed projects of which 921 units have sold, resulting in 1,186 units of total inventory and only 23 units of unsold inventory remaining. The overall pace of sales (since the projects opened for sales) is an average of 0.70 homes per week with a recent First Quarter of 2024 average sales pace per project of 0.63 sales per week.

The Northlake planned community is an excellent project that offers an integrated land plan with an abundance of features and amenities including a lake, parks, open space and commercial uses. The project is a bit further removed and to the northwest of much of the existing housing in Natomas (which is predominately built out), but the traffic and drive is not noticeably greater as compared to previous development areas of Natomas and the community offers a clubhouse, recreation center and a lake and extensive walking and biking trails throughout the plan. Northlake is one of the superior communities in the immediate subject market area based on locational attributes, community features and amenities and the perceived overall desirability of the plan.

Lennar Homes is developing all seven of the Northlake projects with an average home price of $656,155 ($251 per square foot) and the homes are situated on lots that are an average of 4,308 square feet. The overall pace of sales (since the projects opened for sales) is 0.80 homes per week with a recent First Quarter of 2024 sales pace per project of 0.72 sales per week. There is a total of 2,059 units planned in the surveyed projects of which 921 units have sold, resulting in 1,138 units of total inventory and only 10 units of unsold inventory. Several of the Northlake projects have sold out or are near sellout of Phase 1 lots which has resulted in a lower pace of sales. Future units are within Phase 2 with no units having been released for sale to-date.

					LOT	INVENTORY SUMMARY					RECOMMENDED		AVERAGE			MONTHLY OBLIGATION			
				PRODUCT	SIZE	UNITS	UNITS	UNITS	TOTAL	UNSOLD	SALES SUMMARY		HOME	NET	NET	MONTHLY	BASE	ADD	MONTHLY
	COMMUNITY	BUILDER	COMMUNITY	TYPE	(MIN)	PLANNED	OFFERED	SOLD	RU	RU	OVERALL	QTR	SIZE	PRICE	$/SF	HOA	TAX	TAX	PAYMENT
Primary Market Area	Bleau	Lennar Homes	Natomas	Detached/Traditional	5,000	348	166	163	185	3	0.98	1.38	2,923	$698,090	$241	$88	1.06%	0.46%	$4,673
	Crestvue	Lennar Homes	Natomas	Detached/Traditional	4,675	235	97	97	138	0	0.58	0.00	2,558	$673,590	$270	$88	1.06%	0.51%	$4,540
	Drifton	Lennar Homes	Natomas	Detached/Traditional	5,500	236	126	123	113	3	0.77	0.46	3,037	$741,157	$247	$88	1.06%	0.50%	$4,980
	Lakelet	Lennar Homes	Natomas	Detached/Small-Lot	3,690	307	134	134	173	0	0.81	0.54	2,232	$579,133	$260	$88	1.06%	0.45%	$3,887
	Shor	Lennar Homes	Natomas	Detached/Small-Lot	2,788	337	140	140	197	0	0.84	0.69	1,982	$536,240	$271	$88	1.06%	0.46%	$3,610
	Watersyde	Lennar Homes	Natomas	Detached/Traditional	4,000	276	127	125	151	2	0.75	0.77	2,650	$653,723	$248	$88	1.06%	0.45%	$4,376
	Wavmor	Lennar Homes	Natomas	Detached/Traditional	4,500	320	141	139	181	2	0.84	1.23	2,484	$624,677	$253	$88	1.06%	0.47%	$4,196
	Northpointe Reserve	Next Generation Capital	Natomas	Detached/Small-Lot	1,449	48	13	0	48	13	0.00	0.00	1,412	$492,900	$349	$100	1.06%	0.31%	$3,276
				NEW-HOME TOTALS/AVERAGES:	**3,950**	**2,107**	**944**	**921**	**1,186**	**23**	**0.70**	**0.63**	**2,548**	**$646,826**	**$254**	**$90**	**1.06%**	**0.45%**	**$4,333**
				NEW-HOME TOTALS/AVERAGES (Northlake):	**4,308**	**2,059**	**931**	**921**	**1,138**	**10**	**0.80**	**0.72**	**2,617**	**$656,155**	**$251**	**$88**	**1.06%**	**0.47%**	**$4,404**

In addition to the traditional measurements of the competitive projects, there are several other interesting dynamics that are prevalent in today's new-home market. These include the following:

- **Incentives:** The average incentive for the ten currently selling projects is $15,816 (ranging between $0 and $29,313) with the incentive to be used toward closing costs if the buyer uses the inhouse lender. Standing inventory homes offer buyers a significant opportunity to purchase a new-home at a reduced value (incentives can be greater than $50,000); however, as the housing market has gotten stronger, there is less availability of standing inventory homes. In addition, many builders are offering an interest rate buydown for two or three years to help buyers with the initial payment period. This is especially important as mortgage rates continue to hover between 7.0% and 7.5% and rates have been slow to decline more significantly. It should be noted that higher interest rates have not dampened sales and in fact, the First Quarter of 2024 posted the most quarter sales in several years despite the higher mortgage rates. Given the recent history, it is difficult to determine the effect of increasing interest rates on absorption. It is believed that interest rates above 8.0% could slow absorption just as interest rates close to 6.0% could increase absorption.

- **Premiums:** The surveyed projects (and information from relevant resale information due to a lack of comparable new-home premiums) are charging premiums for unique or special locations within the community. Current premiums range from lots with unique locations within the community (corner, cul-de-sac, etc.) of up to $15,000, lots that are located on a greenbelt/open space corridor or adjacent to or across from a park can achieve location premiums of between $5,000 and $50,000), lake front lots up to $135,000 and a value of up to approximately $3.50 per extra square foot of useable (larger) lot size.

- **Options and Upgrades:** All the surveyed projects are achieving some increased value associated with the offering of options and upgrades to the base model of the home. The increased value ranges from approximately 4.0% to 8.0% and given the average price of the competitive homes, the option and upgrade values range between $25,873 to $51,746 (although some homebuyers in this price range are spending up to 12% or even 15% of the home price in options and upgrades—but this is not the average). Not every buyer is purchasing this level of upgrades and/or options but those that do are most interested in options and upgrades associated with cabinetry, countertops and flooring, but also converting flex space to other uses, converting half-baths to full-baths, and adding closet space.

Executive Summary
Primary Market Area Summary – Existing Housing

Resales were analyzed for the Community of Natomas (North Natomas—north of Interstate 80) and considered the entire community as well as sales by lot size and by year built. Overall, Natomas recorded a total of 67 existing home sales for the previous 60 days. The survey reveals an average existing home price of $579,188 (an average of $296 per square foot) with the homes being built, on average, in 2007 and are situated on lots that are an average of 4,926 square feet. The homes have been on the market an average of 23 days.

An analysis of existing home sales by lot size and year built reveals the following:

1. When considering homes in Natomas that are situated on lots sized at less than 7,000 square feet, a total of 56 existing home sales have been recorded during the previous 60 days. The current survey reveals an average existing home price of $561,601 ($299 per square foot) with the homes being built, on average, in 2007 and situated on lots that are an average of 4,369 square feet. These homes have been on the market for a total of 19 days.

2. Within Natomas and considering homes that have been built from 2010 through 2024, a total of 18 existing home sales were recorded during the previous 60-days. These resales have an average existing home price of $573,533 ($303 per square foot) with the homes being built, on average, in 2018, situated on lots that are an average of 3,859 square feet and have been on the market for an average of 22 days.

						INVENTORY SUMMARY							AVERAGE			MONTHLY OBLIGATION			
		DATE		YEAR	LOT	UNITS	UNITS	UNITS	TOTAL	UNSOLD	SALES SUMMARY		HOME	NET	NET	MONTHLY	BASE	ADD	MONTHLY
	PARAMETERS	RANGE	DOM	BUILT	SIZE	PLANNED	OFFERED	SOLD	RU	RU	OVERALL	--	SIZE	PRICE	$/SF	HOA	TAX	TAX	PAYMENT
RLS	PMA (Natomas)	02/20/2024 - 04/17/2024	23	2007	4,926	--	--	67	--	--	8.23	--	1,960	$579,188	$296	$0	1.06%	0.00%	$3,582
RLS	PMA (Natomas: < 7,000 sf lots)	02/20/2024 - 04/17/2024	19	2007	4,369	--	--	56	--	--	6.88	--	1,878	$561,601	$299	$0	1.06%	0.00%	$3,473
RLS	PMA (Natomas YB 2010+)	02/20/2024 - 04/16/2024	22	2018	3,859	--	--	18	--	--	2.25	--	1,895	$573,533	$303	$0	1.06%	0.00%	$3,547

Another measure of existing home activity is the availability of homes for sale or current inventory. There are a total of 55 current listings within the North Natomas market area at an average price of $633,703 ($311.66 per square foot). The lack of available existing home inventory is forcing buyers who desire a home to look beyond North Natomas (i.e., West Sacramento, Woodland and Yuba County) or consider a new home. New-home product that is available or will become available shortly, will benefit from this shift and lack of existing home inventory.

New-home projects throughout the Community of Natomas offer excellent housing opportunities with the ability to attract and capture both the local buyer pool as well as those emigrating from out of the area (i.e., the greater San Francisco Bay Area; while the number of Bay Area buyers coming to the Sacramento Region has moderated, they are still accounting for 10% to 20% of buyers depending on the location, product type and price point). New housing throughout the Sacramento Region, especially housing in suburban communities, offers a greater number of new-home projects in a variety of product types and price points.

Northlake has many advantages that can attract homebuyers in greater numbers including a community that is close to the major employment areas of Downtown Sacramento and areas throughout the greater Sacramento Region (primarily the Interstate 5 Highway 50, and Interstate 80 corridors), San Francisco and Lake Tahoe (especially attractive to the remote work trend), a diverse buyer population that is accepting of many different types of housing (newer and older housing and smaller and larger lots as well as for-rent housing), an excellent location that allows for ease of access to local conveniences and major transportation corridors, many different cultural, entertainment, and recreational amenities that attract a mix of people and a robust demographic diversity that spans from younger Millennials and Gen-Z to older Baby-Boomers.

The project will offer traditional housing (and can potentially attract all buyer segments below); the specific buyers at the subject project are anticipated to include:

1. **Young Millennials**; these buyers are younger than 35 years of age and consist of primarily singles and couples without children (some of the younger couples may just be starting a family and have very young children). They appreciate the design and amenities and features of newer housing (including an emphasis on technological and environmental features and amenities) and newer housing communities. Millennials are often more willing to reside in a smaller new home (often situated on a smaller lot or in a location further outside the city and may they even consider attached housing) in order to purchase a home (rather than rent). Many of these buyers will be from the local area (Natomas, Sacramento County and the Sacramento Region), but some buyers will be from the urban and coastal areas to the west. The main driver for these buyers is affordability. Young millennials may make up many of the buyers at Northlake, but their overall acceptance may depend on mortgage rates and price points.

2. **Young Families**; these moderate-income buyers often have difficulty finding affordable and appropriately sized, living environments within the communities that they wish to reside. While many will consider an older existing home, the older homes are aging rapidly, may need updating and do not include the most current and updated technology and energy efficiency. This provides a tradeoff of an older, existing home versus a newer (often smaller) home in Natomas and the surrounding communities in Sacramento County and Yolo County (as well as Yuba County further to the north). These buyers welcome a location that is close to services (i.e., big-box stores and centers), has direct access via major transportation corridors to employment (including the Interstate 80, Interstate 5 and Highway 50 corridors), entertainment and recreation (The Sacramento River for example), is situated in a family community (with schools, parks and open space) and is generally more affordable and attainable. These buyers prefer to live in traditional sized lot product but often purchase smaller lot for-sale housing due to affordability. This segment of buyers is anticipated to make up a strong percentage of the buyers at the subject project, especially those with median incomes.

3. **Growing Families (with school aged children)**; this group of buyers includes upward mobile professionals, managers, traditional government workers and small business owners who make a median income and greater. Many of these buyers are older than 35-years of age (generally between 35 and 55 years of age) and are more likely to enjoy the lifestyle (and general affordability) that a community like Northlake can provide. These buyers may not be as price sensitive and more willing to spend money on a better located for-sale product and are most interested in the traditional sized lot homes. These buyers may also have significant equity in a current home that can transfer into a new home and are coming from the local area as well as the greater San Francisco Bay Area. It is projected that many of the buyers at the subject project will include growing families.

4. **Baby-Boomers**; these buyers are older, do not have children living at home and may be singles, but will most likely be couples. Many within this group will be tired of living in a much older home (sometimes on acreage or larger lots), in congested or high traffic areas, and in housing without the most recent and updated environmental and technology features and amenities. Many of these buyers also wish to stay within the greater community that they have lived in for many years (often moving down from a larger home and/or larger lot), while others are escaping the more urban, dense and congested areas to the west. They enjoy the community benefits that an area like Natomas offers and enjoy the proximity to employment, conveniences, transportation corridors (including the ability to visit friends and family easily in the San Francisco Bay Area) and recreation and entertainment. These buyers can be price sensitive but are generally willing to spend a little extra for the right home on the right lot, and to make sure the home (possibly their last home) has the features and amenities that fits their current and projected future lifestyle. This buyer category is anticipated to make up some of the buyers at the subject project but a lower percentage than young and growing families.

Northlake Conclusions

Northlake Conclusions

Pricing and Absorption Conclusions

There are a total of eight new-home competitive projects within the Primary Market Area; seven of which are currently selling in the Northlake planned community and one additional project selling in the Regency Park planned community. In terms of new-housing, this positioning is straight forward: it is believed that Northlake can be positioned toward the top of the competitive developments based on the current offering of homes within the Northlake community, the lot sizes, the home configurations and current market conditions. New product in the Northlake community warrants a competitive pricing compared to the currently selling new-home projects in the Primary Market Area. In terms of existing-housing, the positioning is toward the top of the existing home sales in the Community of Natomas.

It should also be noted that there will be additional competitive projects to Northlake in the coming years, specifically in the Panhandle area of Natomas. The initial 443 units are planned to enter the market in the coming year. However, given the lack of current inventory in Natomas (new and existing housing), it is not anticipated that new housing from the Panhandle will impact sales and marketing in any meaningful way. In fact, the current market share of Natomas as a percentage of total Sacramento Region sales is the lowest since the cessation of building permits in the early 2010s. Between 2016 and 2022, when there were greater levels of available inventory, the market share of Natomas averaged 12.2%. This would indicate that with additional new housing entering the market, the result will be greater overall sales rather than a syphoning of sales from existing projects.

The home pricing for the subject projects in the conclusions for this analysis are similar, but not always the same as the current sales prices for the homes that are actively selling. Several projects have been adjusted to form a better relationship to each other and competitive projects, as well as a positioning that provides a more competitive absorption. The positioning also considers the current absorption rates and pace of sales over time, primarily during the previous quarters (which have increased significantly compared to recent history).

Furthermore, the product offerings are generally affordable and can attract a larger buyer segment due to a wider range of home sizes and home prices. The eight subject projects (the seven currently selling projects and the addition of Village 14) include lot sizes from 2,788 to 5,500 square feet with most homes sized between 2,000 and 3,000 square feet (60%) and priced between $550,000 and $725,000 (68%). In fact, of the eight projects, six have an average home size that is less than 2,750 square feet and six have an average price that is less than $675,000.

					LOT	INVENTORY SUMMARY					RECOMMENDED		AVERAGE			MONTHLY OBLIGATION			
				PRODUCT	SIZE	UNITS	UNITS	UNITS	TOTAL	UNSOLD	SALES SUMMARY		HOME	NET	NET	MONTHLY	BASE	ADD	MONTHLY
	Project	BUILDER	COMMUNITY	TYPE	(MIN)	PLANNED	OFFERED	SOLD	RU	RU	OVERALL	QTR	SIZE	PRICE	$/SF	HOA	TAX	TAX	PAYMENT
Subject Project	Bleau	Lennar Homes	Natomas	Detached/Traditional	5,000	110	0	0	110	0	0.75	--	2,923	$699,000	$242	$88	1.06%	0.46%	$4,679
	Crestvue	Lennar Homes	Natomas	Detached/Traditional	4,675	138	0	0	138	0	0.75	--	2,558	$651,600	$261	$88	1.06%	0.51%	$4,395
	Drifton	Lennar Homes	Natomas	Detached/Traditional	5,500	108	0	0	108	0	0.50	--	3,037	$723,833	$241	$88	1.06%	0.50%	$4,866
	Lakelet	Lennar Homes	Natomas	Detached/Small Lot	3,690	173	0	0	173	0	1.00	--	2,232	$592,000	$266	$88	1.06%	0.45%	$3,971
	Shor	Lennar Homes	Natomas	Detached/Small Lot	2,788	193	0	0	193	0	1.00	--	1,982	$542,500	$275	$88	1.06%	0.46%	$3,651
	Watersyde	Lennar Homes	Natomas	Detached/Traditional	4,000	153	0	0	153	0	0.75	--	2,650	$645,400	$245	$88	1.06%	0.45%	$4,321
	Wavmor	Lennar Homes	Natomas	Detached/Traditional	4,500	163	0	0	163	0	0.75	--	2,484	$639,000	$259	$88	1.06%	0.47%	$4,290
	V14/20	Lennar Homes	Natomas	Detached/Small Lot	3,690	139	0	0	139	0	1.00	--	1,640	$526,750	$323	$88	1.06%	0.45%	$3,543
				NEW-HOME TOTALS/AVERAGES:	**4,230**	**1,177**	**0**	**0**	**1,177**	**0**	**0.81**	**--**	**2,511**	**$638,676**	**$254**	**$88**	**1.06%**	**0.47%**	**$4,287**

Based on a review of the competitive marketplace and considering the product type and lot size, the table on the following pages outlines the pricing and absorption for the subject project in the planned community of Northlake. The base pricing is net of any incentives (and premiums and options), and the absorption is based on sales per week. In addition, based on the pricing position, the absorption rate is estimated at between 0.50 and 1.00 sales per week per project at the beginning of sales for the development.

An unknown factor is the economy. A strong increase in mortgage rates, sustained higher mortgage rates and a recession in the next two to four years (not a consensus, but a possibility)—during the sales period of the subject projects, could have a significant impact on absorption moving forward and this impact could result in slower sales, and lower pricing, than anticipated.

Northlake Conclusions

Pricing and Absorption Conclusions

The Gregory Group

	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	Current Add-Ons: Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Obligation (Base): Monthly HOA	Monthly Obligation (Base): Base Tax	Monthly Obligation (Base): Add Tax	80% 7.00% Mo. Pmt	Req. Income
Subject Project	**Bleau**		**Lennar Homes**	2,150	4	3	1	2	$615,000	$286	$0	$0	$615,000	$286	$88	1.06%	0.46%	$4,127	$159,758
	Natomas		**Northlake**	2,727	4/B	3	2	2	$678,000	$249	$0	$0	$678,000	$249	$88	1.06%	0.46%	$4,541	$175,775
	Product Type:	Single-Family	Total Units: 110	2,977	4/L	3	2	2	$705,000	$237	$0	$0	$705,000	$237	$88	1.06%	0.46%	$4,718	$182,639
	Configuration:	Traditional		3,046	5/L	3	2	3	$712,000	$234	$0	$0	$712,000	$234	$88	1.06%	0.46%	$4,764	$184,418
	Lot Dimensions:	50 x 100		3,180	4/L	2.5	2	3	$727,000	$229	$0	$0	$727,000	$229	$89	1.06%	0.46%	$4,864	$188,271
	Lot Size/Density:	5,000		3,460	5/NG/L	4	2	2	$757,000	$219	$0	$0	$757,000	$219	$90	1.06%	0.46%	$5,062	$195,936
	Rec. Wkly Abs.:	0.75																	
			Totals/Averages:	**2,923**					**$699,000**	**$242**	**$0**	**$0**	**$699,000**	**$242**	**$89**	**1.06%**	**0.46%**	**$4,679**	**$181,133**
Subject Project	**Crestvue**		**Lennar Homes**	1,797	3	2	1	2	$569,000	$317	$0	$0	$569,000	$317	$88	1.06%	0.51%	$3,849	$148,981
	Natomas		**Northlake**	2,268	4	3	2	3	$620,000	$273	$0	$0	$620,000	$273	$88	1.06%	0.51%	$4,186	$162,029
	Product Type:	Single-Family	Total Units: 138	2,679	4/L	3	2	3	$665,000	$248	$0	$0	$665,000	$248	$88	1.06%	0.51%	$4,483	$173,542
	Configuration:	Traditional		2,869	4/L	3	2	3	$685,000	$239	$0	$0	$685,000	$239	$88	1.06%	0.51%	$4,615	$178,659
	Lot Dimensions:	55 x 85		3,178	5	4.5	2	3	$719,000	$226	$0	$0	$719,000	$226	$88	1.06%	0.51%	$4,840	$187,358
	Lot Size/Density:	4,675																	
	Rec. Wkly Abs.:	0.75																	
			Totals/Averages:	**2,558**					**$651,600**	**$261**	**$0**	**$0**	**$651,600**	**$261**	**$88**	**1.06%**	**0.51%**	**$4,395**	**$170,114**
Subject Project	**Drifton**		**Lennar Homes**	2,282	4	2.5	1	2	$642,000	$281	$0	$0	$642,000	$281	$88	1.06%	0.50%	$4,326	$167,451
	Natomas		**Northlake**	2,964	5/L	3	2	2	$716,000	$242	$0	$0	$716,000	$242	$88	1.06%	0.50%	$4,814	$186,359
	Product Type:	Single-Family	Total Units: 108	3,104	5/L	3	2	3	$731,000	$236	$0	$0	$731,000	$236	$88	1.06%	0.50%	$4,913	$190,192
	Configuration:	Traditional		3,135	4/NG	3.5	2	2	$734,000	$234	$0	$0	$734,000	$234	$88	1.06%	0.50%	$4,933	$190,958
	Lot Dimensions:	55 x 100		3,312	4/L	3.5	2	3	$754,000	$228	$0	$0	$754,000	$228	$88	1.06%	0.50%	$5,065	$196,069
	Lot Size/Density:	5,500		3,425	4/L	3.5	2	3	$766,000	$224	$0	$0	$766,000	$224	$88	1.06%	0.50%	$5,144	$199,135
	Rec. Wkly Abs.:	0.50																	
			Totals/Averages:	**3,037**					**$723,833**	**$241**	**$0**	**$0**	**$723,833**	**$241**	**$88**	**1.06%**	**0.50%**	**$4,866**	**$188,361**
Subject Project	**Lakelet**		**Lennar Homes**	2,114	3/O/L	2.5	2	2	$579,000	$274	$0	$0	$579,000	$274	$88	1.06%	0.45%	$3,886	$150,419
	Natomas		**Northlake**	2,223	4	3	2	2	$591,000	$266	$0	$0	$591,000	$266	$88	1.06%	0.45%	$3,965	$153,466
	Product Type:	Single-Family	Total Units: 173	2,360	4/L	3.5	2	2	$606,000	$257	$0	$0	$606,000	$257	$88	1.06%	0.45%	$4,063	$157,274
	Configuration:	Small Lot																	
	Lot Dimensions:	41 x 90																	
	Lot Size/Density:	3,690																	
	Rec. Wkly Abs.:	1.00																	
			Totals/Averages:	**2,232**					**$592,000**	**$266**	**$0**	**$0**	**$592,000**	**$266**	**$88**	**1.06%**	**0.45%**	**$3,971**	**$153,720**
Subject Project	**Shor**		**Lennar Homes**	1,774	3	2.5	2	2	$520,000	$293	$0	$0	$520,000	$293	$88	1.06%	0.46%	$3,503	$135,606
	Natomas		**Northlake**	1,945	3/L	2.5	2	2	$539,000	$277	$0	$0	$539,000	$277	$88	1.06%	0.46%	$3,628	$140,437
	Product Type:	Single-Family	Total Units: 193	2,018	4/L	3	2	2	$546,000	$271	$0	$0	$546,000	$271	$88	1.06%	0.46%	$3,674	$142,216
	Configuration:	Small Lot		2,190	4/L	3	2	2	$565,000	$258	$0	$0	$565,000	$258	$88	1.06%	0.46%	$3,799	$147,047
	Lot Dimensions:	41 x 68																	
	Lot Size/Density:	2,788																	
	Rec. Wkly Abs.:	1.00																	
			Totals/Averages:	**1,982**					**$542,500**	**$275**	**$0**	**$0**	**$542,500**	**$275**	**$88**	**1.06%**	**0.46%**	**$3,651**	**$141,326**

Northlake Conclusions

Pricing and Absorption Conclusions

	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	Current Add-Ons: Premiums	Total Price	Total Price/ Sq. Ft.	Monthly Obligation (Base): Monthly HOA	Monthly Obligation (Base): Base Tax	Monthly Obligation (Base): Add Tax	80% 7.00% Mo. Pmt	Req. Income
Subject Project	**Watersyde**	**Lennar Homes**	2,307	4	3	2	2	$608,000	$264	$0	$0	$608,000	$264	$88	1.06%	0.45%	$4,076	$157,782
	Natomas	**Northlake**	2,469	4/L	3	2	2	$626,000	$254	$0	$0	$626,000	$254	$88	1.06%	0.45%	$4,194	$162,353
	Product Type: Single-Family	Total Units: 153	2,704	4/L	3.5	2	2	$651,000	$241	$0	$0	$651,000	$241	$88	1.06%	0.45%	$4,358	$168,700
	Configuration: Traditional		2,804	5/L	4	2	2	$662,000	$236	$0	$0	$662,000	$236	$88	1.06%	0.45%	$4,430	$171,493
	Lot Dimensions: 50 x 80		2,968	4/NG/L	3.5	2	3	$680,000	$229	$0	$0	$680,000	$229	$88	1.06%	0.45%	$4,548	$176,064
	Lot Size/Density: 4,000																	
	Rec. Wkly Abs.: 0.75																	
		Totals/Averages:	**2,650**					**$645,400**	**$245**	**$0**	**$0**	**$645,400**	**$245**	**$88**	**1.06%**	**0.45%**	**$4,321**	**$167,278**
Subject Project	**Wavmor**	**Lennar Homes**	2,134	3	2	1	2	$601,000	$282	$0	$0	$601,000	$282	$88	1.06%	0.47%	$4,040	$156,393
	Natomas	**Northlake**	2,394	4/L	3	2	2	$629,000	$263	$0	$0	$629,000	$263	$88	1.06%	0.47%	$4,224	$163,520
	Product Type: Single-Family	Total Units: 163	2,620	5/L	3	2	2	$654,000	$250	$0	$0	$654,000	$250	$88	1.06%	0.47%	$4,389	$169,884
	Configuration: Traditional		2,786	4/L	3.5	2	2	$672,000	$241	$0	$0	$672,000	$241	$88	1.06%	0.47%	$4,507	$174,466
	Lot Dimensions: 45 x 100																	
	Lot Size/Density: 4,500																	
	Rec. Wkly Abs.: 0.75																	
		Totals/Averages:	**2,484**					**$639,000**	**$259**	**$0**	**$0**	**$639,000**	**$259**	**$88**	**1.06%**	**0.47%**	**$4,290**	**$166,066**
Subject Project	**Village 14**	**Lennar Homes**	1,454	--	--	--	--	$506,000	$348	$0	$0	$506,000	$348	$88	1.06%	0.45%	$3,407	$131,884
	Natomas	**Northlake**	1,569	--	--	--	--	$519,000	$331	$0	$0	$519,000	$331	$88	1.06%	0.45%	$3,492	$135,184
	Product Type: Single-Family	Total Units: 139	1,631	--	--	--	--	$526,000	$323	$0	$0	$526,000	$323	$88	1.06%	0.45%	$3,538	$136,962
	Configuration: Small Lot		1,907	--	--	--	--	$556,000	$292	$0	$0	$556,000	$292	$88	1.06%	0.45%	$3,735	$144,579
	Lot Dimensions: 41 x 90																	
	Lot Size/Density: 3,690																	
	Rec. Wkly Abs.: 1.00																	
		Totals/Averages:	**1,640**					**$526,750**	**$323**	**$0**	**$0**	**$526,750**	**$323**	**$88**	**1.06%**	**0.45%**	**$3,543**	**$137,152**

The absorption analysis is based on information provided by the developer which includes an estimate as to when villages will open for sales, infrastructure development, grading schedules, marketing considerations and anticipated market conditions. In all cases, the anticipated opening date of a particular project was estimated in months; these dates may be reasonably accurate or significantly and materially different. Furthermore, there are expected to be (and the market can sustain) several different projects selling simultaneously within each product type but built by the same or different builders. Additional factors considered in predicting absorption rates are:

- the desirability of Natomas and the Northlake community as a new-home destination including the availability and relative affordability of housing (with the offering of many different lot sizes, home sizes and price points);
- new-home sales within the subject market area and the Sacramento Region;
- limited inventory in the subject market area and the surrounding market area;
- current absorption rates for similar product types within the subject market area and the Sacramento Region;
- overall economic and housing conditions within the Sacramento Region;
- current (and anticipated) mortgage rates;
- anticipated market entry dates in conjunction with anticipated mortgage rates, economic conditions and market conditions at that time;

In conclusion, it is believed that the subject project can absorb between 0.50 and 1.00 sales per week per project (an average of 0.81 sales per week) for the product offerings at the beginning of sales for the development given the pricing (with home sizes ranging from 1,454 to 3,460 square feet and base price range from $506,000 to $766,000).

The absorption rates in this analysis are based on the current housing market and economic conditions. Due to the increase in mortgage rates and sometimes challenging, but mixed economic signals (i.e., moderating employment and wage growth, stubborn inflation and a slowing overall economy), the absorption rates in the initial years of this analysis are considered appropriate. However, while future economic conditions are largely unknown, there is the potential for a recession at some time in the near- to mid-term. At this point in time, the consensus is still for a soft-landing.

A continued or more significant slowdown in economic conditions could result in slowing sales in the later stages of development of the Northlake community. While it is beyond this analysis to predict a future recession, the projected future absorption does try to consider current and projected economic conditions. Furthermore, the absorption over time may not always be consistent due to development schedules, financing conditions, infrastructure concerns and overall economic and housing conditions. It is believed that over time, the absorption in this analysis is appropriate. There may be differences between projected and actual results because events and circumstances frequently do not occur as expected and the differences may be material.

In addition, once the Federal Reserve has determined that inflation is under control (perhaps sooner than later and most likely by the end of 2024), there is a possibility that the Federal Reserve will decrease the federal funds rate to continue growth (and not cause a recession). While this does not mean that mortgage rates will return to a sub-four-percent level, a decline from the current greater than seven-percent value would be welcome by the housing market.

As previously stated, it is believed that the absorption rates in the conclusion of this analysis are appropriate. They are based on current absorption rates of the Northlake project, and in some cases the absorption rates presented here are higher than current absorption rates on projects selling in Northlake due to a lack of inventory as Phase 1 of the project sells out. The absorption rates also consider the pricing position of the projects and the relationship of the projects with each other. Finally, the overall average absorption rate of the Northlake projects in the conclusions of this analysis (0.81 sales per week) are consistent with the overall absorption of the projects in Phase 1 (0.80 sales per week).

It is projected that with a beginning sales date of June 2024 for Phase 2 (IA2), a total of 197 unit will sell in 2024, 338 units in 2025, 338 units in 2026, 246 units in 2027 and 58 units in 2028. The schedule of product offerings (proposed project entry dates) were provided by the developer; the decreases and increases in the number of units absorbed over time is a result of the scheduled market entry (and sellout of projects). All product offerings are anticipated to conclude sales by the end of July 2028; the years to absorb the production homes is estimated to be 4.18 years from June of 2024.

Village	Homebuilder	Lot Size/ Density	Open Date	Total Number of Units	Est. Abs. Per Week	Units Sold Per Year 2024	2025	2026	2027	2028	2029
Bleau	Lennar Homes	5,000	Jun-24	110	0.75	23	39	39	9	0	0
Crestvue	Lennar Homes	4,675	Jun-24	138	0.75	23	39	39	37	0	0
Drifton	Lennar Homes	5,500	Jun-24	108	0.50	15	26	26	26	15	0
Lakelet	Lennar Homes	3,690	Jun-24	173	1.00	30	52	52	39	0	0
Shor	Lennar Homes	2,788	Jun-24	193	1.00	30	52	52	52	7	0
Watersyde	Lennar Homes	4,000	Jun-24	153	0.75	23	39	39	39	13	0
Wavmor	Lennar Homes	4,500	Jun-24	163	0.75	23	39	39	39	23	0
Village 14	Lennar Homes	3,690	Jun-24	139	1.00	30	52	52	5	0	0
		Totals/Averages:		**1,177**	**0.81**	**197**	**338**	**338**	**246**	**58**	**0**

Years to Absorb:	**4.18**

Locational Assessment

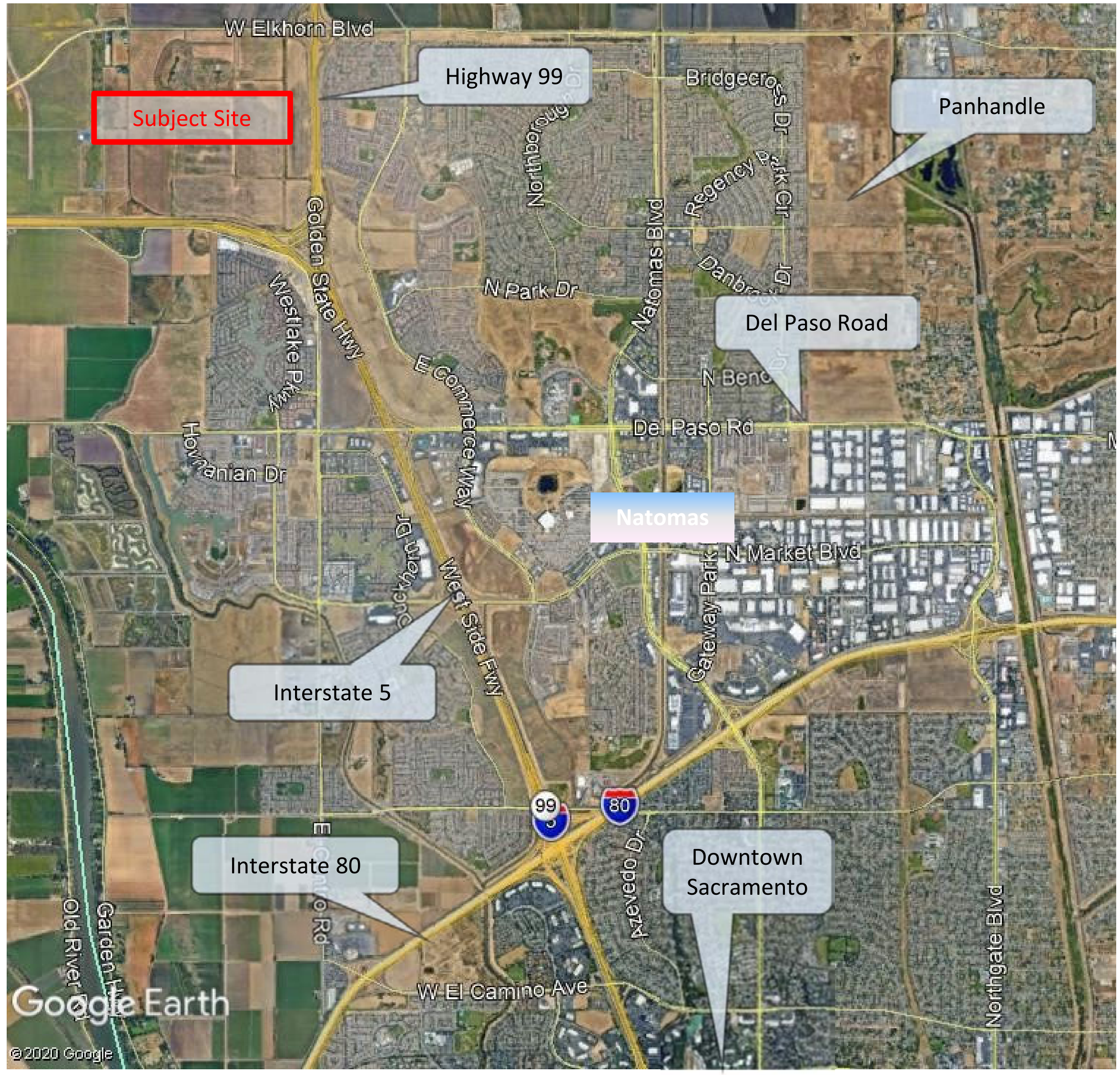
To best analyze the subject project, eight new-home projects from within the Community of Natomas (in the City of Sacramento) were considered. The competitive projects offer topography, community design and features and amenities that are the same as the subject project, as well as significant overlap in the housing types offered.

Community of Natomas:

- Provides desirable lifestyle for today's active buyers;
- Provides a variety of housing options including existing housing, planned community living, and attached and detached housing;
- A family focused and friendly community that includes bike/walking paths throughout the city;
- The community draws a multitude of families, but also younger singles and couples without children as well as older Baby-Boomers.

Northlake:

- Is an integral part in offering conventional housing in an area where there is projected future lack of new supply;
- Is located within proximity to local services and conveniences (including healthcare) within Sacramento County and the City of Sacramento as well as employment and the major transportation corridors throughout the region;
- The subject project provides an opportunity for new housing in an area with connectivity and easy access to surrounding businesses, employment, walking trails, community amenities, open space and parks and the potential for lake view opportunities.
- Is offering a strong land plan, community amenities and product design/execution.



The Community of Natomas consists of a variety of housing options including traditional subdivisions (with attached and detached housing), standalone communities of for-sale housing, and multi-family for-rent development; the range of these product types are uniquely integrated into the area at large and in a fabric that includes commercial uses (office and light industrial) and retail, hospitality and entertainment (including restaurants). New development is generally located north of Interstate 80 and offers communities with similar terrain, tree coverage, housing styles and planned community living environments.

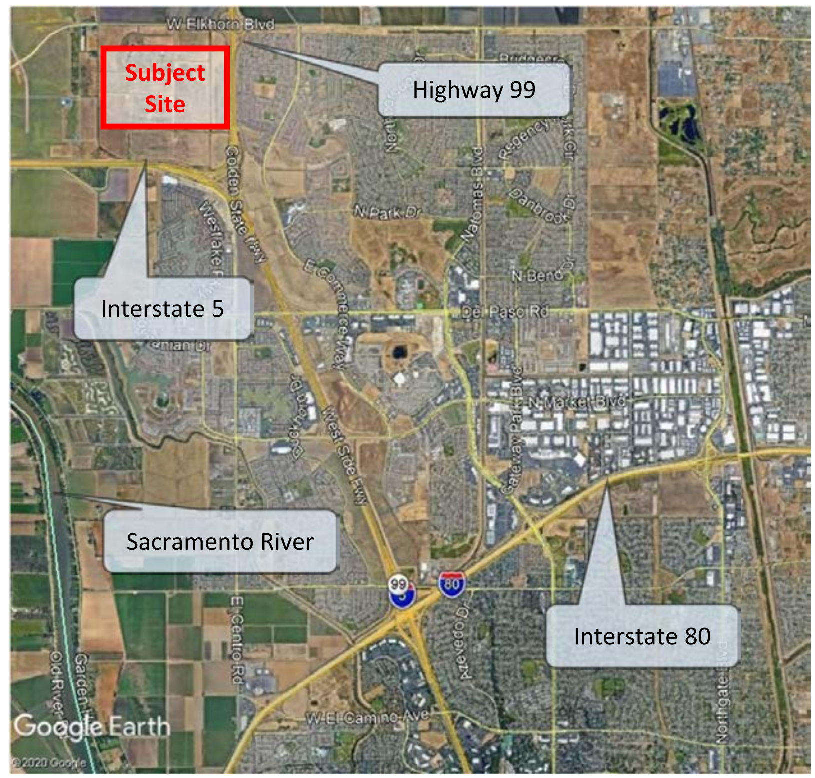
Given its location, a balance between proximity and livability and overall desirability, the subject project location is a community where many people desire to live:

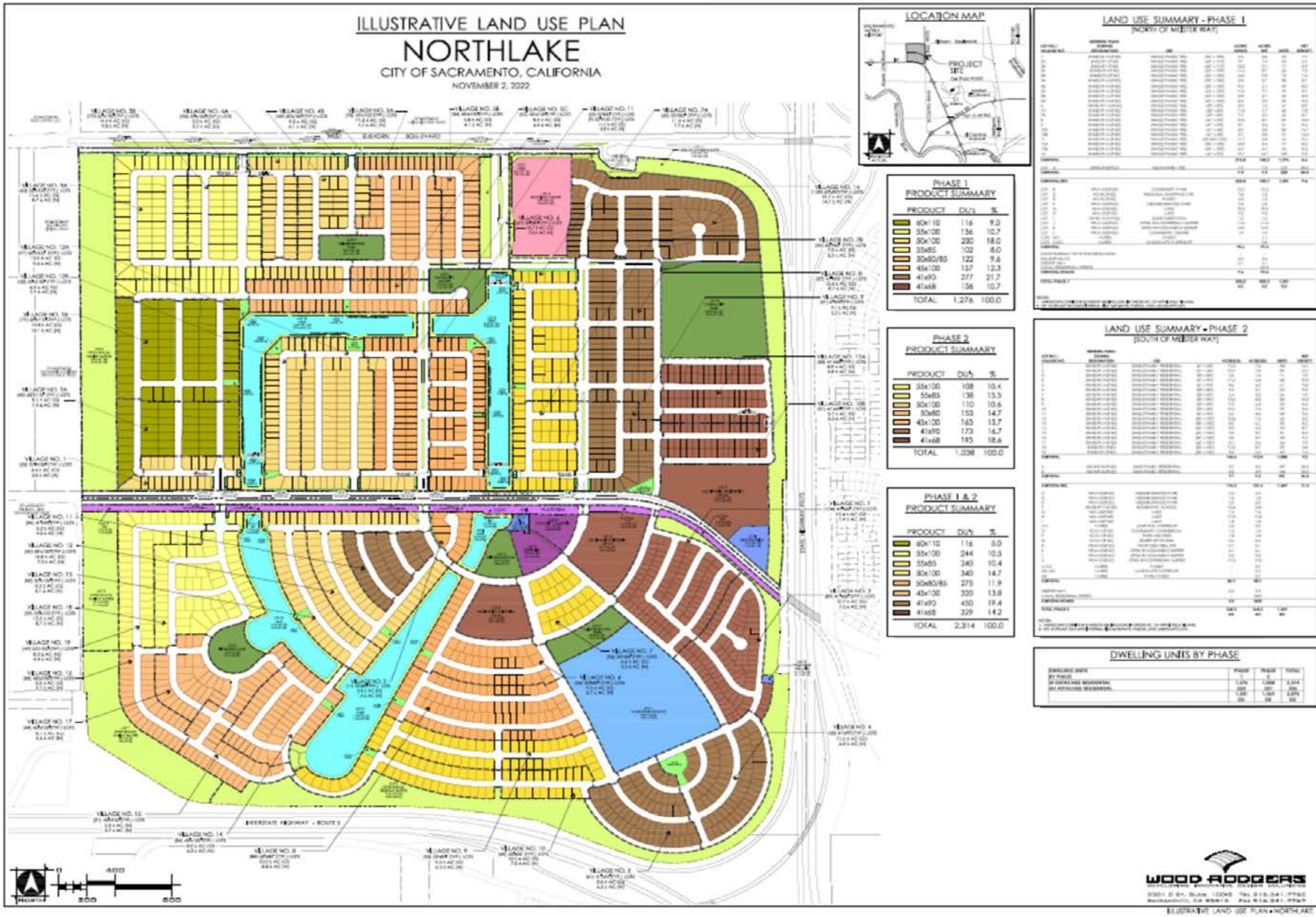
- It provides a quiet, less hectic and less congested lifestyle that is close to downtown Sacramento;
- It is community-centric and a prime location for residents to start and raise a family or transition into an empty-nester phase of life;
- Provides a variety of housing options including existing housing, planned community living, stand-alone housing, attached and detached housing, for-rent housing and traditional subdivision housing;
- Convenient with proximity to local services and conveniences as well as employment and the major transportation corridors throughout the region;

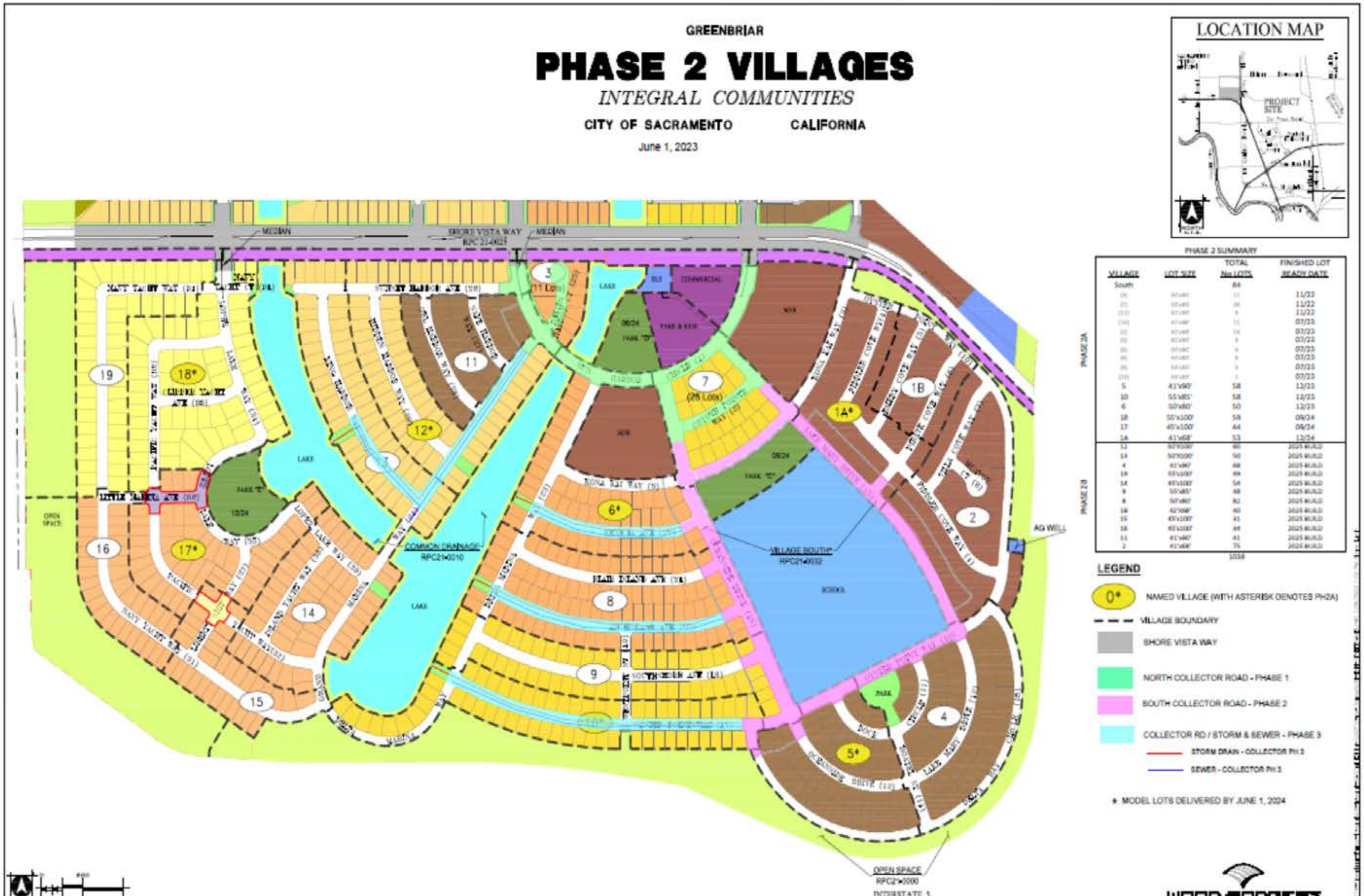
The subject site is located north of Interstate 5, west of Highway 99 and south of Elkhorn Boulevard in the Community of Natomas. Northlake provides excellent access to Highway 99 and Interstate 5—leading to the employment centers to the south in Downtown Sacramento, and recreation to the east toward 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.

The entire Northlake planned community is scheduled to include a total of 2,892 units on 616.7-acres (a density of 4.69 units per acre); however, this analysis is focused on Phase 2 of the project which includes 1,177 residential, for-sale units on 269 acres (a density of 4.38 units per acre). In addition to the for-sale residential housing, the project is planned to include a lake (21.0-acres), parks (6.4-acres), and open space (32.6-acres). In addition, the project is planned to include 1.5-acres of commercial, 1.5-acres for a park-and-ride facility, 16.8-acres for a K-8 school, 1.6-acres of paseo landscaping and 0.5-acres for a sewer lift station.

The land plan incorporates appropriate lot sizes, product types and connectivity to parks, open space, lakes, local trails/biking paths, recreation, and surrounding places of business and entertainment. Northlake offers a desirable location—especially within Natomas, with a well-designed land plan that integrates product types and walkability effectively.



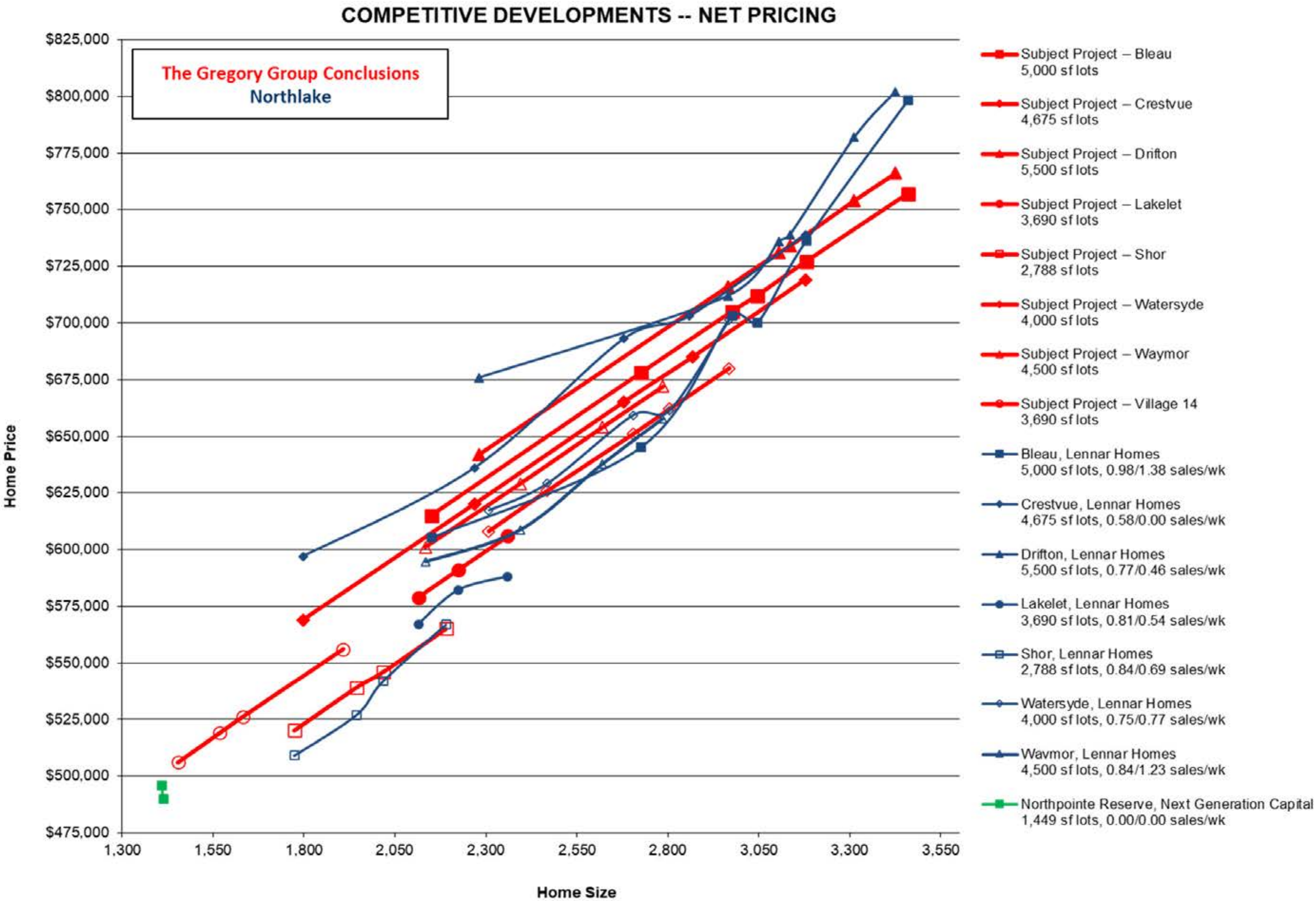

ILLUSTRATIVE LAND USE PLAN
NORTHLAKE
CITY OF SACRAMENTO, CALIFORNIA
NOVEMBER 2, 2022
LOCATION MAP
PROJECT SITE
PHASE 1 PRODUCT SUMMARY
PRODUCT DU's %
60x110 116 9.0
55x100 136 10.7
50x100 230 18.0
55x85 102 8.0
50x80/85 122 9.6
45x100 157 12.3
41x90 277 21.7
41x68 136 10.7
TOTAL 1,276 100.0
PHASE 2 PRODUCT SUMMARY
PRODUCT DU's %
55x100 108 10.4
55x85 138 13.3
50x100 110 10.6
50x80 153 14.7
45x100 163 15.7
41x90 173 16.7
41x68 193 18.6
TOTAL 1,038 100.0
PHASE 1 & 2 PRODUCT SUMMARY
PRODUCT DU's %
60x110 116 5.0
55x100 244 10.5
55x85 240 10.4
50x100 340 14.7
50x80/85 275 11.9
45x100 320 13.8
41x90 450 19.4
41x68 329 14.2
TOTAL 2,314 100.0
LAND USE SUMMARY - PHASE 1
LAND USE SUMMARY - PHASE 2
DWELLING UNITS BY PHASE
WOOD RODGERS
ILLUSTRATIVE LAND USE PLAN - NORTHLAKE



Note: The above land plan does not include Village 14 (139 lots)


VILLAGE NO. 5B
(34) 45'x100'(TYP.) LOTS
5.8 ± AC (G)
4.1 ± AC (N)
VILLAGE NO. 5C
(53) 45'x100'(TYP.) LOTS
8.5 ± AC (G)
5.9 ± AC (N)
VILLAGE NO. 11
(55) 50'X80' (TYP.) LOTS
(9) 50'X100' (TYP.) LOTS
11.7 ± AC (G)
6.8 ± AC (N)
VILLAGE NO. 7A
(60) 55'X85' (TYP.) LOTS
11.5 ± AC (G)
7.7 ± AC (N)
EXISTING PARK AND RIDE LOT
VILLAGE NO. 14
(139) 41'x90'(TYP.) LOTS
19.7 ± AC (G)
14.7 ± AC (N)
VILLAGE NO. 6
(67) 50'X85' (TYP.) LOTS
10.7 ± AC (G)
7.5 ± AC (N)
VILLAGE NO. 7B
(42) 55'X85' (TYP.) LOTS
7.2 ± AC (G)
5.2 ± AC (N)
VILLAGE NO. 8
(87) 41'X90' (TYP.) LOTS
15.6 ± AC (G)
8.7 ± AC (N)

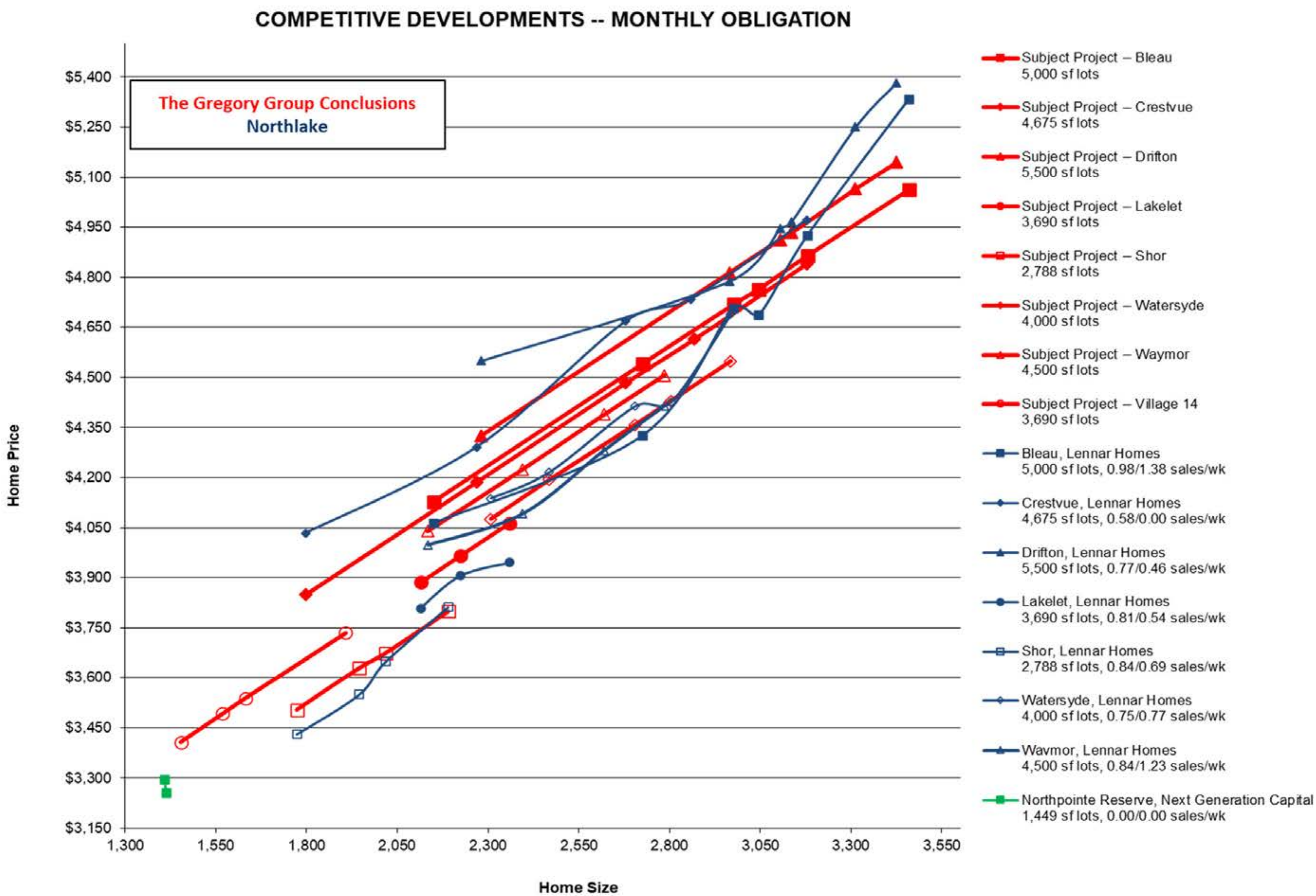
Competitive Housing Analysis


COMPETITIVE DEVELOPMENTS -- NET PRICING
The Gregory Group Conclusions
Northlake
Home Price
Home Size
$825,000
$800,000
$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
1,300
1,550
1,800
2,050
2,300
2,550
2,800
3,050
3,300
3,550
Subject Project – Bleau 5,000 sf lots
Subject Project – Crestvue 4,675 sf lots
Subject Project – Drifton 5,500 sf lots
Subject Project – Lakelet 3,690 sf lots
Subject Project – Shor 2,788 sf lots
Subject Project – Watersyde 4,000 sf lots
Subject Project – Waymor 4,500 sf lots
Subject Project – Village 14 3,690 sf lots
Bleau, Lennar Homes 5,000 sf lots, 0.98/1.38 sales/wk
Crestvue, Lennar Homes 4,675 sf lots, 0.58/0.00 sales/wk
Drifton, Lennar Homes 5,500 sf lots, 0.77/0.46 sales/wk
Lakelet, Lennar Homes 3,690 sf lots, 0.81/0.54 sales/wk
Shor, Lennar Homes 2,788 sf lots, 0.84/0.69 sales/wk
Watersyde, Lennar Homes 4,000 sf lots, 0.75/0.77 sales/wk
Waymor, Lennar Homes 4,500 sf lots, 0.84/1.23 sales/wk
Northpointe Reserve, Next Generation Capital 1,449 sf lots, 0.00/0.00 sales/wk

Competitive Housing Analysis

New-Home Graph – Natomas Market Area (Monthly Obligation)

The Gregory Group



Competitive Housing Analysis
Competitive Projects

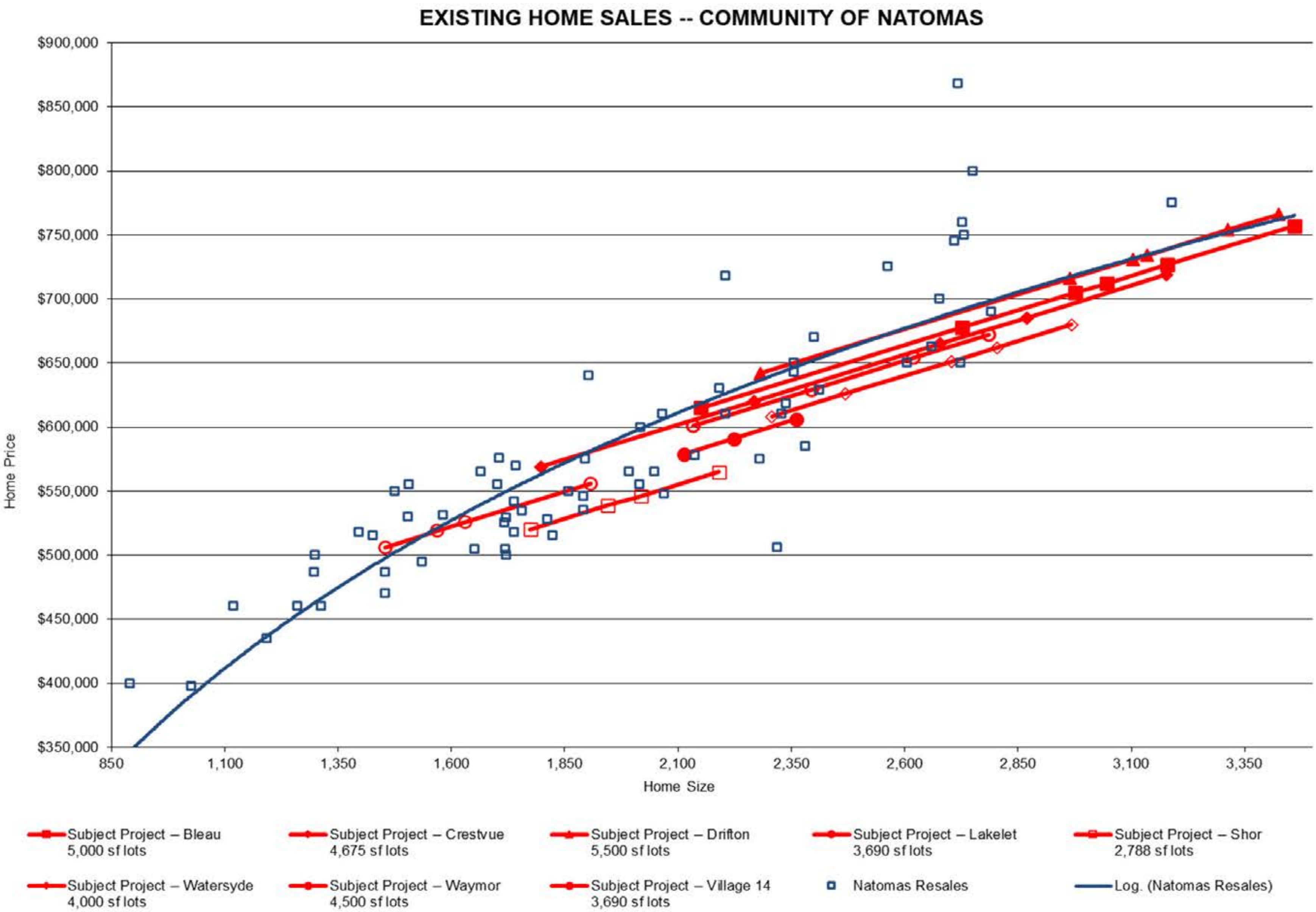
	Community / Location / Product Summary		Builder / Master Plan / Sales Summary		Home Size (SF)	Bed	Bath	Levels	Gar	Base Price	Base Price/ Sq. Ft.	Current Incentives: Price Reduction	Current Incentives: Options/ Upgrades	Current Incentives: Closing $/ Other	Net Base Price	Net Base Price/ Sq. Ft.	Current 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% 7.00% Mo. Pmt	Req. Income
	COMMUNITY DETAILS				PRODUCT SUMMARY					MARKET PRICING SUMMARY															
Primary Market Area	**Bleau**			**Lennar Homes**	2,150	4	3	1	2	$632,990	$294	$0	$0	$27,733	$605,257	$282	$0	$0	$605,257	$282	$88	1.06%	0.46%	$4,063	$157,281
	Natomas			**Northlake**	2,727	4/B	3	2	2	$672,990	$247	$0	$0	$27,733	$645,257	$237	$0	$0	$645,257	$237	$88	1.06%	0.46%	$4,326	$167,450
	Product Type:	Detached	Total Units:	348	2,977	4/L	3	2	2	$730,990	$246	$0	$0	$27,733	$703,257	$236	$0	$0	$703,257	$236	$88	1.06%	0.46%	$4,707	$182,196
	Configuration:	Traditional	Units Offered:	166	3,046	5/L	3	2	3	$727,990	$239	$0	$0	$27,733	$700,257	$230	$0	$0	$700,257	$230	$88	1.06%	0.46%	$4,687	$181,433
	Lot Dimensions:	50 x 100	Units Sold:	163	3,180	4/L	2.5	2	3	$763,990	$240	$0	$0	$27,733	$736,257	$232	$0	$0	$736,257	$232	$89	1.06%	0.46%	$4,924	$190,624
	Lot Size/Density:	5,000	Current Sales:	18	3,460	5/NG/L	4	2	2	$825,990	$239	$0	$0	$27,733	$798,257	$231	$0	$0	$798,257	$231	$90	1.06%	0.46%	$5,333	$206,425
	Open Date:	Jan-21	Total RU:	185																					
	Overall Sales Rate:	0.98	Total % R:	53%																					
	Current Sales Rate:	1.38	Unsold RU:	3																					
			Averages:		**2,923**					**$725,823**	**$251**	**$0**	**$0**	**$27,733**	**$698,090**	**$241**	**$0**	**$0**	**$698,090**	**$241**	**$89**	**1.06%**	**0.46%**	**$4,673**	**$180,901**
Primary Market Area	**Crestvue**			**Lennar Homes**	1,797	3	2	1	2	$596,990	$332	$0	$0	$0	$596,990	$332	$0	$0	$596,990	$332	$88	1.06%	0.51%	$4,034	$156,142
	Natomas			**Northlake**	2,268	4	3	2	3	$635,990	$280	$0	$0	$0	$635,990	$280	$0	$0	$635,990	$280	$88	1.06%	0.51%	$4,291	$166,120
	Product Type:	Detached	Total Units:	235	2,679	4/L	3	2	3	$692,990	$259	$0	$0	$0	$692,990	$259	$0	$0	$692,990	$259	$88	1.06%	0.51%	$4,668	$180,703
	Configuration:	Traditional	Units Offered:	97	2,869	4/L	3	2	3	$702,990	$245	$0	$0	$0	$702,990	$245	$0	$0	$702,990	$245	$88	1.06%	0.51%	$4,734	$183,262
	Lot Dimensions:	55 x 85	Units Sold:	97	3,178	5	4.5	2	3	$738,990	$233	$0	$0	$0	$738,990	$233	$0	$0	$738,990	$233	$88	1.06%	0.51%	$4,972	$192,472
	Lot Size/Density:	4,675	Current Sales:	0																					
	Open Date:	Jan-21	Total RU:	138																					
	Overall Sales Rate:	0.58	Total % R:	59%																					
	Current Sales Rate:	0.00	Unsold RU:	0																					
			Averages:		**2,558**					**$673,590**	**$270**	**$0**	**$0**	**$0**	**$673,590**	**$270**	**$0**	**$0**	**$673,590**	**$270**	**$88**	**1.06%**	**0.51%**	**$4,540**	**$175,740**
Primary Market Area	**Drifton**			**Lennar Homes**	2,282	4	2.5	1	2	$675,990	$296	$0	$0	$0	$675,990	$296	$0	$0	$675,990	$296	$88	1.06%	0.50%	$4,550	$176,136
	Natomas			**Northlake**	2,964	5/L	3	2	2	$711,990	$240	$0	$0	$0	$711,990	$240	$0	$0	$711,990	$240	$88	1.06%	0.50%	$4,788	$185,334
	Product Type:	Detached	Total Units:	236	3,104	5/L	3	2	3	$735,990	$237	$0	$0	$0	$735,990	$237	$0	$0	$735,990	$237	$88	1.06%	0.50%	$4,946	$191,467
	Configuration:	Traditional	Units Offered:	126	3,135	4/NG	3.5	2	2	$738,990	$236	$0	$0	$0	$738,990	$236	$0	$0	$738,990	$236	$88	1.06%	0.50%	$4,966	$192,234
	Lot Dimensions:	55 x 100	Units Sold:	123	3,312	4/L	3.5	2	3	$781,990	$236	$0	$0	$0	$781,990	$236	$0	$0	$781,990	$236	$88	1.06%	0.50%	$5,250	$203,221
	Lot Size/Density:	5,500	Current Sales:	6	3,425	4/L	3.5	2	3	$801,990	$234	$0	$0	$0	$801,990	$234	$0	$0	$801,990	$234	$88	1.06%	0.50%	$5,382	$208,331
	Open Date:	Jan-21	Total RU:	113																					
	Overall Sales Rate:	0.77	Total % R:	48%																					
	Current Sales Rate:	0.46	Unsold RU:	3																					
			Averages:		**3,037**					**$741,157**	**$247**	**$0**	**$0**	**$0**	**$741,157**	**$247**	**$0**	**$0**	**$741,157**	**$247**	**$88**	**1.06%**	**0.50%**	**$4,980**	**$192,787**
Primary Market Area	**Lakelet**			**Lennar Homes**	2,114	3/O/L	2.5	2	2	$595,990	$282	$0	$0	$28,857	$567,133	$268	$0	$0	$567,133	$268	$88	1.06%	0.45%	$3,808	$147,406
	Natomas			**Northlake**	2,223	4	3	2	2	$610,990	$275	$0	$0	$28,857	$582,133	$262	$0	$0	$582,133	$262	$88	1.06%	0.45%	$3,906	$151,214
	Product Type:	Detached	Total Units:	307	2,360	4/L	3.5	2	2	$616,990	$261	$0	$0	$28,857	$588,133	$249	$0	$0	$588,133	$249	$88	1.06%	0.45%	$3,946	$152,738
	Configuration:	Small Lot	Units Offered:	134																					
	Lot Dimensions:	41 x 90	Units Sold:	134																					
	Lot Size/Density:	3,690	Current Sales:	7																					
	Open Date:	Jan-21	Total RU:	173																					
	Overall Sales Rate:	0.81	Total % R:	56%																					
	Current Sales Rate:	0.54	Unsold RU:	0																					
			Averages:		**2,232**					**$607,990**	**$273**	**$0**	**$0**	**$28,857**	**$579,133**	**$260**	**$0**	**$0**	**$579,133**	**$260**	**$88**	**1.06%**	**0.45%**	**$3,887**	**$150,453**
Primary Market Area	**Shor**			**Lennar Homes**	1,774	3	2.5	2	2	$528,990	$298	$0	$0	$20,000	$508,990	$287	$0	$0	$508,990	$287	$88	1.06%	0.46%	$3,431	$132,807
	Natomas			**Northlake**	1,945	3/L	2.5	2	2	$546,990	$281	$0	$0	$20,000	$526,990	$271	$0	$0	$526,990	$271	$88	1.06%	0.46%	$3,549	$137,383
	Product Type:	Detached	Total Units:	337	2,018	4/L	3	2	2	$561,990	$278	$0	$0	$20,000	$541,990	$269	$0	$0	$541,990	$269	$88	1.06%	0.46%	$3,648	$141,197
	Configuration:	Small Lot	Units Offered:	140	2,190	4/L	3	2	2	$586,990	$268	$0	$0	$20,000	$566,990	$259	$0	$0	$566,990	$259	$88	1.06%	0.46%	$3,812	$147,552
	Lot Dimensions:	41 x 68	Units Sold:	140																					
	Lot Size/Density:	2,788	Current Sales:	9																					
	Open Date:	Jan-21	Total RU:	197																					
	Overall Sales Rate:	0.84	Total % R:	58%																					
	Current Sales Rate:	0.69	Unsold RU:	0																					
			Averages:		**1,982**					**$556,240**	**$281**	**$0**	**$0**	**$20,000**	**$536,240**	**$271**	**$0**	**$0**	**$536,240**	**$271**	**$88**	**1.06%**	**0.46%**	**$3,610**	**$139,735**

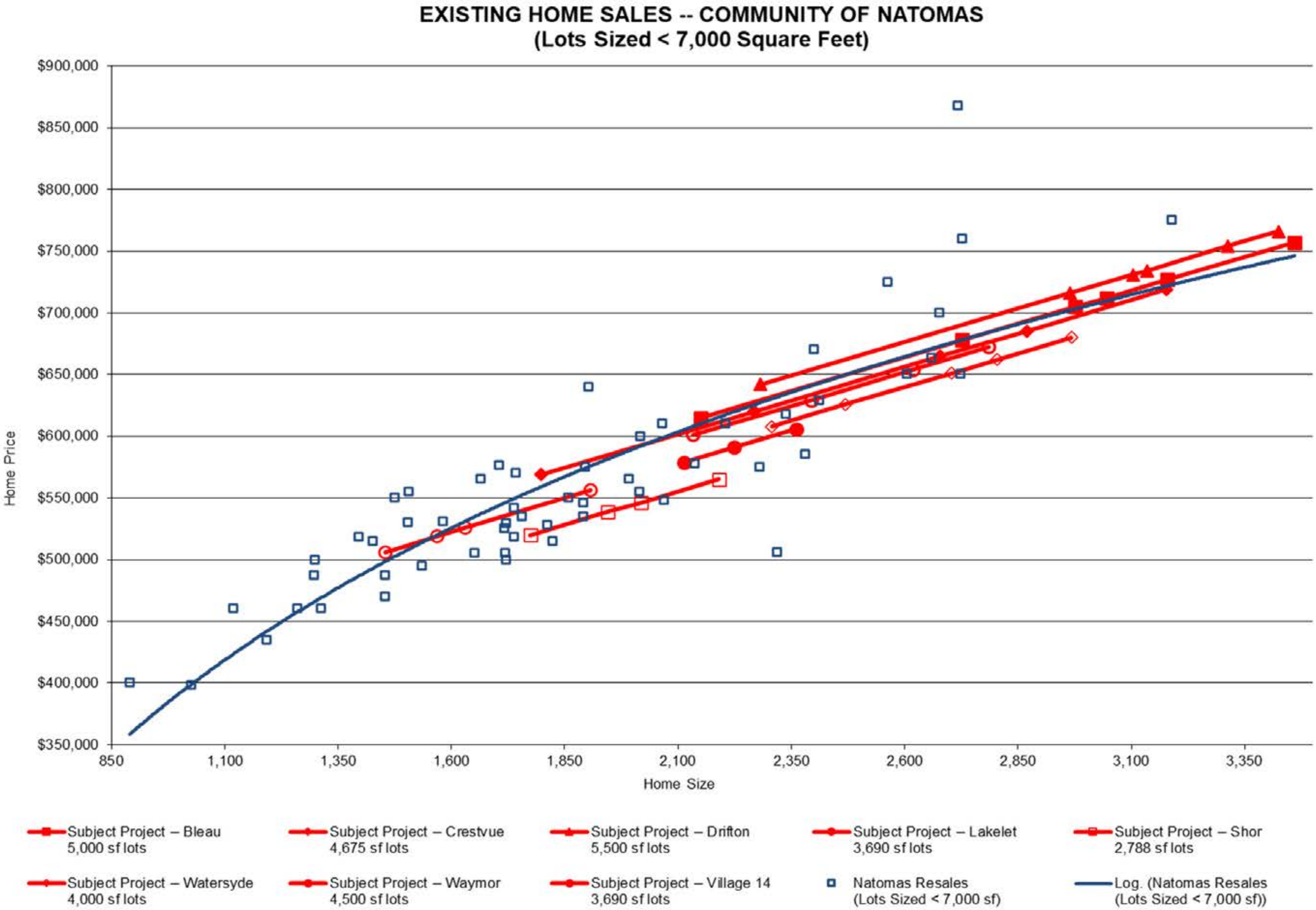
Competitive Housing Analysis

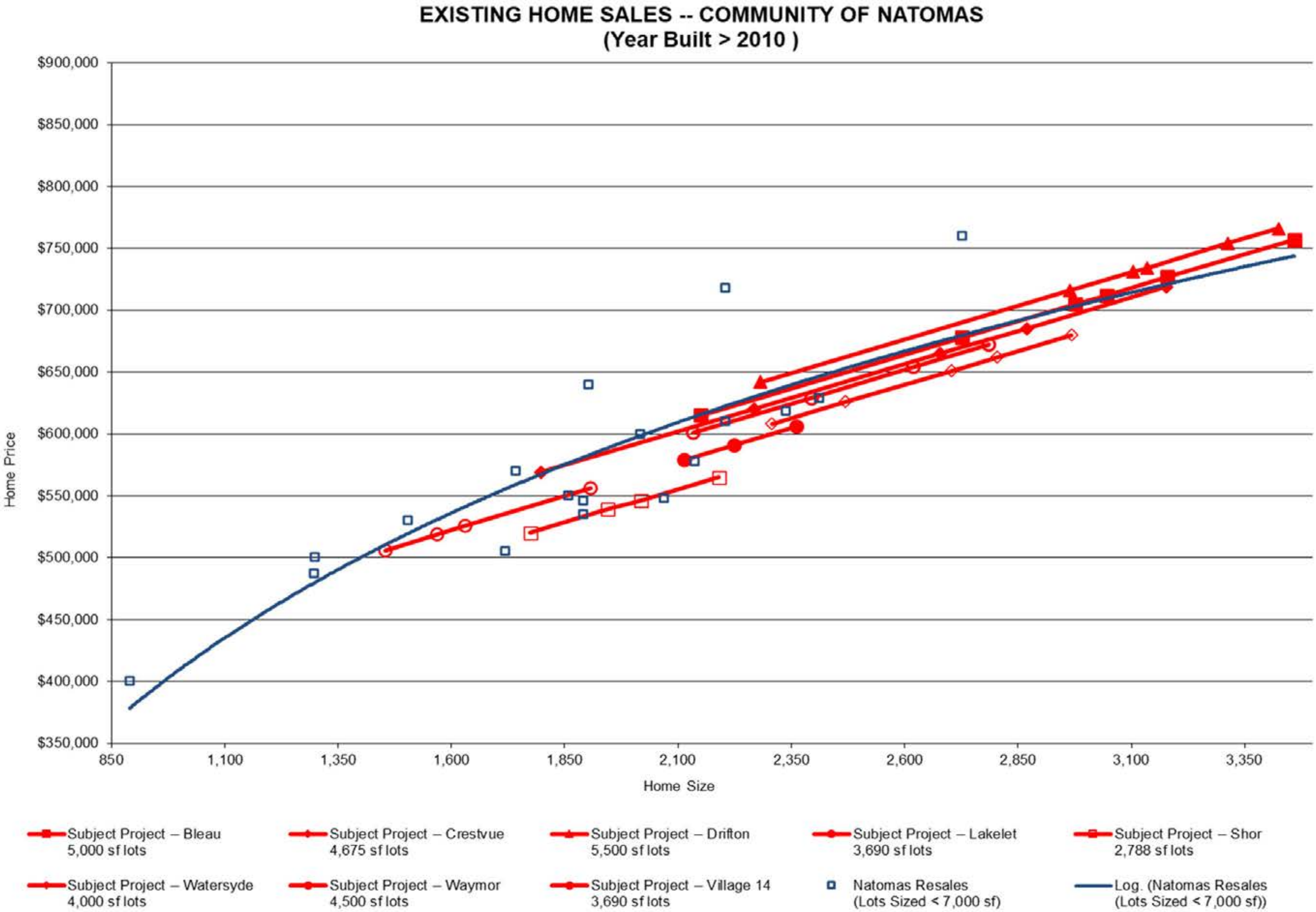
Competitive Projects

The Gregory Group

Area	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% 7.00% Mo. Pmt	Req. Income
Primary Market Area	**Watersyde**			**Lennar Homes**	2,307	4	3	2	2	$635,990	$276	$0	$0	$18,667	$617,323	$268	$0	$0	$617,323	$268	$88	1.06%	0.45%	$4,137	$160,149
	Natomas			**Northlake**	2,469	4/L	3	2	2	$647,990	$262	$0	$0	$18,667	$629,323	$255	$0	$0	$629,323	$255	$88	1.06%	0.45%	$4,216	$163,196
	Product Type:	Detached	Total Units:	276	2,704	4/L	3.5	2	2	$677,990	$251	$0	$0	$18,667	$659,323	$244	$0	$0	$659,323	$244	$88	1.06%	0.45%	$4,413	$170,814
	Configuration:	Traditional	Units Offered:	127	2,804	5/L	4	2	2	$679,990	$243	$0	$0	$18,667	$661,323	$236	$0	$0	$661,323	$236	$88	1.06%	0.45%	$4,426	$171,321
	Lot Dimensions:	50 x 80	Units Sold:	125	2,968	4/NG/L	3.5	2	3	$719,990	$243	$0	$0	$18,667	$701,323	$236	$0	$0	$701,323	$236	$88	1.06%	0.45%	$4,688	$181,478
	Lot Size/Density:	4,000	Current Sales:	10																					
	Open Date:	Jan-21	Total RU:	151																					
	Overall Sales Rate:	0.75	Total % R:	55%																					
	Current Sales Rate:	0.77	Unsold RU:	2																					
				Averages:	**2,650**					**$672,390**	**$255**	**$0**	**$0**	**$18,667**	**$653,723**	**$248**	**$0**	**$0**	**$653,723**	**$248**	**$88**	**1.06%**	**0.45%**	**$4,376**	**$169,392**
Primary Market Area	**Wavmor**			**Lennar Homes**	2,134	3	2	1	2	$623,990	$292	$0	$0	$29,313	$594,677	$279	$0	$0	$594,677	$279	$88	1.06%	0.47%	$3,999	$154,783
	Natomas			**Northlake**	2,394	4/L	3	2	2	$637,990	$266	$0	$0	$29,313	$608,677	$254	$0	$0	$608,677	$254	$88	1.06%	0.47%	$4,091	$158,347
	Product Type:	Detached	Total Units:	320	2,620	5/L	3	2	2	$666,990	$255	$0	$0	$29,313	$637,677	$243	$0	$0	$637,677	$243	$88	1.06%	0.47%	$4,281	$165,729
	Configuration:	Traditional	Units Offered:	141	2,786	4/L	3.5	2	2	$686,990	$247	$0	$0	$29,313	$657,677	$236	$0	$0	$657,677	$236	$88	1.06%	0.47%	$4,413	$170,820
	Lot Dimensions:	45 x 100	Units Sold:	139																					
	Lot Size/Density:	4,500	Current Sales:	16																					
	Open Date:	Jan-21	Total RU:	181																					
	Overall Sales Rate:	0.84	Total % R:	57%																					
	Current Sales Rate:	1.23	Unsold RU:	2																					
				Averages:	**2,484**					**$653,990**	**$265**	**$0**	**$0**	**$29,313**	**$624,677**	**$253**	**$0**	**$0**	**$624,677**	**$253**	**$88**	**1.06%**	**0.47%**	**$4,196**	**$162,420**
Primary Market Area	**Northpointe Reserve**			**Next Generation Capital**	1,409	3	2.5	2	2	$500,900	$356	$0	$0	$5,000	$495,900	$352	$0	$0	$495,900	$352	$100	1.06%	0.31%	$3,295	$127,544
	Natomas			**Natomas Park**	1,414	3	2.5	2	2	$494,900	$350	$0	$0	$5,000	$489,900	$346	$0	$0	$489,900	$346	$100	1.06%	0.31%	$3,256	$126,048
	Product Type:	Detached	Total Units:	48																					
	Configuration:	Small Lot	Units Offered:	13																					
	Lot Dimensions:	23 x 63	Units Sold:	0																					
	Lot Size/Density:	1,449	Current Sales:	0																					
	Open Date:	Mar-24	Total RU:	48																					
	Overall Sales Rate:	0.00	Total % R:	100%																					
	Current Sales Rate:	0.00	Unsold RU:	13																					
				Averages:	**1,412**					**$497,900**	**$353**	**$0**	**$0**	**$5,000**	**$492,900**	**$349**	**$0**	**$0**	**$492,900**	**$349**	**$100**	**1.06%**	**0.31%**	**$3,276**	**$126,796**


EXISTING HOME SALES -- COMMUNITY OF NATOMAS
Home Price
$900,000
$850,000
$800,000
$750,000
$700,000
$650,000
$600,000
$550,000
$500,000
$450,000
$400,000
$350,000
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
Home Size
Subject Project – Bleau 5,000 sf lots
Subject Project – Crestvue 4,675 sf lots
Subject Project – Drifton 5,500 sf lots
Subject Project – Lakelet 3,690 sf lots
Subject Project – Shor 2,788 sf lots
Subject Project – Watersyde 4,000 sf lots
Subject Project – Waymor 4,500 sf lots
Subject Project – Village 14 3,690 sf lots
Natomas Resales
Log. (Natomas Resales)


EXISTING HOME SALES -- COMMUNITY OF NATOMAS
(Lots Sized < 7,000 Square Feet)
$900,000
$850,000
$800,000
$750,000
$700,000
$650,000
$600,000
$550,000
$500,000
$450,000
$400,000
$350,000
Home Price
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
Home Size
Subject Project – Bleau 5,000 sf lots
Subject Project – Crestvue 4,675 sf lots
Subject Project – Drifton 5,500 sf lots
Subject Project – Lakelet 3,690 sf lots
Subject Project – Shor 2,788 sf lots
Subject Project – Watersyde 4,000 sf lots
Subject Project – Waymor 4,500 sf lots
Subject Project – Village 14 3,690 sf lots
Natomas Resales (Lots Sized < 7,000 sf)
Log. (Natomas Resales (Lots Sized < 7,000 sf))


EXISTING HOME SALES -- COMMUNITY OF NATOMAS
(Year Built > 2010)
Home Price
$900,000
$850,000
$800,000
$750,000
$700,000
$650,000
$600,000
$550,000
$500,000
$450,000
$400,000
$350,000
850
1,100
1,350
1,600
1,850
2,100
2,350
2,600
2,850
3,100
3,350
Home Size
Subject Project – Bleau 5,000 sf lots
Subject Project – Crestvue 4,675 sf lots
Subject Project – Drifton 5,500 sf lots
Subject Project – Lakelet 3,690 sf lots
Subject Project – Shor 2,788 sf lots
Subject Project – Watersyde 4,000 sf lots
Subject Project – Waymor 4,500 sf lots
Subject Project – Village 14 3,690 sf lots
Natomas Resales (Lots Sized < 7,000 sf)
Log. (Natomas Resales (Lots Sized < 7,000 sf))

Potential Future Supply

Potential Future Supply

Community of Natomas

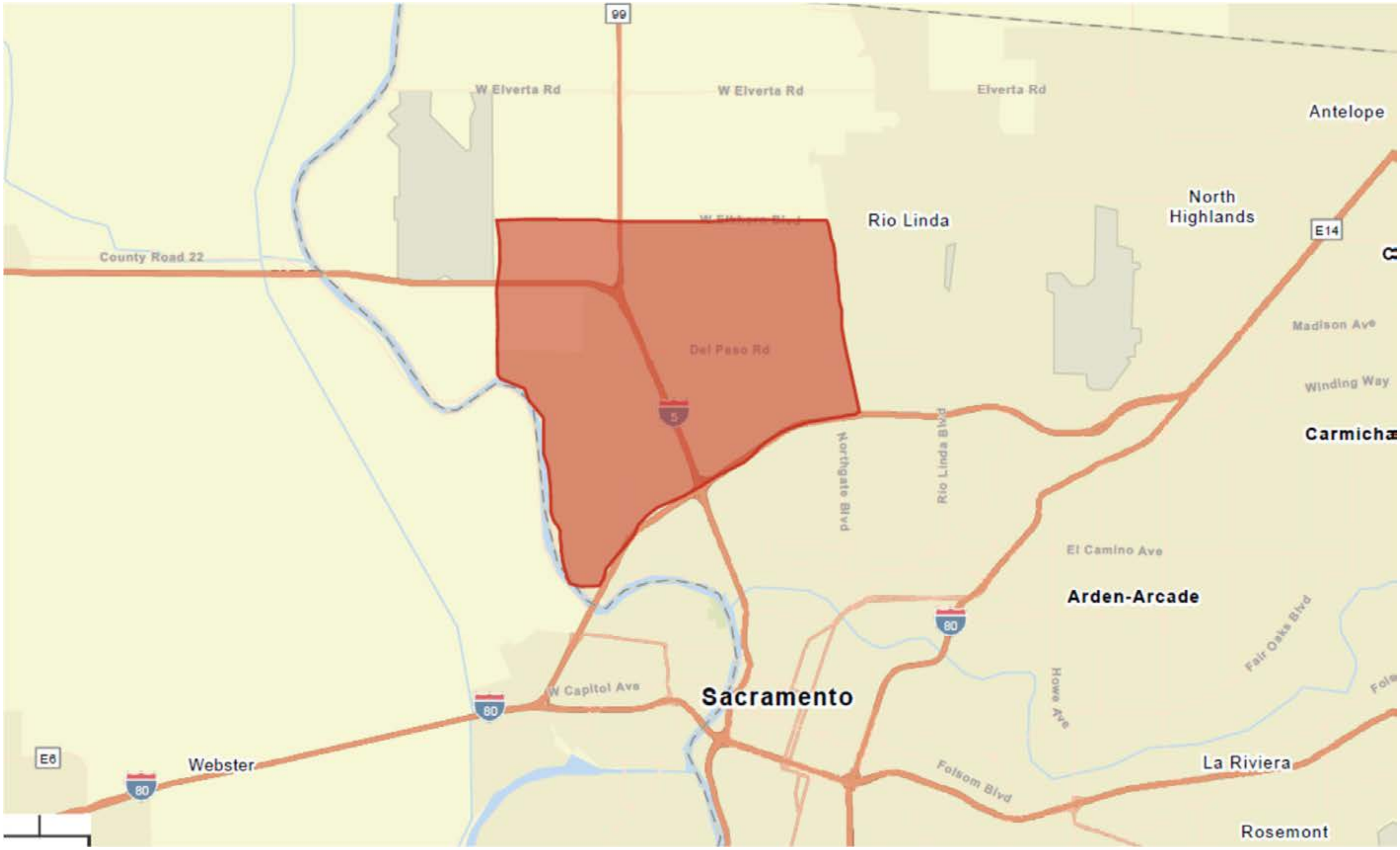
Within the greater subject market area, there are a total of 31,115 planned units on 10,825.1 acres (a density of 3.0 units per acre), and not including the subject project. A total of 30,867 of these units (99.2% of the total) are in five major planned communities; Upper Westside, Sutter Pointe, Panhandle, Innovation District and Life District. Some of these communities may offer homes in the immediate future, but most of these units will be many years before a first phase of development occurs.

Therefore, there are approximately only 1,253 units 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. 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.

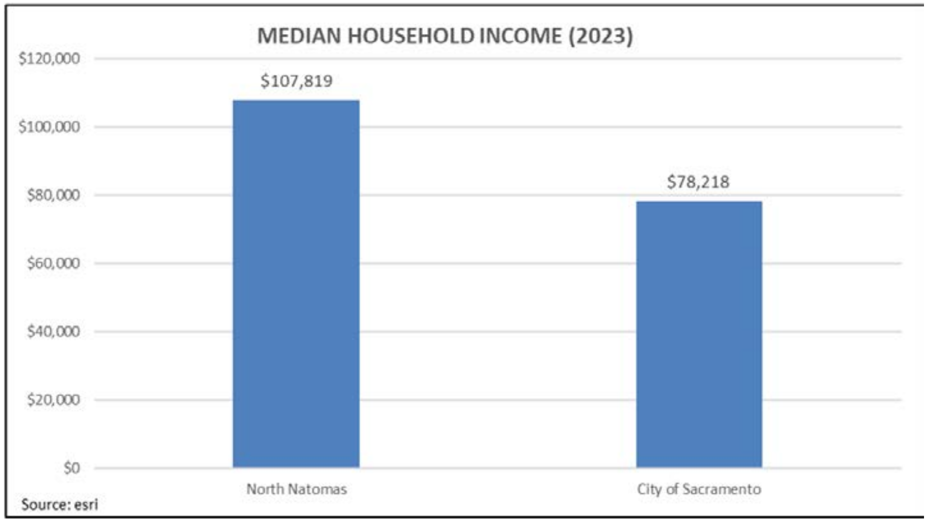
Project Name	Developer/Owner	Location	Number Of Units	Acres	Density	Comments
Upper Westside	Upper Westside LLC	Natomas	9,231	2,066.0	4.5	Project is in planning and undergoing a EIR; waiting Specific Plan Approval. Development is many years in the future. Project is located west of Interstate 80 at West 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 and north of the City of Sacramento and Sacramento County.
Panhandle	Various	Natomas	409	295.4	1.4	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.
Panhandle	TPG	Natomas	810	187.5	4.3	Project has Tentative Map Approval and could begin sales in the coming year. Project is located north of Del Paso Road and west of Sorento Road.
Panhandle	MLC Holdings	Natomas	443	106.5	4.2	Project has Tentative Map Approval and could begin sales in the coming year. Project is located north of Del Paso Road and west of Sorento Road.
Valley View	Avdis Property	Natomas	248	41.4	6.0	Project is in the planning stages and is located east of the Panhandle project.
Innovation District	Sacramento Kings Ownership Group	Natomas	1,228	23.1	53.2	Project is in the planning stages and also includes 39,000 square feet of retail and 180,000 square feet of office space.
The Life District	Sacramento Kings Ownership Group	Natomas	1,246	60.9	20.5	Project is in the planning stages and also includes 15,000 square feet of retail, 120,000 square feet of office space and 120,000 square feet of hotel/commercial space.
		Averages/Totals:	**31,115**	**10,309.0**	**3.0**	

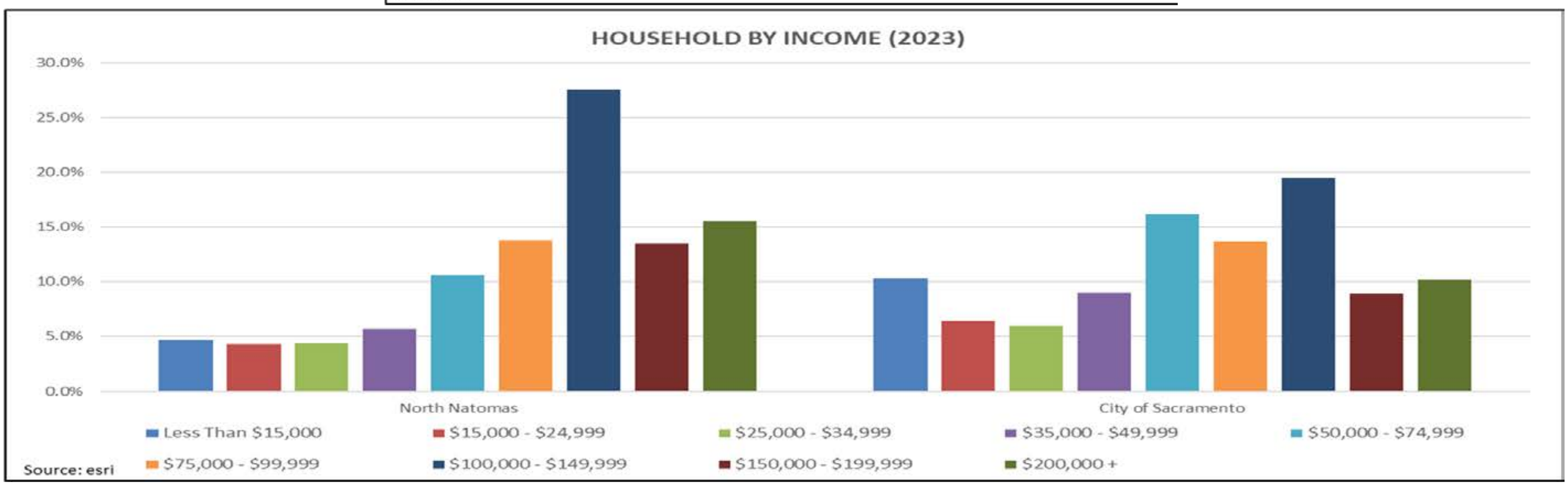
Economics and Demographics

Subject Market Area

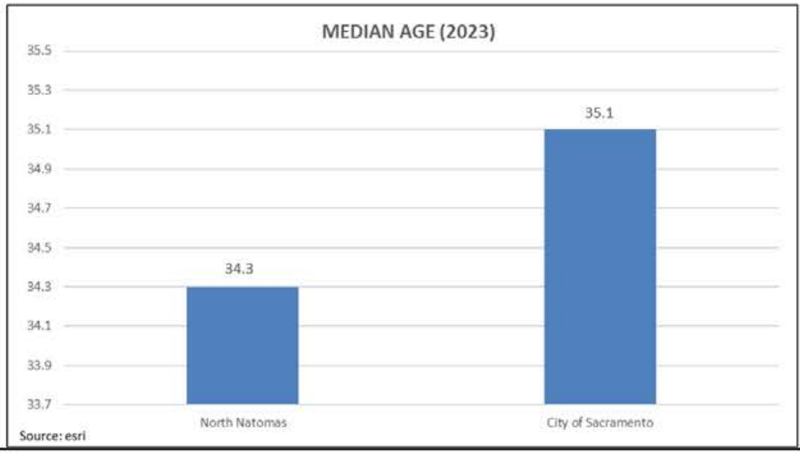

W Elverta Rd
W Elverta Rd
Elverta Rd
Antelope
North
Highlands
E14
Rio Linda
County Road 22
Del Paso Rd
Madison Ave
Winding Way
Carmicha
Northgate Blvd
Rio Linda Blvd
El Camino Ave
Arden-Arcade
80
W Capitol Ave
Sacramento
Fair Oaks Blvd
Howe Ave
E6
Webster
80
La Riviera
Folsom Blvd
Rosemont

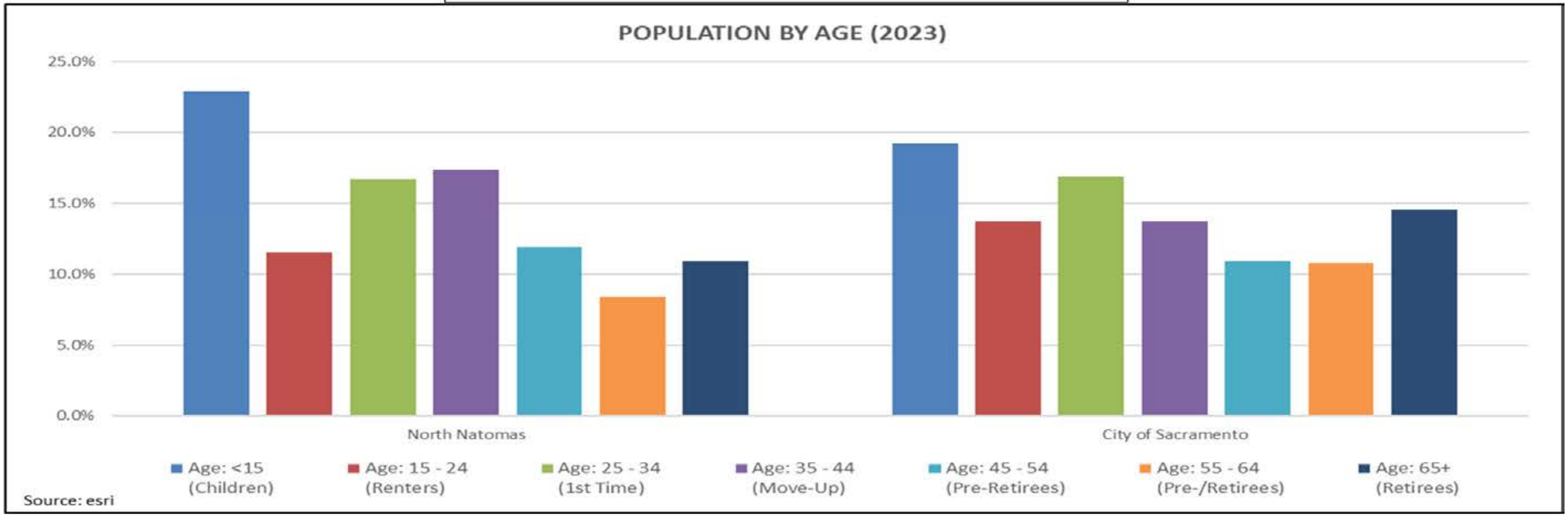
An analysis of economic and demographic variables can help to illuminate the specific dynamics of the subject project. The median household income is greater in North Natomas than in the City of Sacramento. In fact, North Natomas has a median income that is 38% greater than the City of Sacramento: a result of older housing and lower income residents in the city and newer housing in North Natomas. The greatest distribution for North Natomas is $100,000 to $149,999 and the two categories that are greater than $150,000, but the City of Sacramento has a greater percentage distribution in the three categories between $50,000 to $149,999.



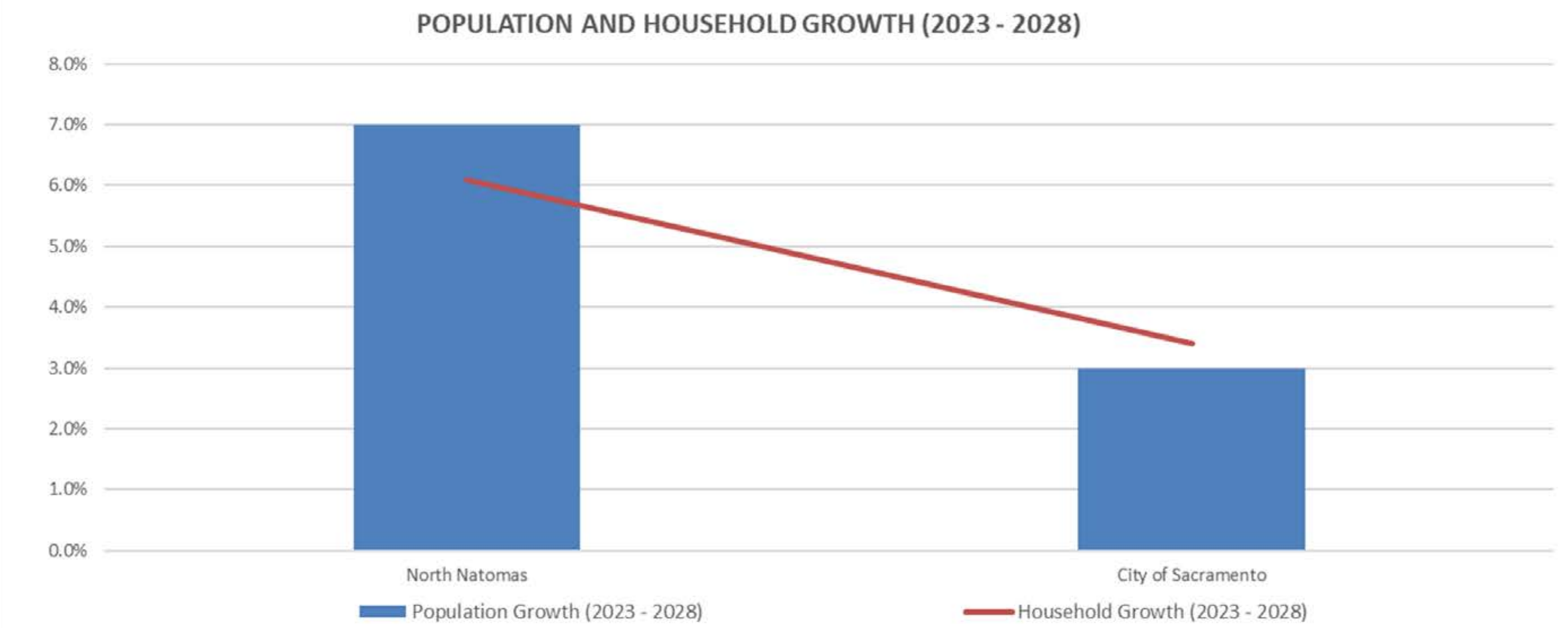


Not surprisingly, the median age within North Natomas (34.3-years) is lower than the City of Sacramento (35.1-years). This is a result of the newer housing and the influx of young and middle-aged professionals that enjoy North Natomas and work south toward Downtown/Midtown Sacramento. When considering population by age, North Natomas includes a large percentage of children under 15 years of age (more than 20%--due to the suburban, family areas) and higher percentages of 25- to 34-year-olds and 35- to 44-year-olds (both above 15%). While the City of Sacramento includes a larger percentage of children under 15 years of age (just below 20%), there are higher numbers of young adults aged between 25 and 34 years and older adults aged at 65 years and older (long-time residents of the city).





A review of population and household growth reveals much higher estimated growth in North Natomas (at 7.0% and 6.1% respectively) than in the City of Sacramento (at 3.0% and 3.4%). It is believed that the strong growth associated with the specific area of the subject project is due to the maturing of the area, the desirability of the community and the emphasis on housing and infrastructure development along with plans for substantial future development.



Source: esri

ECONOMIC AND DEMOGRAPHIC INFORMATION -- NORTH NATOMAS				
	2023 Estimate		2028 Projection	
Category	Number	Percent	Number	Percent
Population				
Population	76,037	--	81,383	--
Growth 2023 - 2028	--	--	--	7.0%
Population by Age				
Age 0 - 4	5,798	7.6%	6,339	7.8%
Age 5 - 9	6,039	7.9%	6,241	7.7%
Age 10 - 14	5,658	7.4%	6,182	7.6%
Age 15 - 19	4,494	5.9%	5,059	6.2%
Age 20 - 24	4,247	5.6%	4,932	6.1%
Age 25 - 34	12,707	16.7%	13,139	16.1%
Age 35 - 44	13,262	17.4%	14,074	17.3%
Age 45 - 54	9,079	11.9%	9,866	12.1%
Age 55 - 64	6,406	8.4%	6,356	7.8%
Age 65 - 74	5,556	7.3%	5,366	6.6%
Age 75 - 84	2,226	2.9%	3,053	3.8%
Age 85 and over	565	0.7%	777	1.0%
24 and Under	26,236	34.4%	28,753	35.4%
Age 45 - 64	15,485	20.3%	16,222	19.9%
65 and over	8,347	10.9%	9,196	11.4%
Median Age	34.3	--	34.1	--
Households				
Households	26,725	--	28,365	--
Growth 2023 - 2028	--	--	--	6.1%
Average Household Size	2.84	--	2.87	--
Household Income				
Less Than $15,000	1,243	4.7%	1,200	4.2%
$15,000 - $24,999	1,147	4.3%	910	3.2%
$25,000 - $34,999	1,179	4.4%	941	3.3%
$35,000 - $49,999	1,534	5.7%	1,254	4.4%
$50,000 - $74,999	2,820	10.6%	2,644	9.3%
$75,000 - $99,999	3,676	13.8%	3,525	12.4%
$100,000 - $149,999	7,369	27.6%	8,045	28.4%
$150,000 - $199,999	3,616	13.5%	4,526	16.0%
$200,000 and Greater	4,142	15.5%	5,320	18.8%
Median Household Income	$107,819	--	$117,082	--
Average Household Income	$135,546	--	$154,461	--
Housing Units		--		--
Owner Occupied	16,151	60.4%	16,679	58.8%
Renter Occupied	10,574	39.6%	11,686	41.2%
Source: esri				

ECONOMIC AND DEMOGRAPHIC INFORMATION -- CITY OF SACRAMENTO				
	2023 Estimate		2028 Projection	
Category	Number	Percent	Number	Percent
Population				
Population	537,063	--	553,111	--
Growth 2023 - 2028	--	--	--	3.0%
Population by Age				
Age 0 - 4	35,031	6.5%	36,730	6.6%
Age 5 - 9	35,131	6.5%	35,399	6.4%
Age 10 - 14	33,532	6.2%	35,255	6.5%
Age 15 - 19	33,646	6.3%	34,370	6.2%
Age 20 - 24	39,690	7.4%	40,138	7.3%
Age 25 - 34	90,865	16.9%	88,469	16.0%
Age 35 - 44	73,475	13.7%	79,981	14.5%
Age 45 - 54	58,754	10.9%	61,336	11.1%
Age 55 - 64	58,154	10.8%	53,866	9.7%
Age 65 - 74	47,441	8.8%	48,897	8.8%
Age 75 - 84	22,209	4.1%	28,302	5.1%
Age 85 and over	9,135	1.7%	10,368	1.9%
24 and Under	177,030	32.9%	181,892	33.0%
Age 45 - 64	116,908	21.7%	115,202	20.8%
65 and over	78,785	14.6%	87,567	15.8%
Median Age	35.1	--	35.7	--
Households				
Households	197,512	--	204,255	--
Growth 2023 - 2028	--	--	--	3.4%
Average Household Size	2.63	--	2.62	--
Household Income				
Less Than $15,000	20,263	10.3%	19,229	9.4%
$15,000 - $24,999	12,545	6.4%	9,877	4.8%
$25,000 - $34,999	11,838	6.0%	10,264	5.0%
$35,000 - $49,999	17,689	9.0%	15,255	7.5%
$50,000 - $74,999	31,953	16.2%	30,619	15.0%
$75,000 - $99,999	26,985	13.7%	28,177	13.8%
$100,000 - $149,999	38,526	19.5%	43,719	21.4%
$150,000 - $199,999	17,534	8.9%	22,138	10.8%
$200,000 and Greater	20,179	10.2%	24,947	12.2%
Median Household Income	$78,218	--	$88,269	--
Average Household Income	$107,648	--	$123,097	--
Housing Units		--		--
Owner Occupied	98,772	50.0%	100,566	49.2%
Renter Occupied	98,740	50.0%	103,689	50.8%
Source: esri				

Existing Housing Market

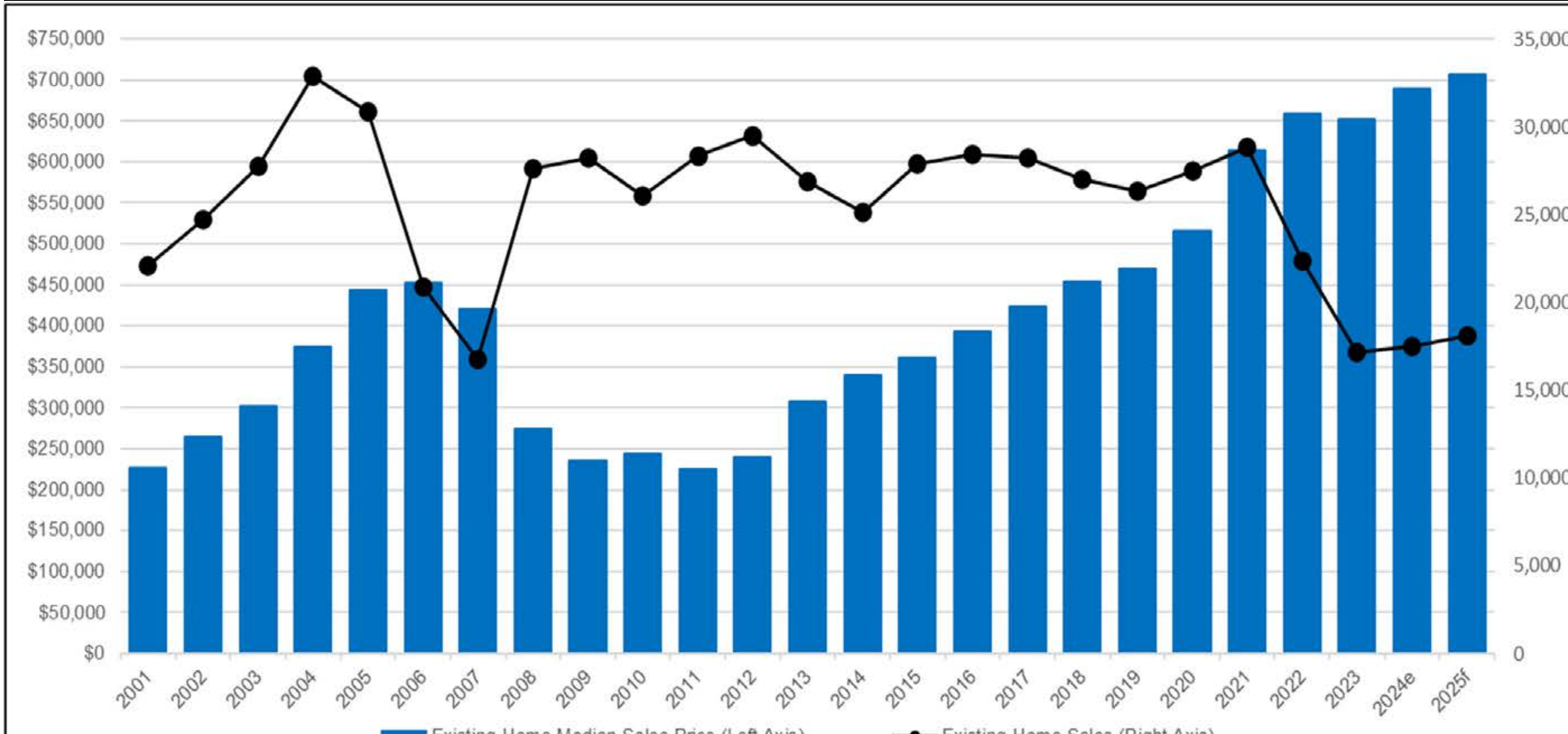
Sacramento Region

Existing Housing Market

Existing Housing Sales and Pricing -- Annual

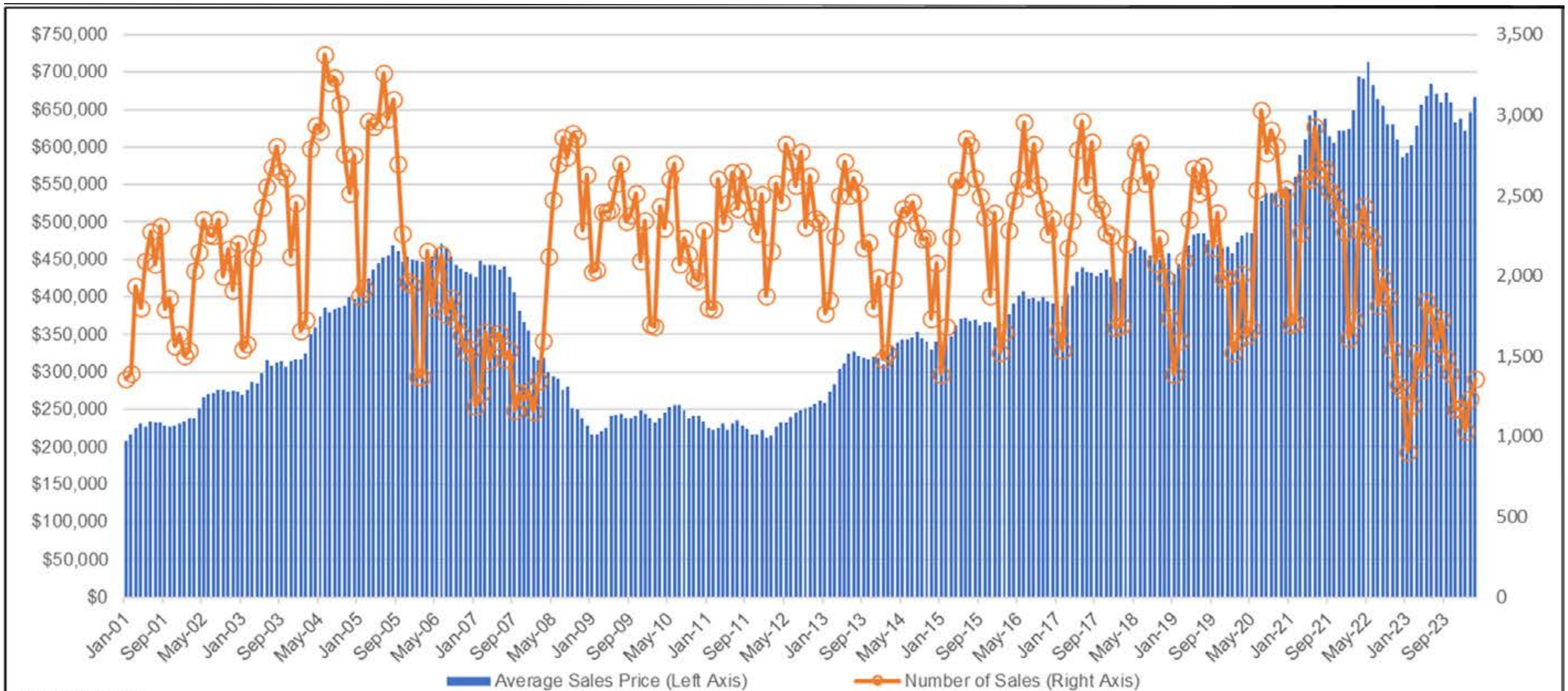
Existing home closings ended 2023 with a decrease of 23.2% (to 17,174 units from 22,361 units the year before) due to higher mortgage rates that put a strain on buyers' ability to pay for housing and a lack of available inventory. Existing home pricing was down modestly in 2023 (down 1.2%). Both sales and pricing are anticipated to increase in 2024 and 2025 with sales up 1.9% and 3.5% and pricing up 5.9% and 2.5% due to increasing inventory, demographic tailwinds, a realization that mortgage rates may stay somewhat elevated and time as people age out of current housing.

Existing Housing Home Sales	Sacramento-Roseville-Arden-Arcade MSA								Two-Year Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Existing-Home Sales	28,448	28,237	26,993	26,371	27,487	28,838	22,361	17,174	17,500	18,112
Annual Percent Change:	2.1%	-0.7%	-4.4%	-2.3%	4.2%	4.9%	-22.5%	-23.2%	1.9%	3.5%
Existing-Home Median Price	$392,630	$423,670	$454,383	$469,993	$516,484	$614,899	$659,279	$651,656	$689,945	$707,193
Annual Percent Change:	8.6%	7.9%	7.2%	3.4%	9.9%	19.1%	7.2%	-1.2%	5.9%	2.5%



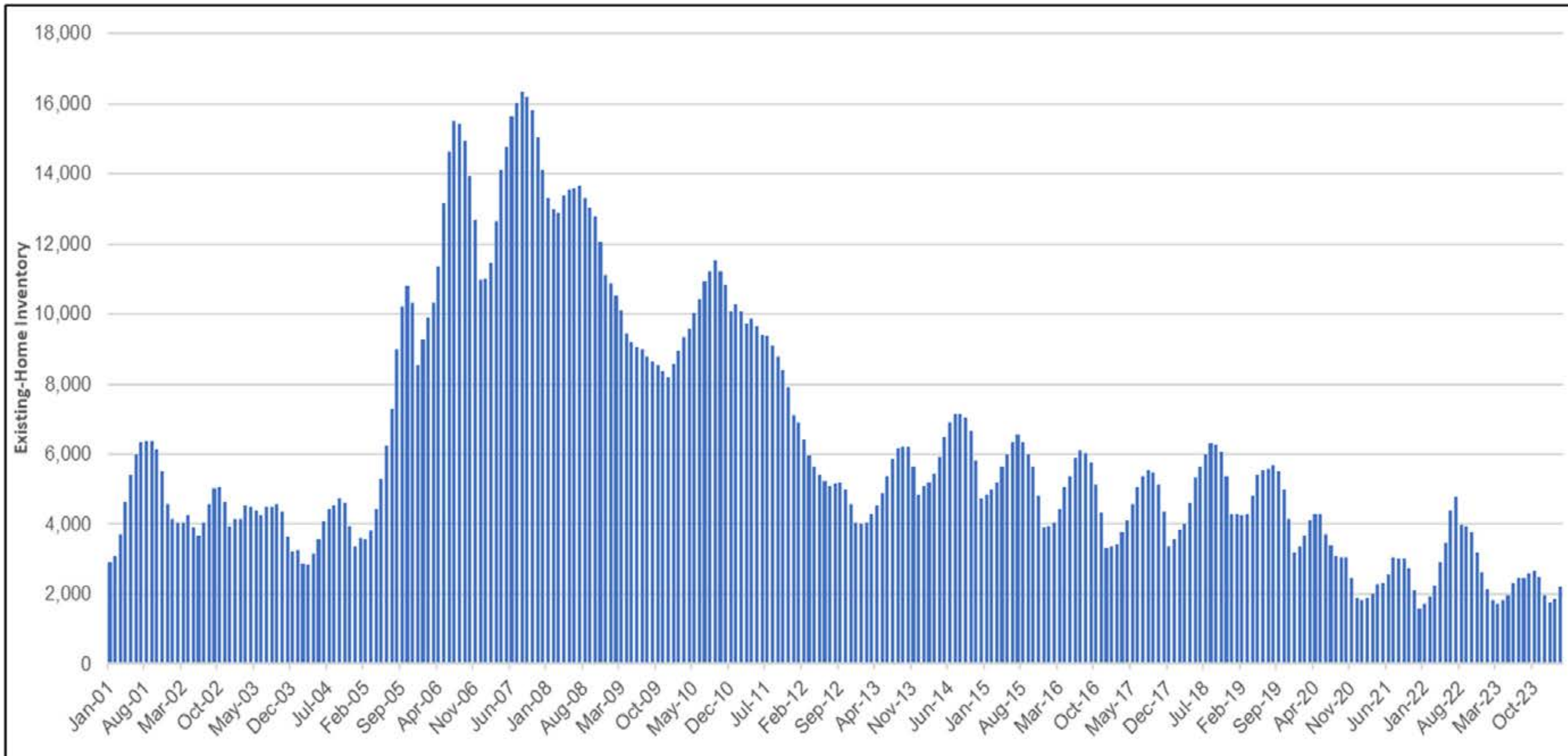
Source: MLS (Trends)

Existing Housing Market
Existing Housing Sales and Pricing -- Monthly



Source: MLS (Trends)

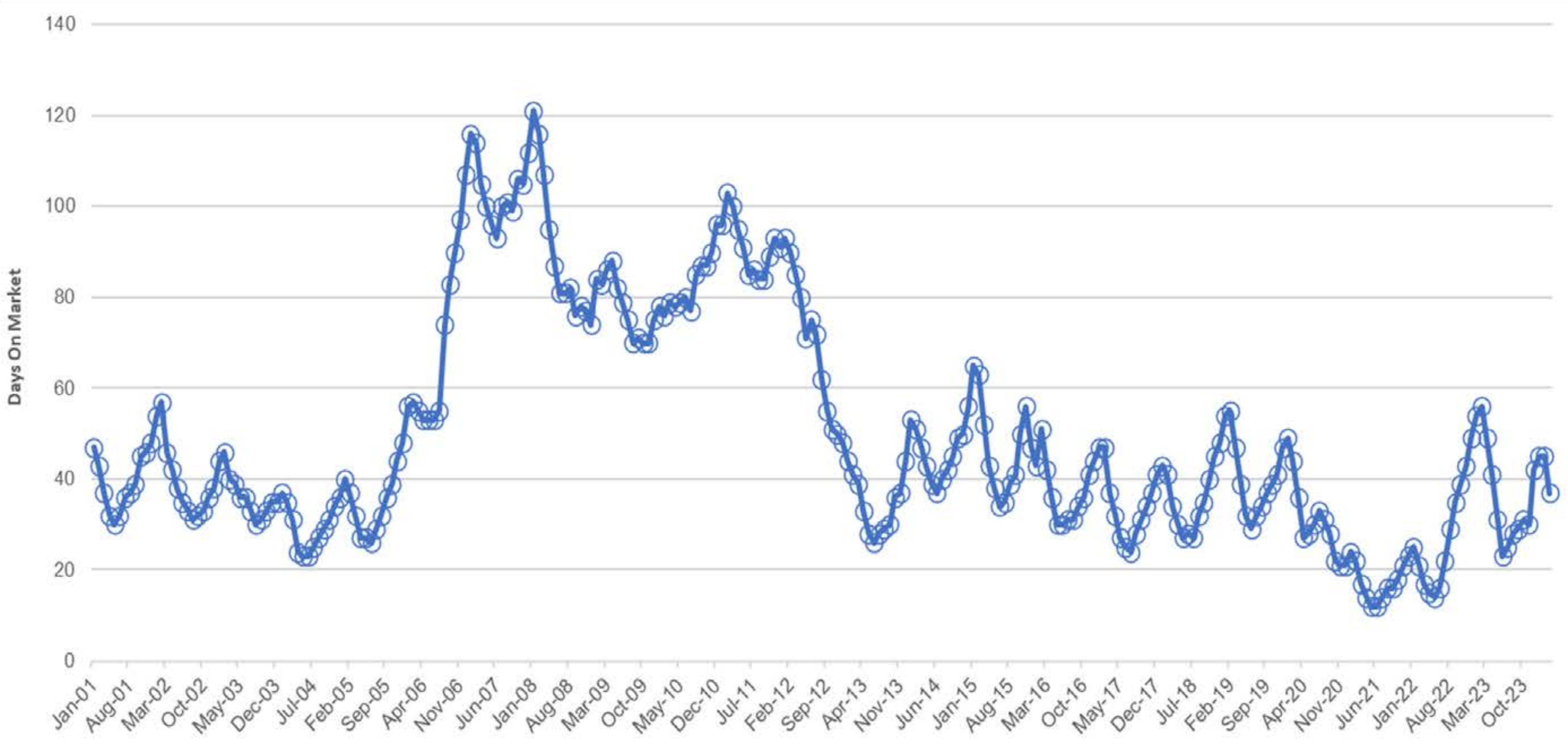
Existing home inventory increased in March of 2024 (up to 2,200 units compared to 1,707 units a year earlier) but remains historically low.



Source: MLS (Trends)

Existing Housing Days on Market (DOM) -- Monthly

As of late, the average Days on Market has been decreasing, down in March to 37 days compared to 49 days a year earlier.



Source: MLS (Trends)

New Housing Market

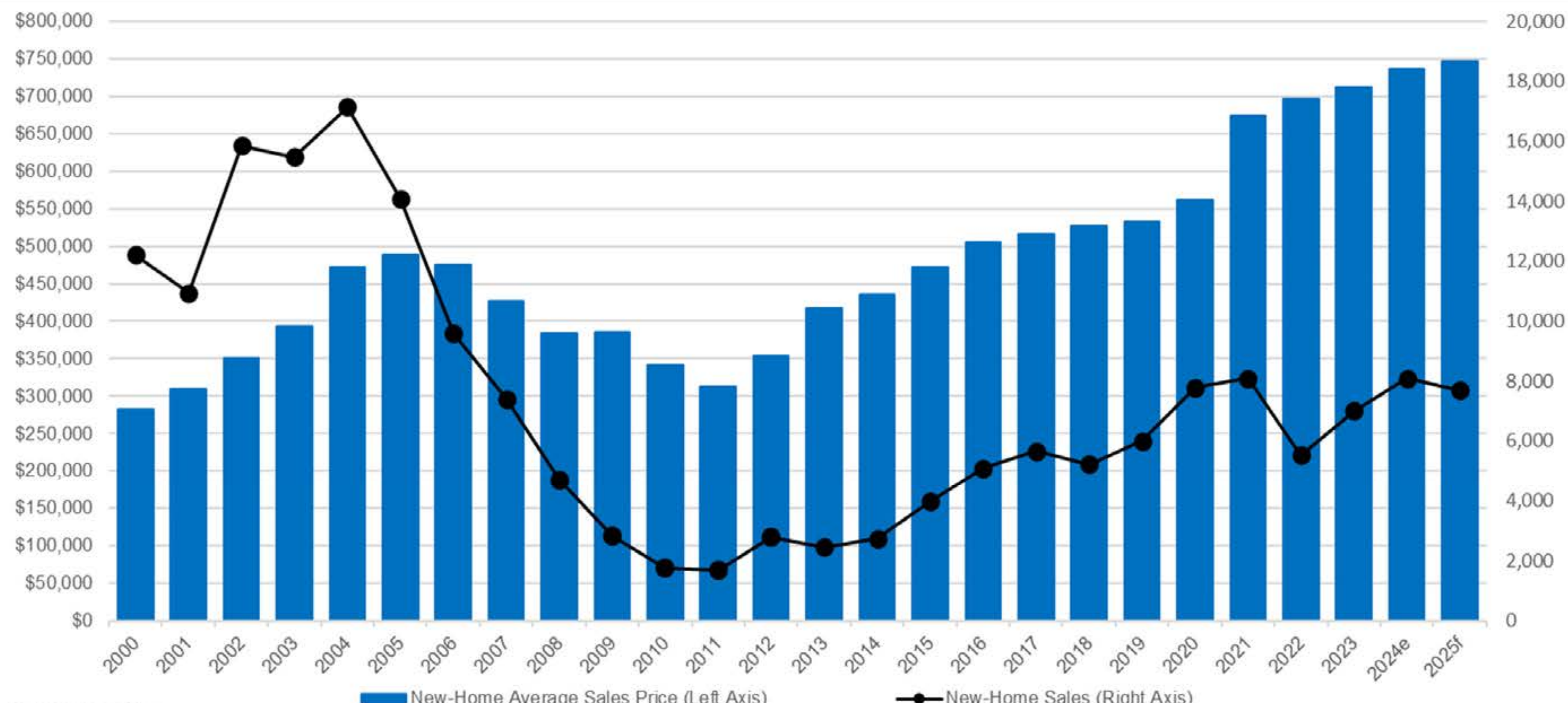
Sacramento Region

New Housing Market

New Housing Sales and Pricing -- Annual

Due to the increase in mortgage rates, sales slowed in 2022 (5,538 new-home sales, a decline of 31.6% as compared to 2021), yet despite the higher mortgage rates, increased in 2023, up 26.7% for the year to 7,019 new home sales. It is anticipated that 2024 will post a 15.4% increase to 8,097 new-home sales followed by a 5.0% decrease in 2025 to 7,692 sales. There has been a moderating increase in pricing with a 3.4% increase in 2022 followed by a 2.1% increase in 2023 (reaching a high of $711,883). It is anticipated that new home pricing will reach $735,841 in 2024 (up 3.4%) and $746,878 in 2025 (up 1.5%).

New Housing Home Sales	Sacramento-Roseville-Arden-Arcade MSA								Two-Year Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
New-Home Sales	5,087	5,663	5,234	5,996	7,790	8,099	5,538	7,019	8,097	7,692
Annual Percent Change:	27.9%	11.3%	-7.6%	14.6%	29.9%	4.0%	-31.6%	26.7%	15.4%	-5.0%
New-Home Average Price	$505,792	$515,562	$526,456	$532,718	$562,166	$673,800	$696,922	$711,883	$735,841	$746,878
Annual Percent Change:	7.1%	1.9%	2.1%	1.2%	5.5%	19.9%	3.4%	2.1%	3.4%	1.5%

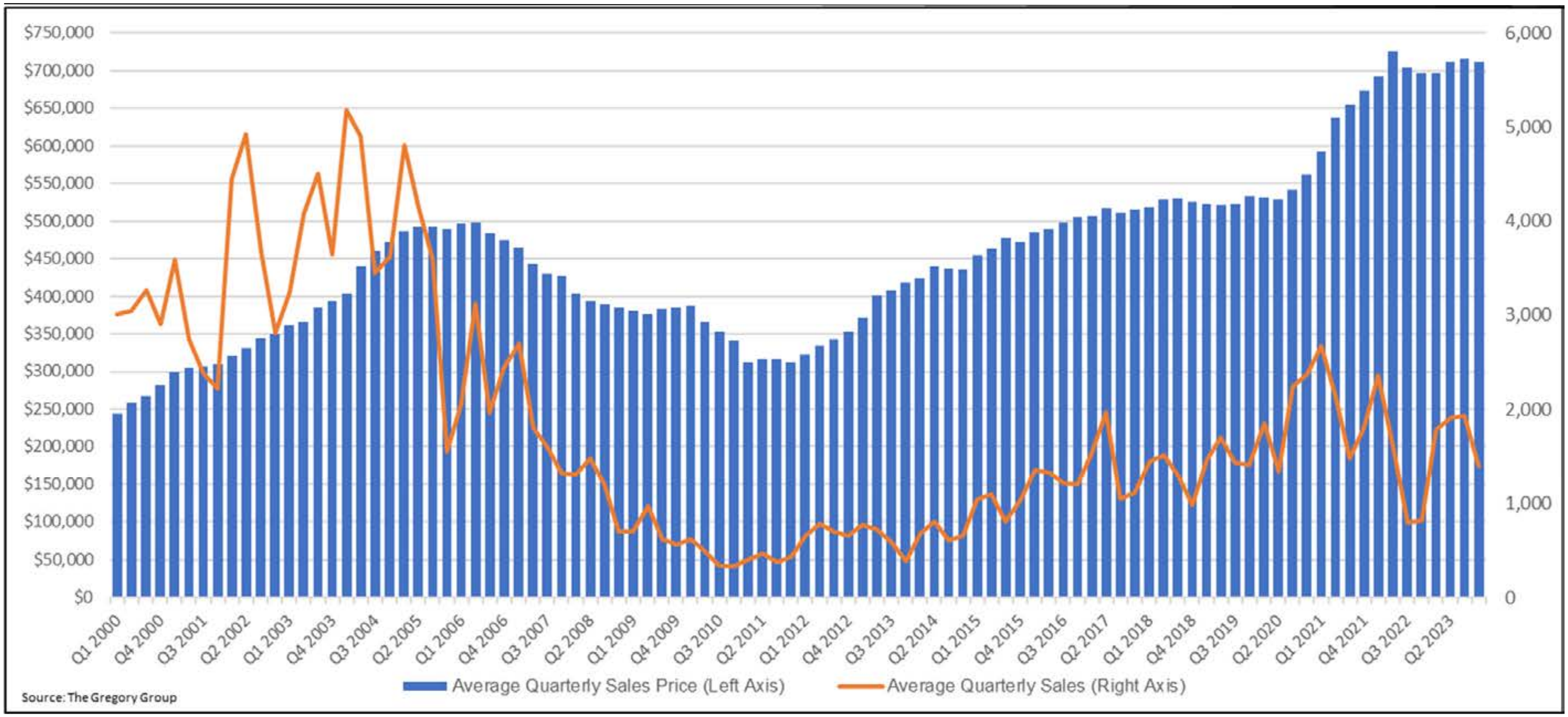


Source: The Gregroy Group

New Housing Market

New Housing Sales and Pricing -- Quarterly

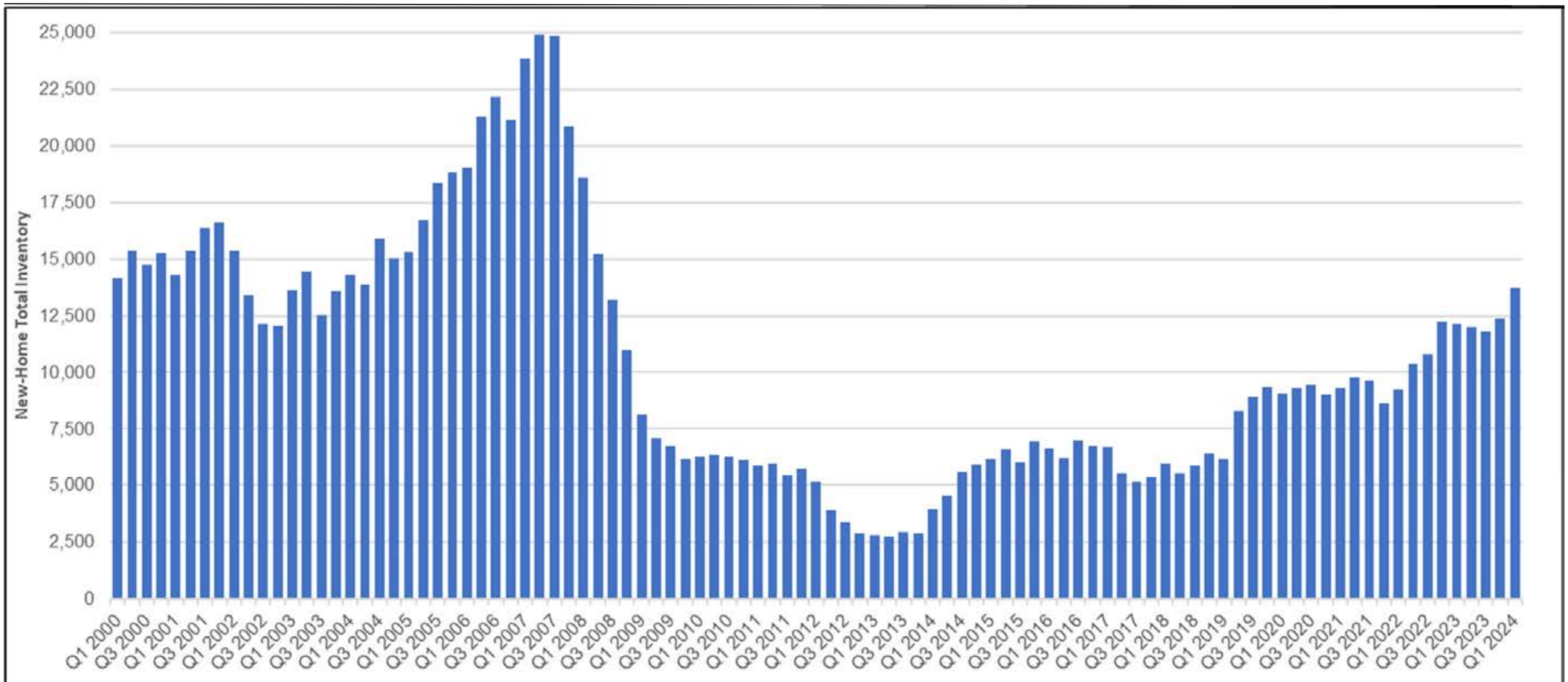
The Gregory Group



New Housing Market

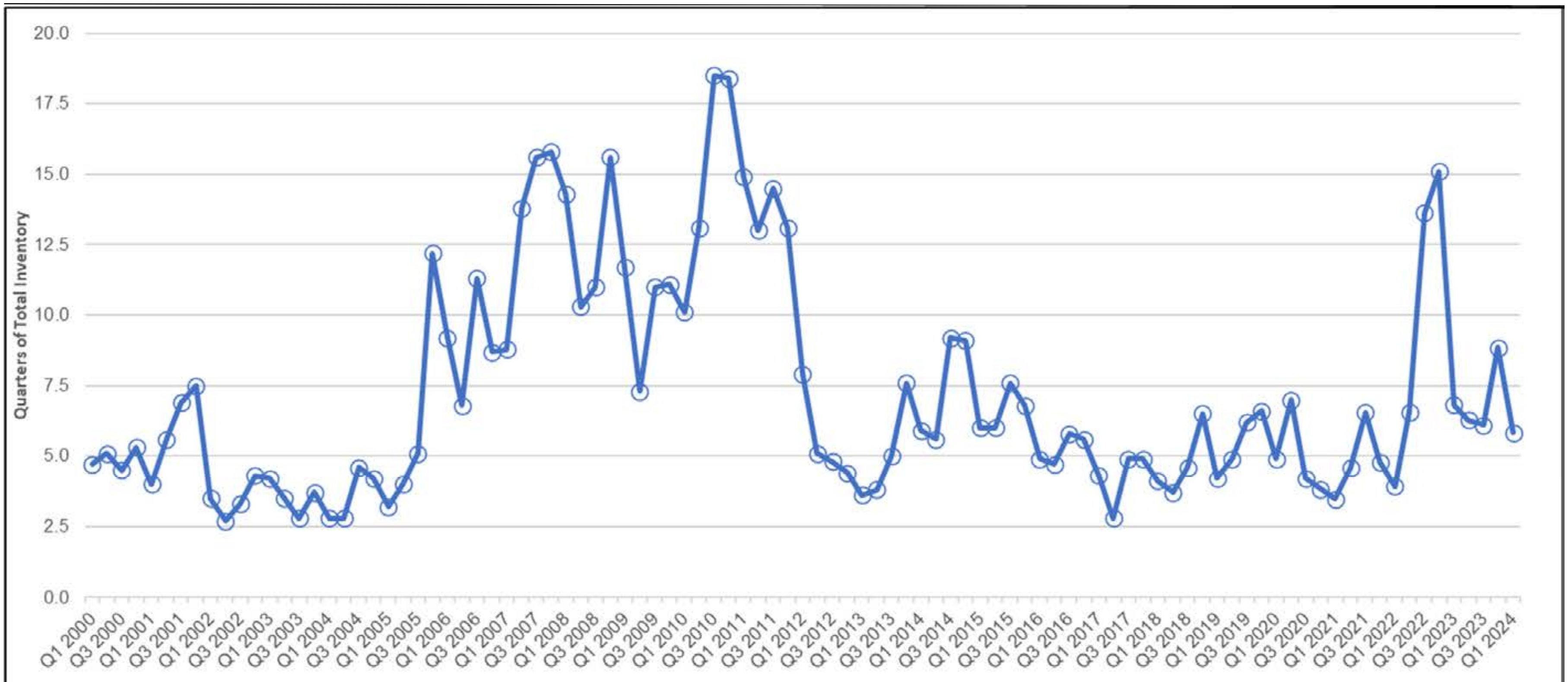
New Housing Total Inventory -- Quarterly

The Gregory Group



Source: The Gregory Group

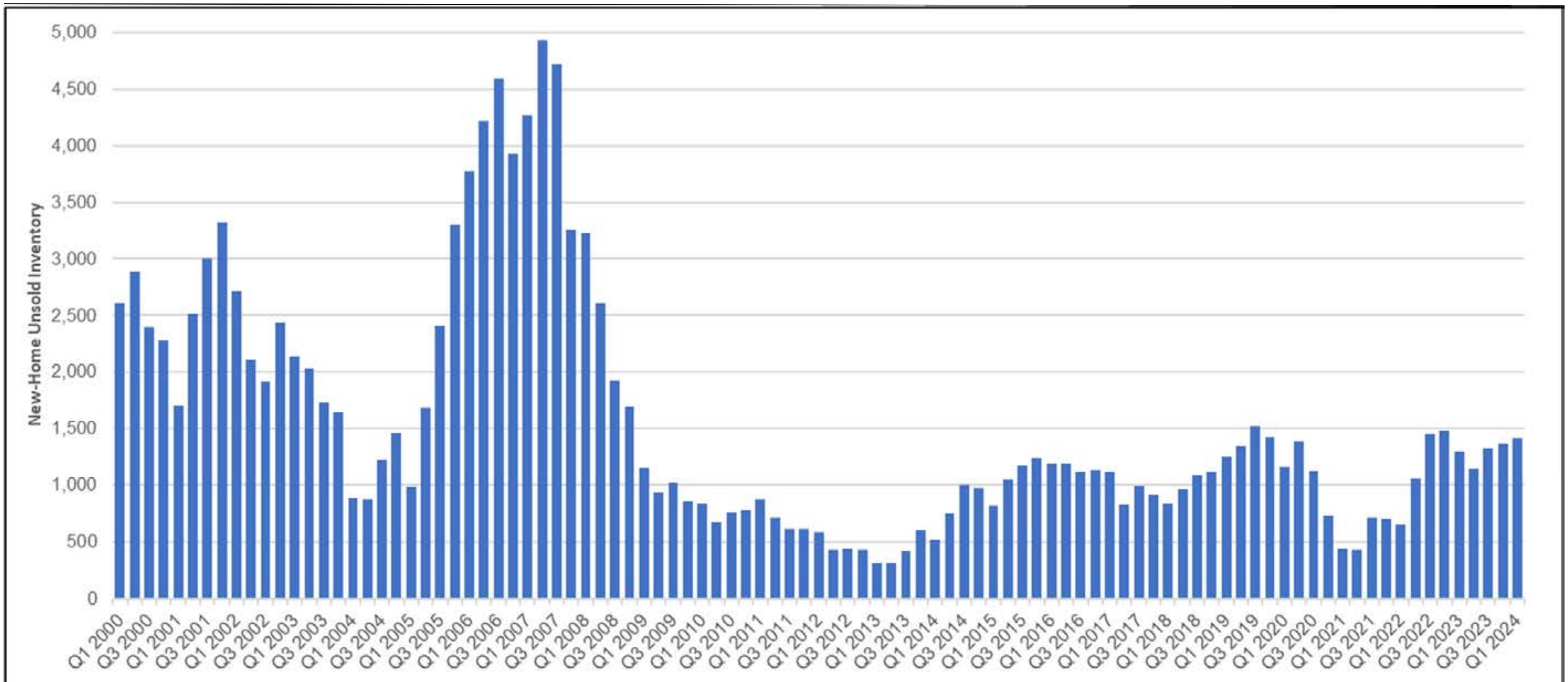
New Housing Market
New Housing Quarters of Total Inventory



Source: The Gregroy Group

New Housing Market
New Housing Unsold Inventory -- Quarterly

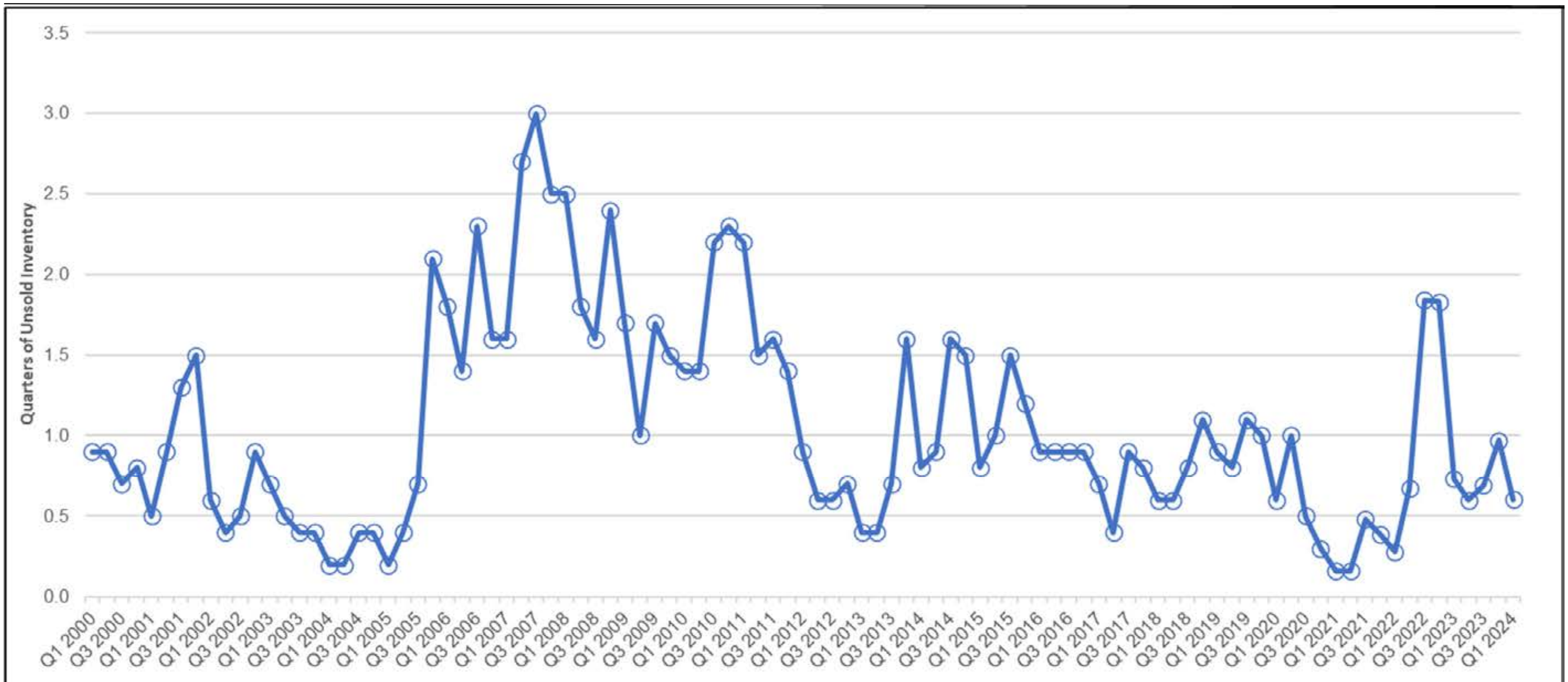
The Gregory Group



Source: The Gregory Group

New Housing Market

New Housing Quarters of Unsold Inventory



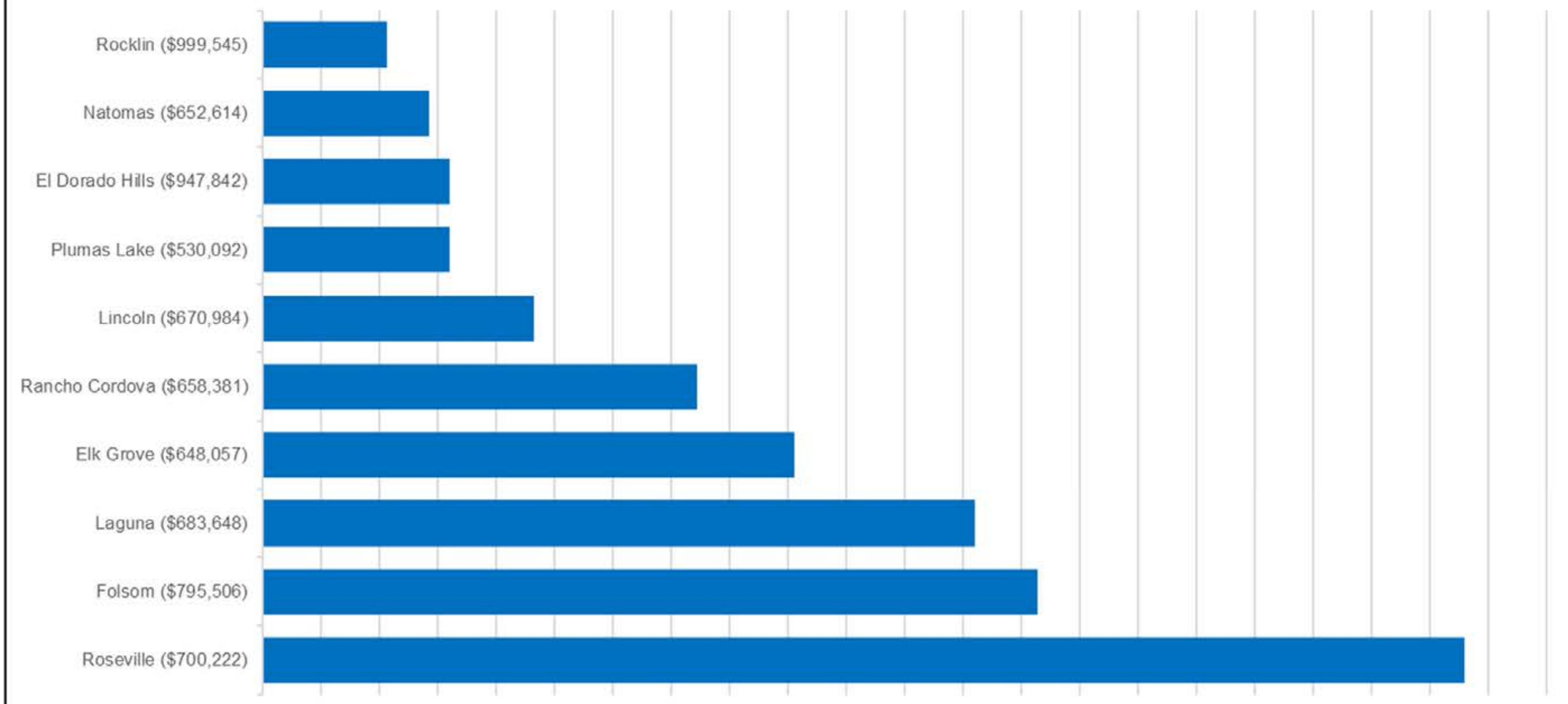
Source: The Gregroy Group

New Housing – Market Share By Community

Sacramento Region Top Ten Sales By Community										
	2024	% Share	2023	% Share	2022	% Share	2021	% Share	2020	% Share
Community	Sales	Capture	Sales	Capture	Sales	Capture	Sales	Capture	Sales	Capture
Roseville ($700,222)	515	21.9%	1,799	25.6%	1,285	23.2%	1,550	19.1%	1,326	17.0%
Folsom ($795,506)	332	14.1%	750	10.7%	600	10.8%	790	9.8%	599	7.7%
Laguna ($683,648)	305	13.0%	687	9.8%	378	6.8%	376	4.6%	545	7.0%
Elk Grove ($648,057)	228	9.7%	428	6.1%	192	3.5%	301	3.7%	623	8.0%
Rancho Cordova ($658,381)	186	7.9%	466	6.6%	470	8.5%	444	5.5%	730	9.4%
Lincoln ($670,984)	116	4.9%	504	7.2%	678	12.2%	911	11.2%	476	6.1%
Plumas Lake ($530,092)	80	3.4%	255	3.6%	284	5.1%	299	3.7%	281	3.6%
El Dorado Hills ($947,842)	80	3.4%	249	3.5%	202	3.6%	327	4.0%	417	5.4%
Natomas ($652,614)	71	3.0%	541	7.7%	479	8.7%	894	11.0%	835	10.7%
Rocklin ($999,545)	53	2.3%	128	1.8%	125	2.3%	446	5.5%	489	6.3%

New Housing Market
New Housing – Units Sold By Community

The Gregory Group

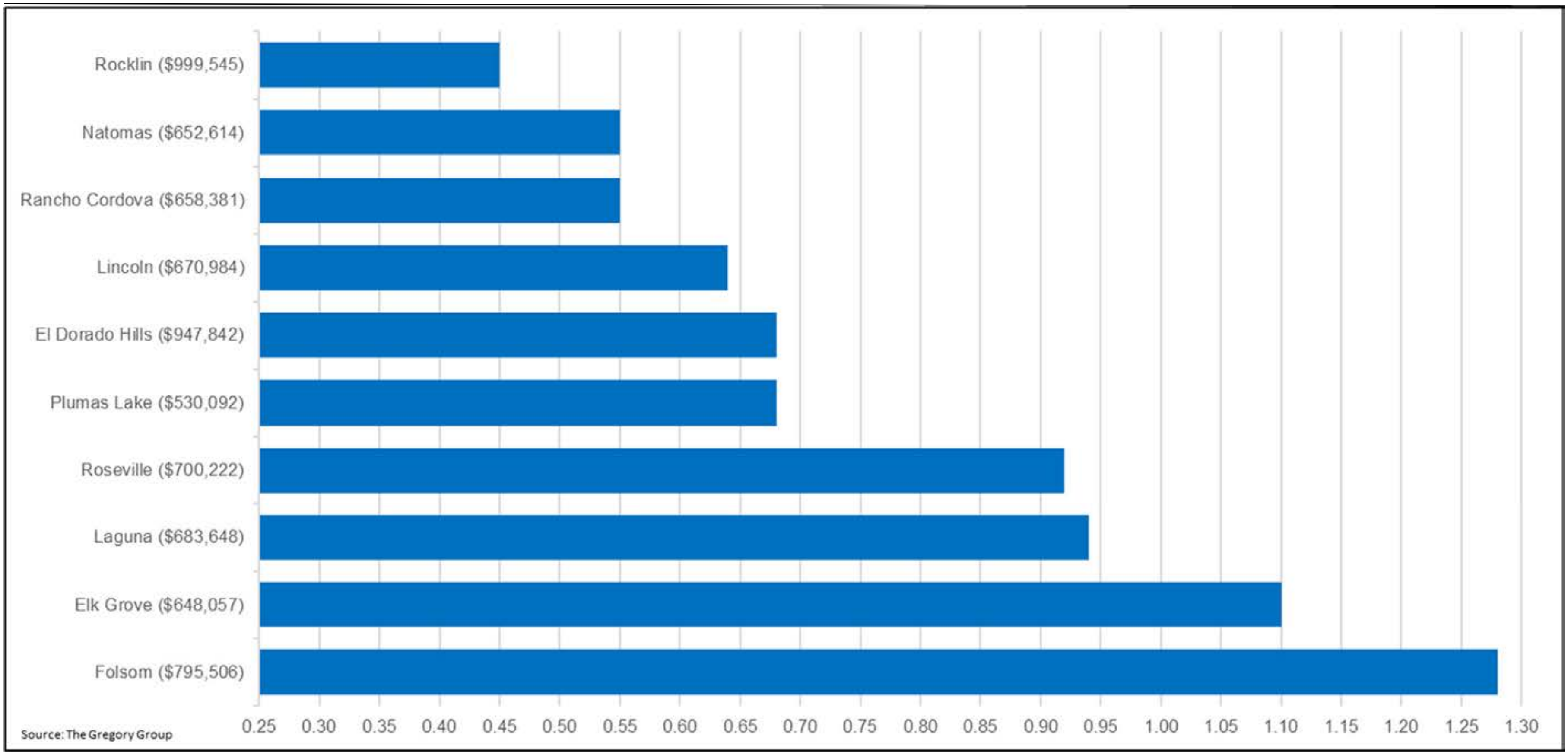


Source: The Gregory Group

New Housing Market

New Housing – Sales Rates By Community

The Gregory Group

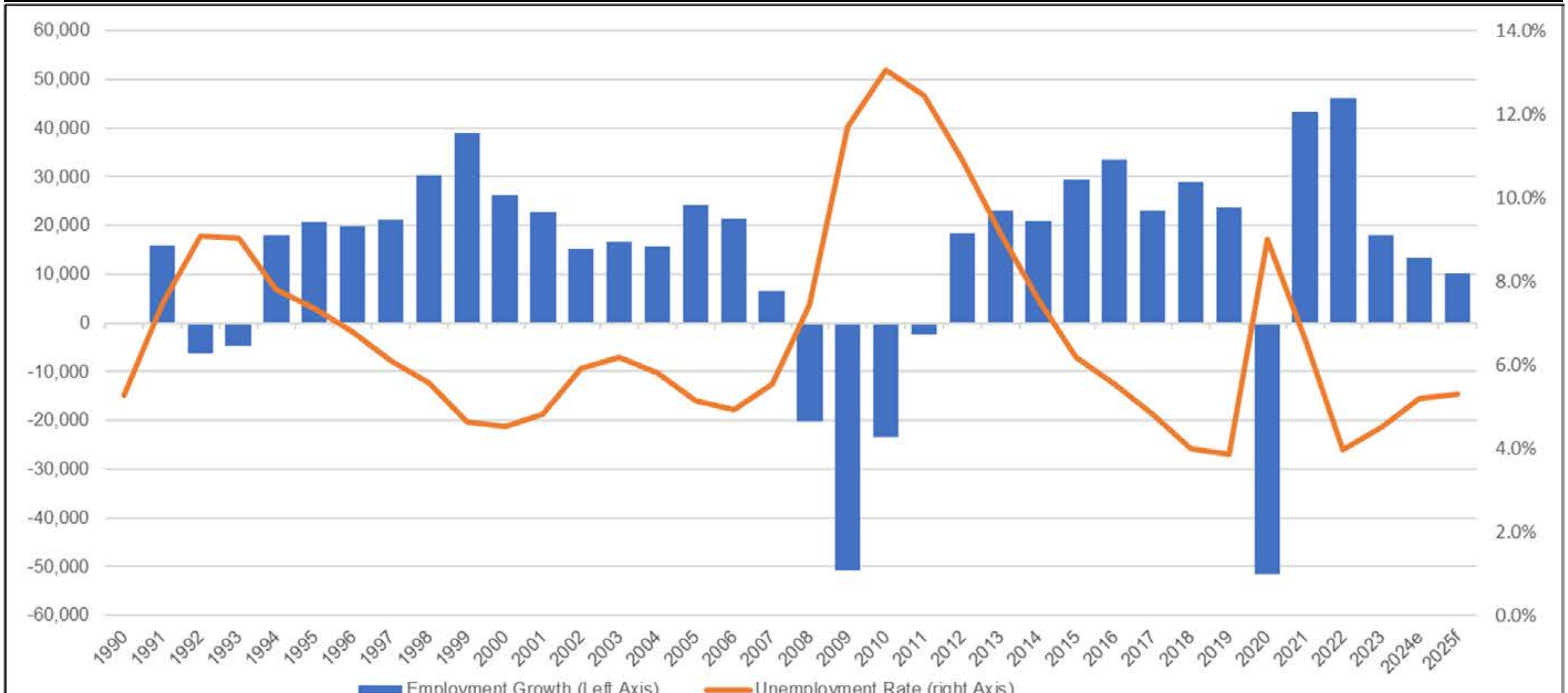


Economics and Demographics

Sacramento Region

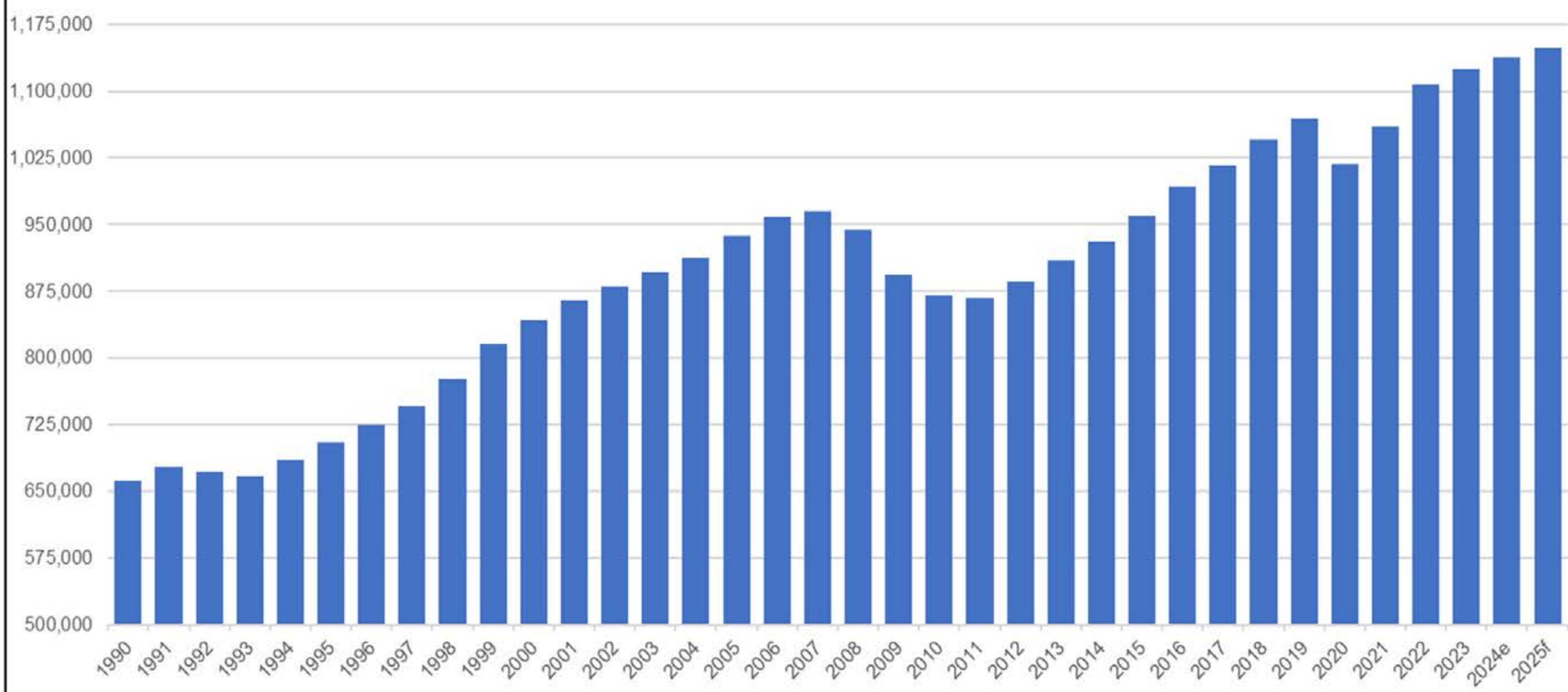
After the pandemic year of 2020 (51,600 jobs lost), employment growth averaged 44,500 new jobs in 2021 and 2022 (an average growth rate of 4.3%), before retreating to 17,900 new jobs in 2023 (a 1.6% growth rate). Estimated job growth for 2024 is 13,500 new jobs (a growth rate of 1.2%) followed by a forecast of 10,200 new jobs in 2025 (a growth rate of 0.9%). The labor market is clearly slowing and at the same time, is undergoing shifting demographics, work trends and attitudes toward work/life balance. The unemployment rate, which was 4.0% in 2022 and 4.5% in 2023 is estimated to increase to 5.2% in 2024 and to 5.3% in 2025.

Employment History and Forecast	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA								Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Non-Farm Employment:	993,200	1,016,200	1,045,200	1,068,800	1,017,200	1,060,500	1,106,700	1,124,600	1,138,100	1,148,300
Change From Prior Year:	33,500	23,000	29,000	23,600	-51,600	43,300	46,200	17,900	13,500	10,200
Annual Percent Change:	3.5%	2.3%	2.9%	2.3%	-4.8%	4.3%	4.4%	1.6%	1.2%	0.9%
Unemployment Rate	5.5%	4.8%	4.0%	3.9%	9.0%	6.6%	4.0%	4.5%	5.2%	5.3%



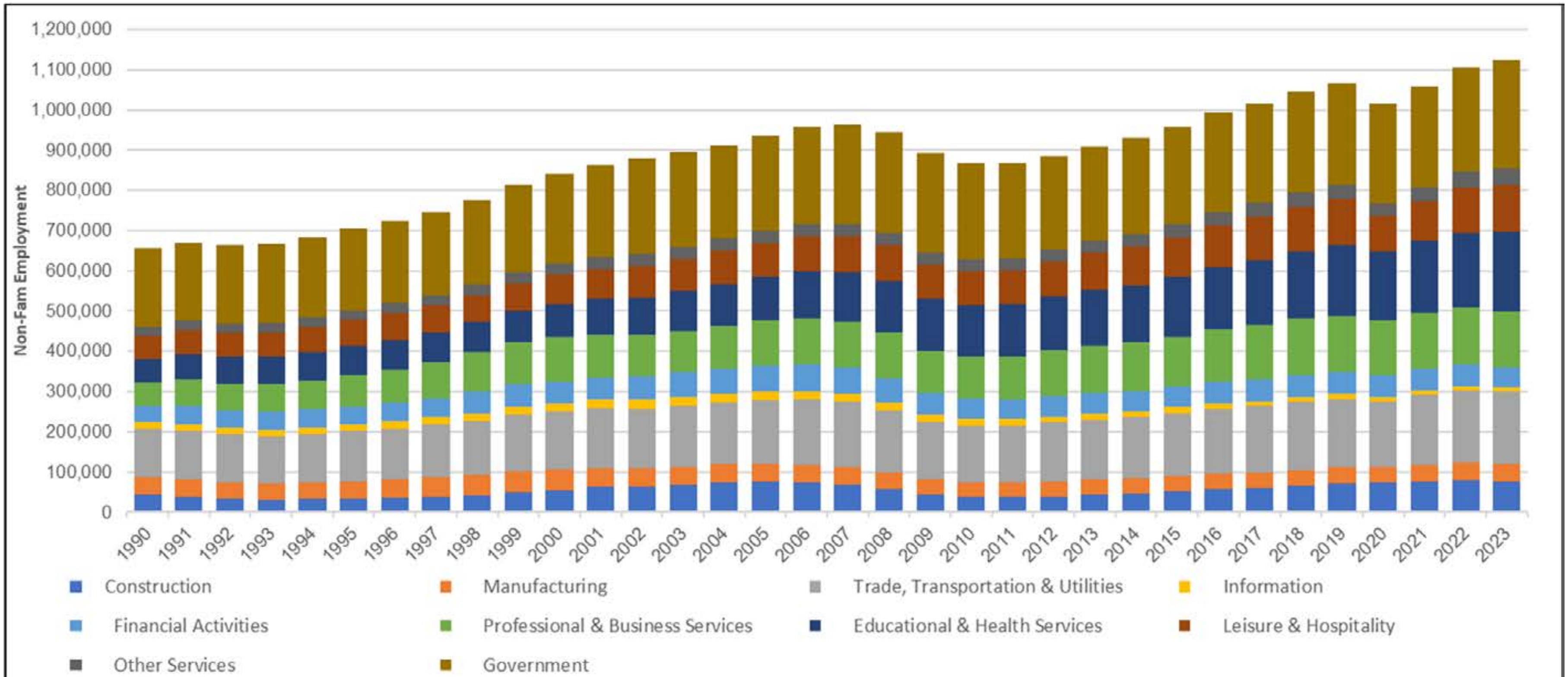
Source: California Employment Development

The Sacramento Region lost 51,600 jobs in 2020 due to the pandemic but has rebounded from 1,017,200 jobs to 1,124,600 total jobs in 2023. It is estimated that jobs will total 1,138,100 in 2024 and 1,148,300 in 2025 (an increase of 12.9% since the pandemic year of 2020).



Source: California Employment Development

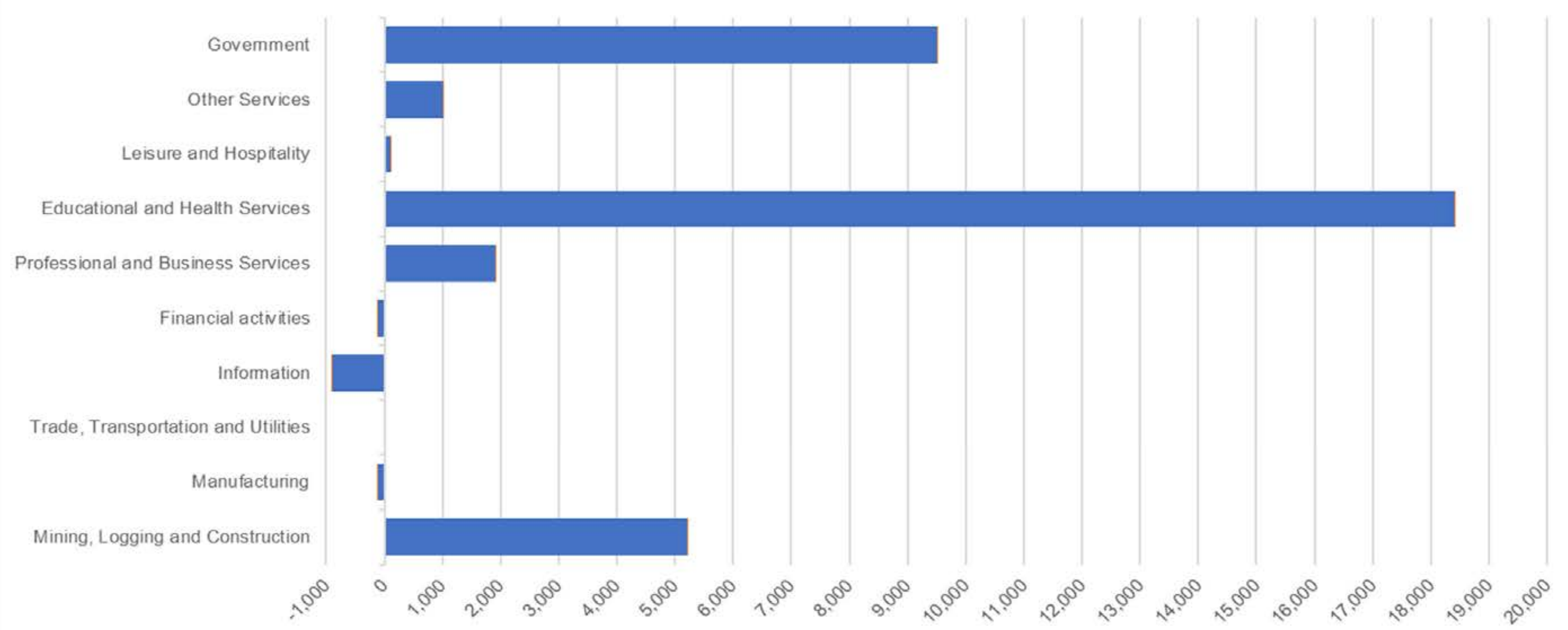
Out of the top ten employment categories, six posted declines and four posted increases in 2023. Education and Health Services led the pack with 7.3% increase followed by Other Services (up 5.6%) and the largest declines were for Information and Financial Activities (both down 5.6%).



Source: California Employment Department

A slowing job market has resulted in only seven of the ten major employment categories being positive with several posting only moderate increases in March of 2024 compared to a year earlier. The most significant decrease was in Information (900 lost jobs; a -8.8% decline). The most significant gains were in Education and Health Services (18,400 new jobs; a 9.5% increase), Mining, Logging and Construction (5,200 new jobs; a 7.1% increase) and Government (9,500 new jobs; a 3.5% increase). The slowing job market is a result of higher interest rates which has resulted in higher borrowing costs translating to slower GDP and moderating wage growth. While consumers are still engaged, they are becoming more cautious. Coupled with changing work habits, and cautious optimism for a soft landing, employment growth is moderating.

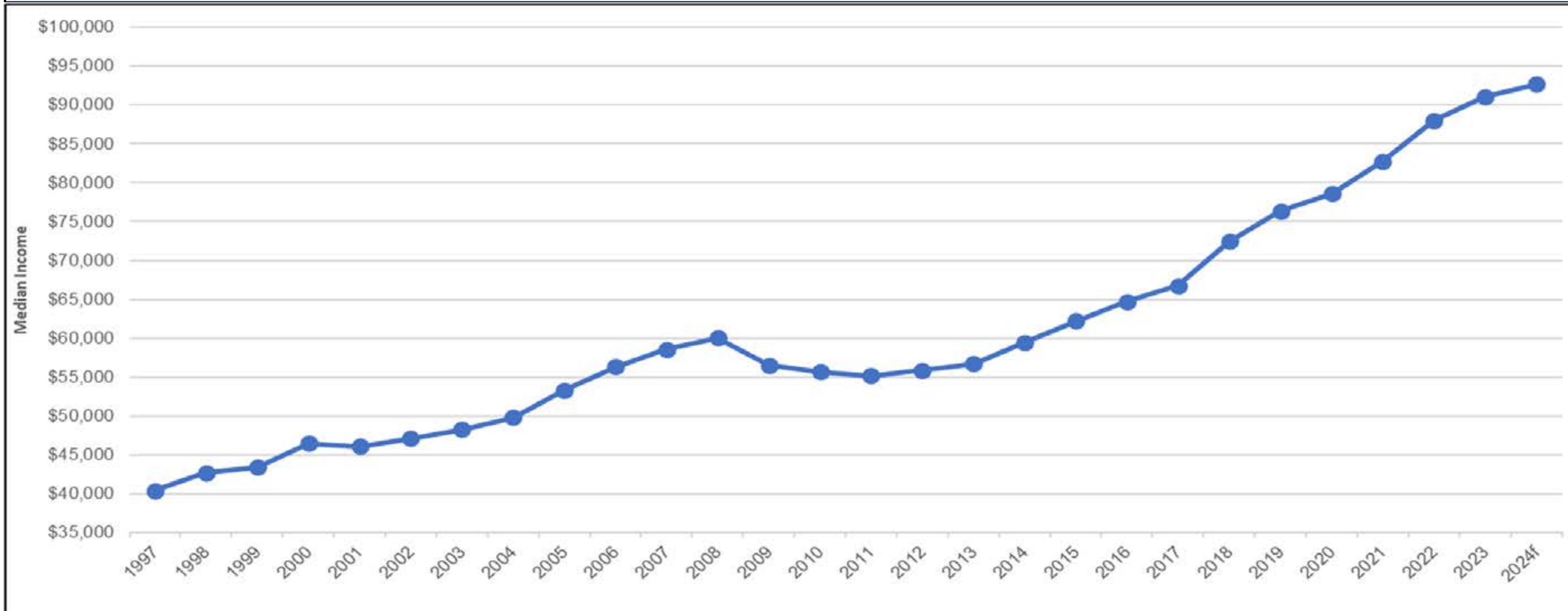
Employment Category	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA			
	Mar-23	Mar-24	Number Change	Percent Change
Mining, Logging and Construction	73,200	78,400	5,200	7.1%
Manufacturing	42,200	42,100	-100	-0.2%
Trade, Transportation and Utilities	177,100	177,100	0	0.0%
Information	10,200	9,300	-900	-8.8%
Financial activities	50,200	50,100	-100	-0.2%
Professional and Business Services	137,300	139,200	1,900	1.4%
Educational and Health Services	193,400	211,800	18,400	9.5%
Leisure and Hospitality	116,900	117,000	100	0.1%
Other Services	38,200	39,200	1,000	2.6%
Government	270,000	279,500	9,500	3.5%



Source: California Employment Development Department

According to the US Census Bureau, median household income increased 6.26% in 2022 before declining to 3.51% in 2023. It is estimated that 2024 will post a more anemic 1.76% increase (and a median income of $92,674). The tight labor market has resulted in strong wage growth during the previous few years, but higher interest rates, and moderating economic activity has resulted in a deceleration of employment growth and slower wage growth. It is anticipated that income growth will continue to moderate into the near future.

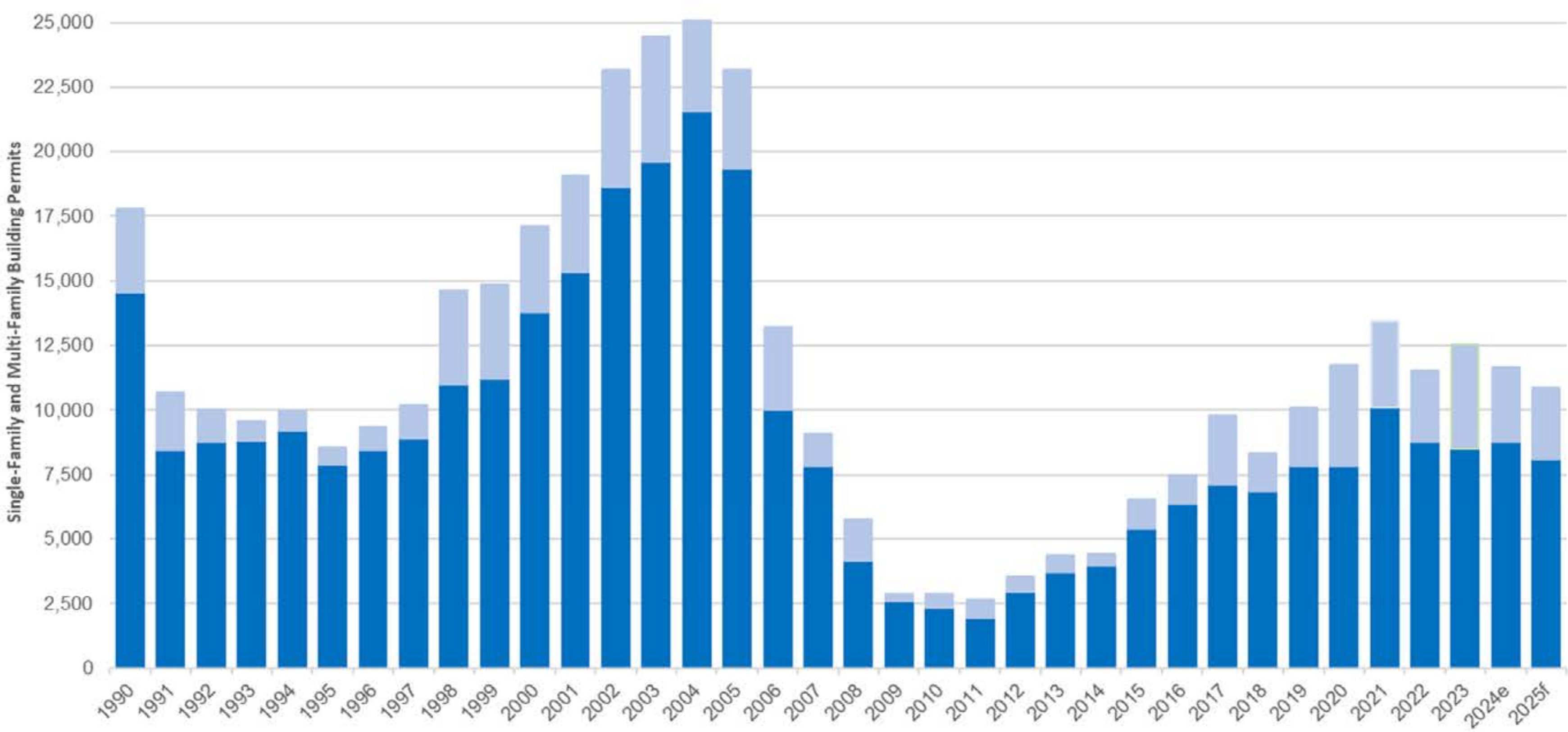
Median Income/ County	Sacramento-Roseville-Arden-Arcade MSA									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024f
El Dorado County	$75,575	$75,100	$78,464	$81,869	$86,202	$87,792	$87,689	$104,859	$106,754	$107,719
Placer County	$76,203	$85,326	$81,366	$89,175	$97,688	$100,662	$103,588	$106,114	$108,511	$109,736
Sacramento County	$58,735	$59,728	$62,959	$69,475	$71,891	$72,953	$79,611	$83,985	$87,401	$89,178
Sutter County	$50,810	$51,283	$54,102	$57,879	$60,910	$65,791	$63,246	$66,071	$70,452	$72,787
Yolo County	$58,766	$63,645	$64,900	$67,804	$70,951	$80,668	$76,247	$82,359	$84,964	$86,307
Yuba County	$46,500	$46,054	$53,822	$47,504	$56,607	$56,278	$60,764	$63,626	$66,214	$67,560
Estimated Region Median Income	$62,267	$64,711	$66,767	$72,492	$76,353	$78,592	$82,794	$87,981	$91,070	$92,674
Annual Percent Change	4.68%	3.93%	3.18%	8.57%	5.33%	2.93%	5.35%	6.26%	3.51%	1.76%



Source: FRED, The Gregory Group

Total building permits have remained elevated since the pandemic in 2020 and the increased housing demand of 2021 with 12,541 total building permits in 2023. However, a lack of supply and higher interest rates are suggesting that total permits will decline 7.1% in 2024 (11,654 total permits) and another 6.9% in 2025 (10,851 total permits).

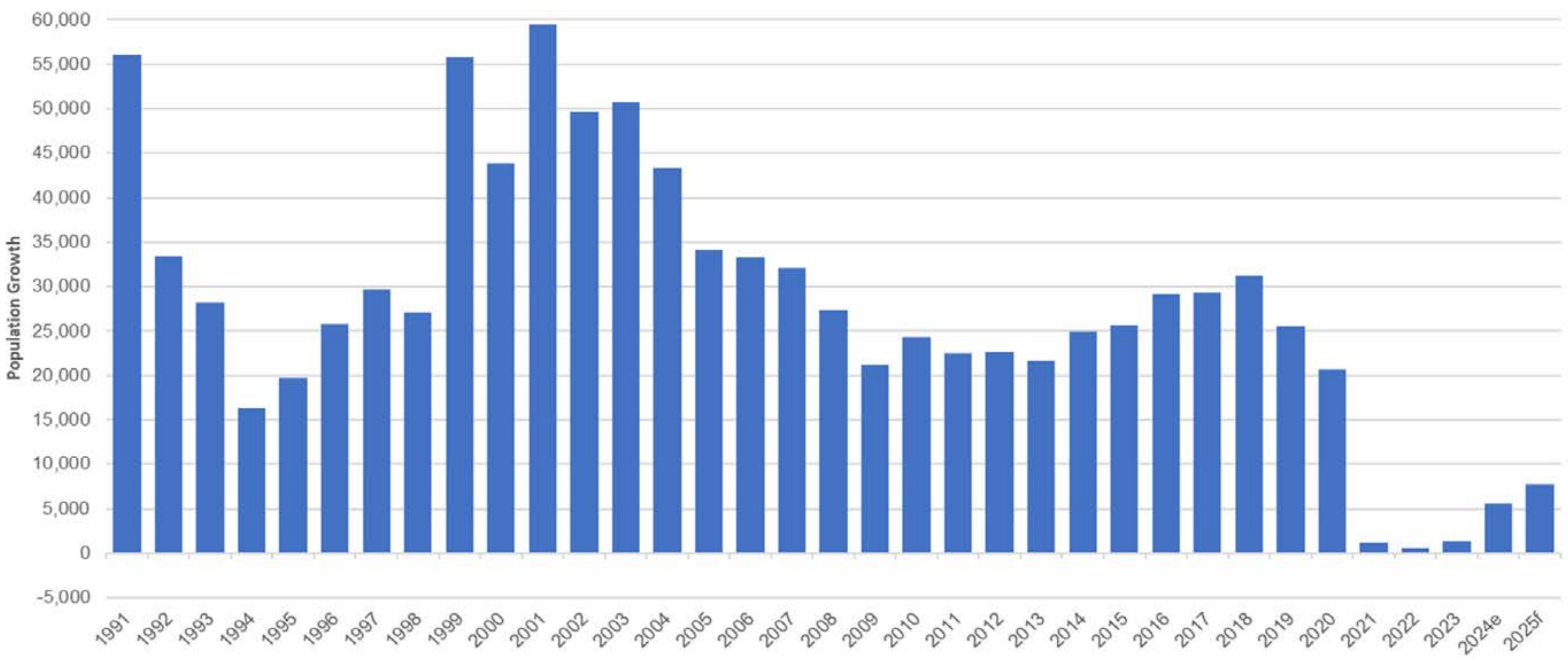
Building Permits	Sacramento-Roseville-Arden-Arcade MSA								Two-Year Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Single-Family Permits	6,392	7,114	6,863	7,838	7,855	10,115	8,762	8,527	8,780	8,121
Multi-Family Permits	1,073	2,692	1,486	2,271	3,895	3,300	2,776	4,014	2,874	2,730
Total Permits	7,465	9,806	8,349	10,109	11,750	13,415	11,538	12,541	11,654	10,851
Annual Percent Change:	13.9%	31.4%	-14.9%	21.1%	16.2%	14.2%	-14.0%	8.7%	-7.1%	-6.9%



Source: US Census Bureau

Post pandemic population growth in the Sacramento Region has been stunted as more people have left the region and the state than before the pandemic. Population growth averaged only 1,020 people in 2021 through 2023. There is hope that population will begin to grow again as the 2024 estimated population growth is 5,607 people (a growth rate of 0.2%) and an increase of 7,774 people projected for 2025 (a growth rate of 0.3%). Overall, a greater number of births over deaths and positive international immigration was barely enough to overcome the movement out of the region and the state. The exodus out of the region and the state appears to be the result of several factors including the lack of affordable housing, higher taxes, the ability to work far from employment centers and societal concerns (traffic, crime, homelessness, etc.). It is possible that a return to normal after the pandemic influences finally wane will provide a more solid base for population growth in the future or if Bay Area transplants will continue to explore living in California, but it is unlikely that the region will suffer long-term anemic population growth.

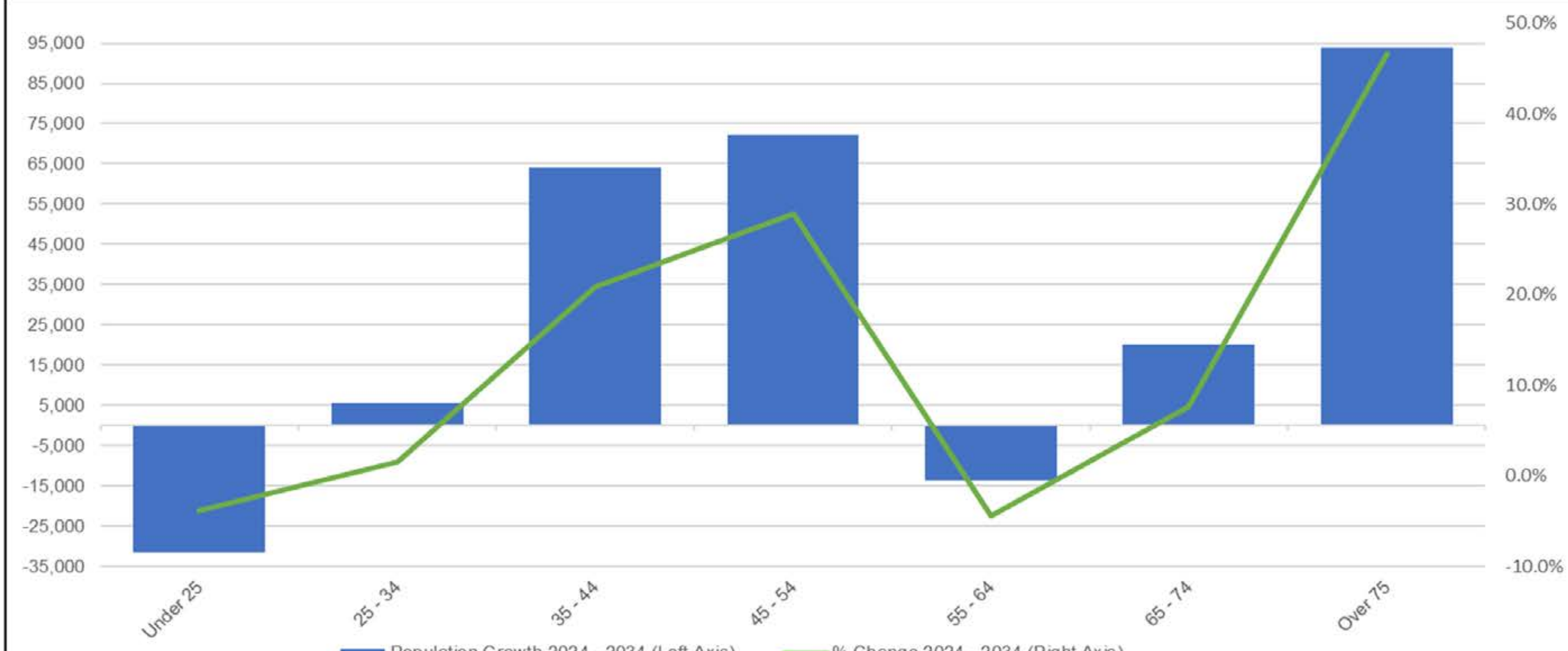
Population History and Forecast	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA								Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Population:	2,471,871	2,501,114	2,532,318	2,557,863	2,578,590	2,579,787	2,580,372	2,581,651	2,587,258	2,595,032
Change From Prior Year:	29,145	29,243	31,204	25,545	20,727	1,197	585	1,279	5,607	7,774
Annual Percent Change:	1.2%	1.2%	1.2%	1.0%	0.8%	0.0%	0.0%	0.0%	0.2%	0.3%



Source: California Department of Finance

A projection of population change by age group forecasts a significant increase in the oldest age cohort (over 75 years of age), as the Baby-Boomers (and the Silent Generation) continue to age. Likewise, the younger Millennial and Gen-Z populations are continuing to mature with many aging into the prime homebuying age categories (first-time and move-up housing) while the aging population is looking to downsize into housing that offers greater flexibility (smaller lots and single-level living). The offering of these types of housing (first-time and last-time housing) will continue to prove successful and should result in attracting these buyer segments to the region. Growth is less robust in the two age groups under 35 years and in the age groups between 55 and 74 years of age.

Population Growth by Age Range	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA -- Age Distribution							
	0 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years	Median Age (Est.)
Population (2024):	825,049	358,812	307,455	249,511	309,409	263,640	201,256	34.6
Distribution	32.8%	14.3%	12.2%	9.9%	12.3%	10.5%	8.0%	--
Population (2034):	793,468	364,350	371,596	321,646	295,805	283,866	294,948	--
Distribution	29.1%	13.4%	13.6%	11.8%	10.9%	10.4%	10.8%	--
Change From Prior Decade:	-31,581	5,538	64,141	72,135	-13,604	20,226	93,692	--
Decade Percent Change:	-3.8%	1.5%	20.9%	28.9%	-4.4%	7.7%	46.6%	--



Source: California Department of Finance

Population Change -- By Buyer Category and Over Time

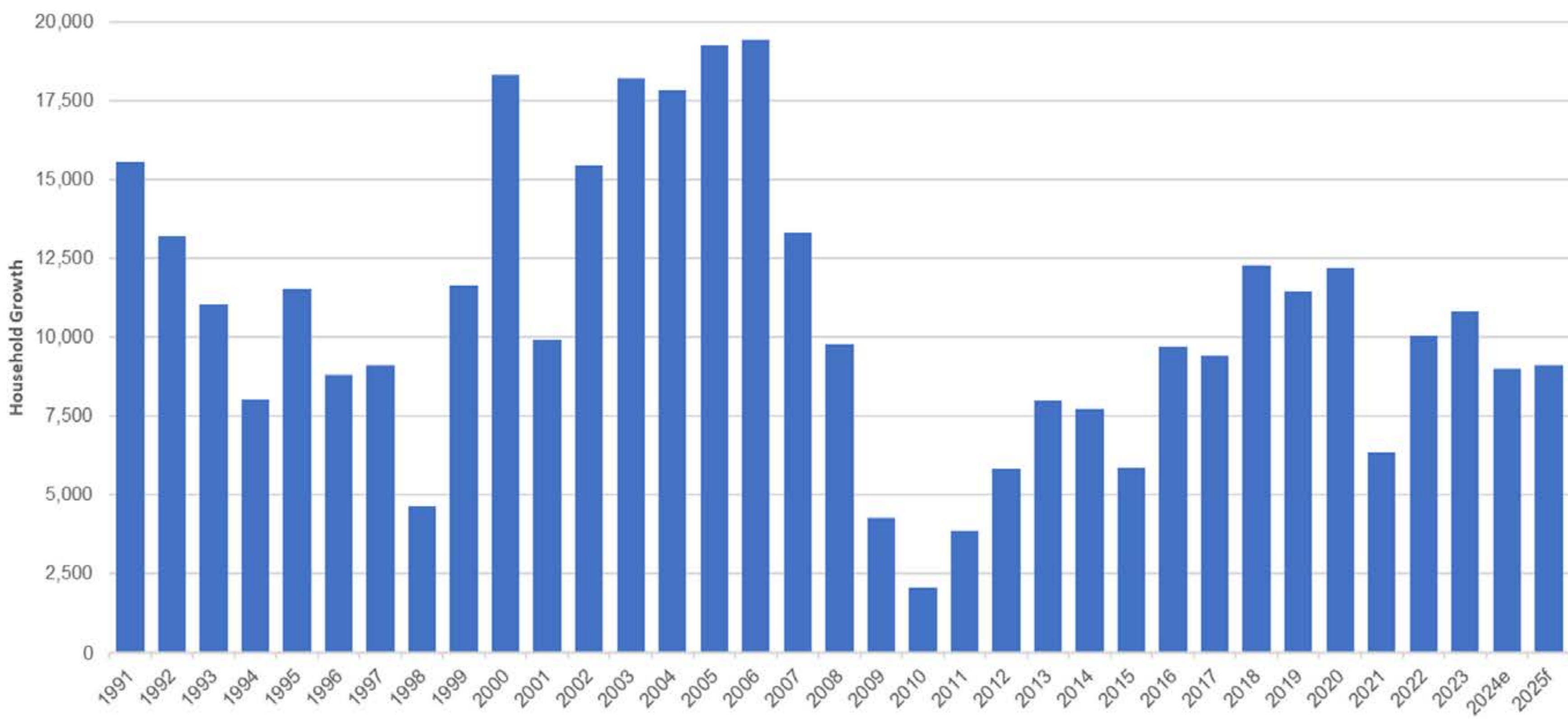
Another way to look at the population distribution is by buyer category; this includes first-time/first-time move-up, second- and third-time move-up and last-time buyers. Over the next ten years, last time buyers include the trailing edge of the Baby-Boomers and the maturing Gen-X (a smaller generation sandwiched between the Baby-Boomers and the Millennials), second- and third-time move-up buyers will include the trailing Gen-X and many of the Millennial generation while the first-time/first-time move-up buyers will include the trailing Millennials and the emerging Gen-Z generation. While many of the Baby-Boomer generation will move beyond their home buying years and into living environments that include ageing in place, independent living, assisted living and memory care, the younger generations (both very large populations) will move into their prime home buying years. Despite a slower rate of growth for last-time buyers, this segment has the greatest population as compared to the other two categories.

Population Growth by Buyer Category	Sacramento Region		
	1st Time/1st Time Move-Up	2nd - 3rd Time Move-Up	Last-Time
Population (2024):	512,887	468,134	573,049
Distribution	33.0%	30.1%	36.9%
Population (2034):	558,446	499,146	579,671
Distribution	34.1%	30.5%	35.4%
Change From Prior Decade:	45,559	31,012	6,622
Decade Percent Change:	8.9%	6.6%	1.2%

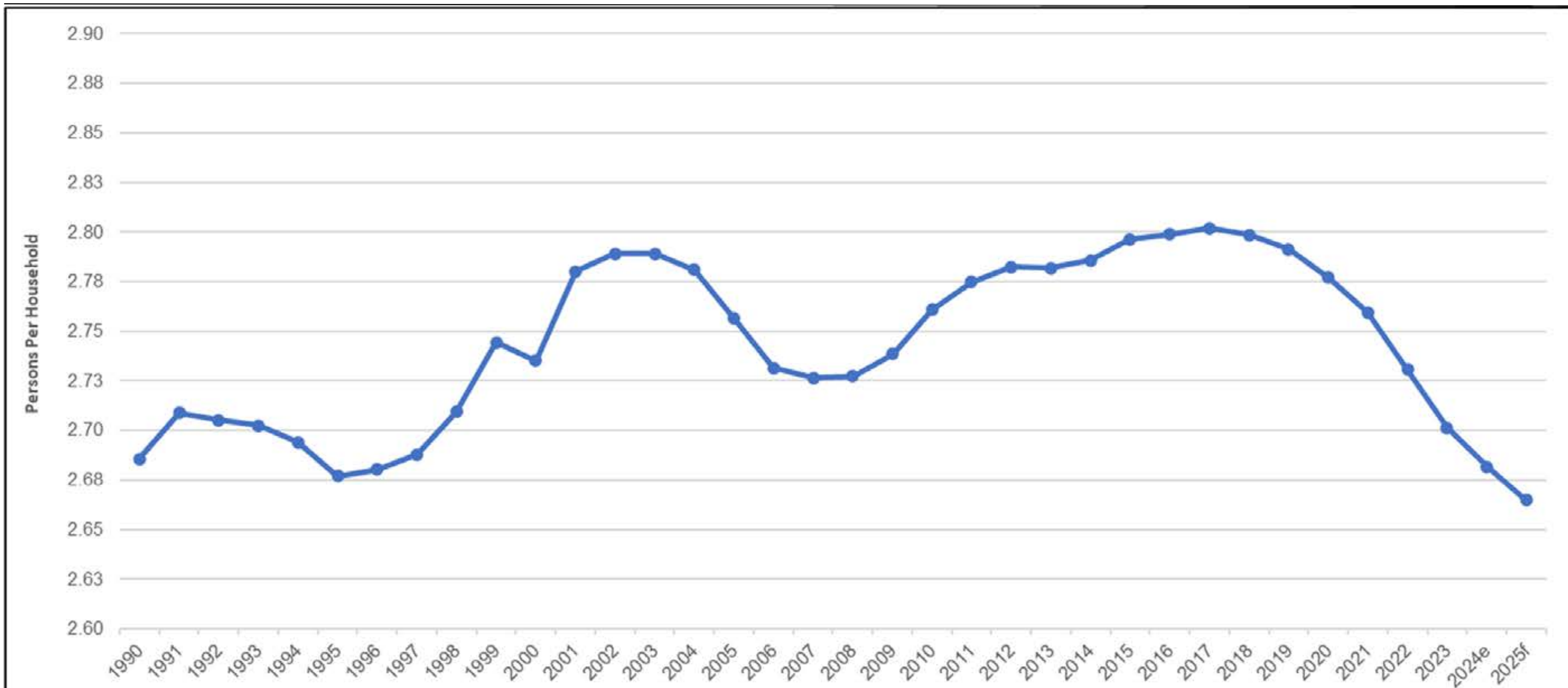
Source: California Department of Finance

Despite slow population growth, household growth within the Sacramento Region has been robust post pandemic. 2023 posted a strong increase of 10,812 new households and 2024 is estimated to increase only slightly less aggressively, to 9,000 new households followed by a slight increase in 2025 (up 9,104 households). Household growth is a main driver of housing, and the growth appears to be a result of post pandemic lifestyle changes as people who grouped together during the pandemic look for new housing opportunities. In addition, the millennial Generation, a large group, is moving through the housing cycle of first-time buyers to move-up buyers as they marry and have children.

Households History and Forecast	Sacramento-Roseville-Arden-Arcade MSA/Yuba City MSA								Forecast	
	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025f
Households:	883,197	892,615	904,870	916,331	928,530	934,888	944,911	955,723	964,723	973,827
Change From Prior Year:	9,682	9,418	12,255	11,461	12,199	6,358	10,023	10,812	9,000	9,104
Annual Percent Change:	1.1%	1.1%	1.4%	1.3%	1.3%	0.7%	1.1%	1.1%	0.9%	0.9%
Persons Per Household:	2.80	2.80	2.80	2.79	2.78	2.76	2.73	2.70	2.68	2.66

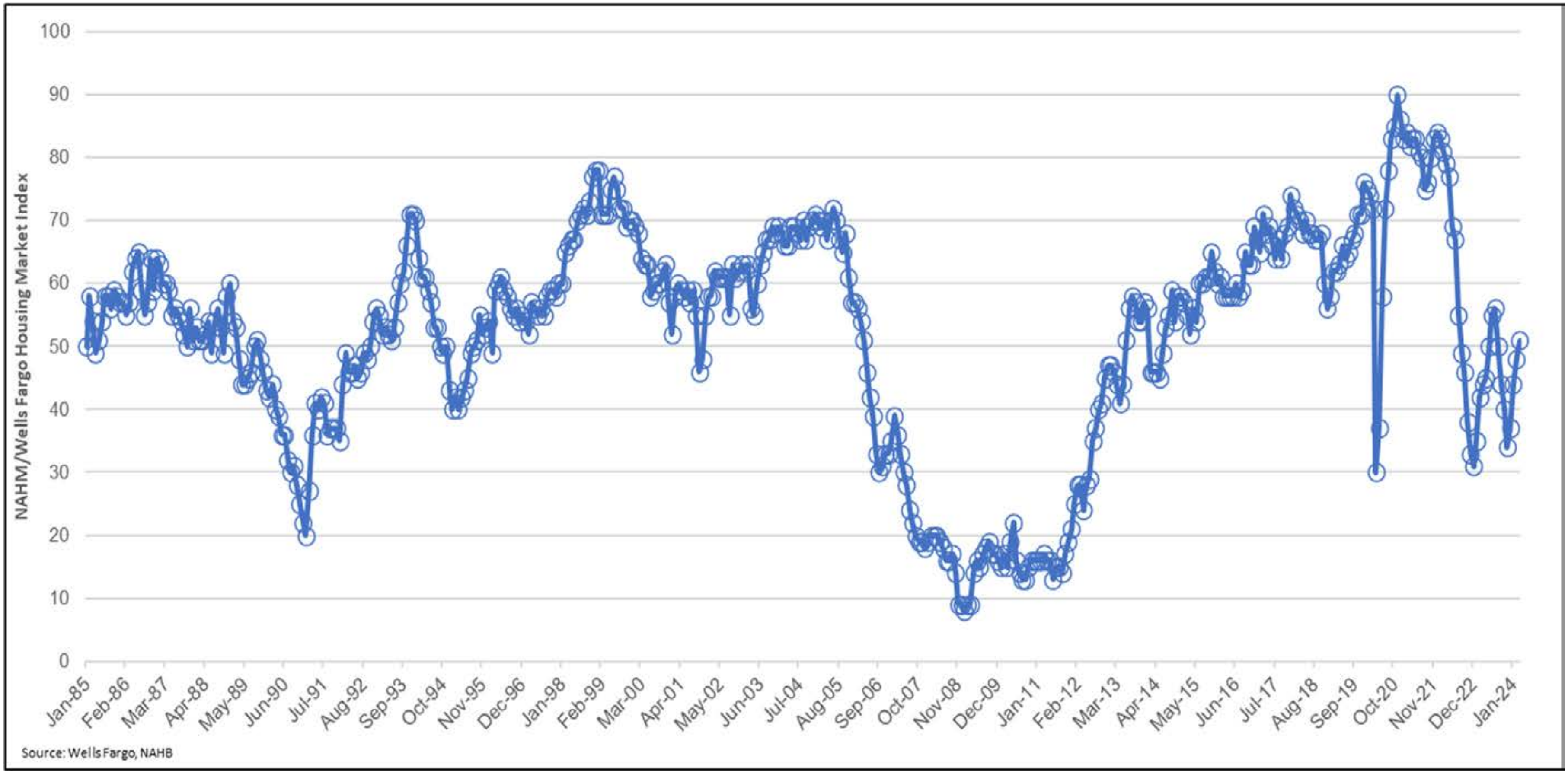


Source: California Department of Finance

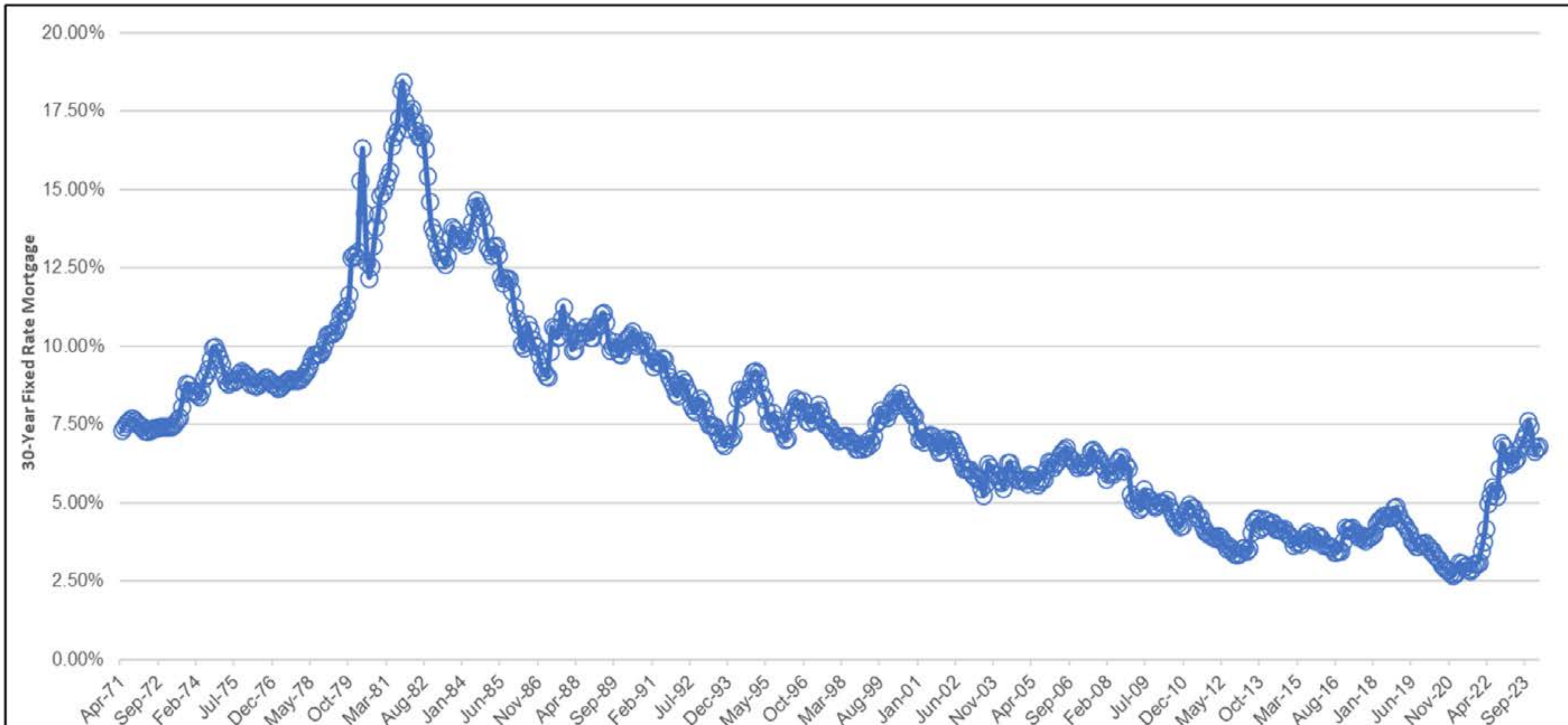


Source: California Department of Finance

Builder optimism has bounced off the bottom (31 in December of 2022) and has increased recently to 51 as of March 2024. The increase has been despite an increase in mortgages rates—a realization that mortgage rates may not return to the 3.5% level for many years in the future (if ever). There is still hope however, that mortgage rates will decline toward five-percent and that buyer optimism will return more substantially.



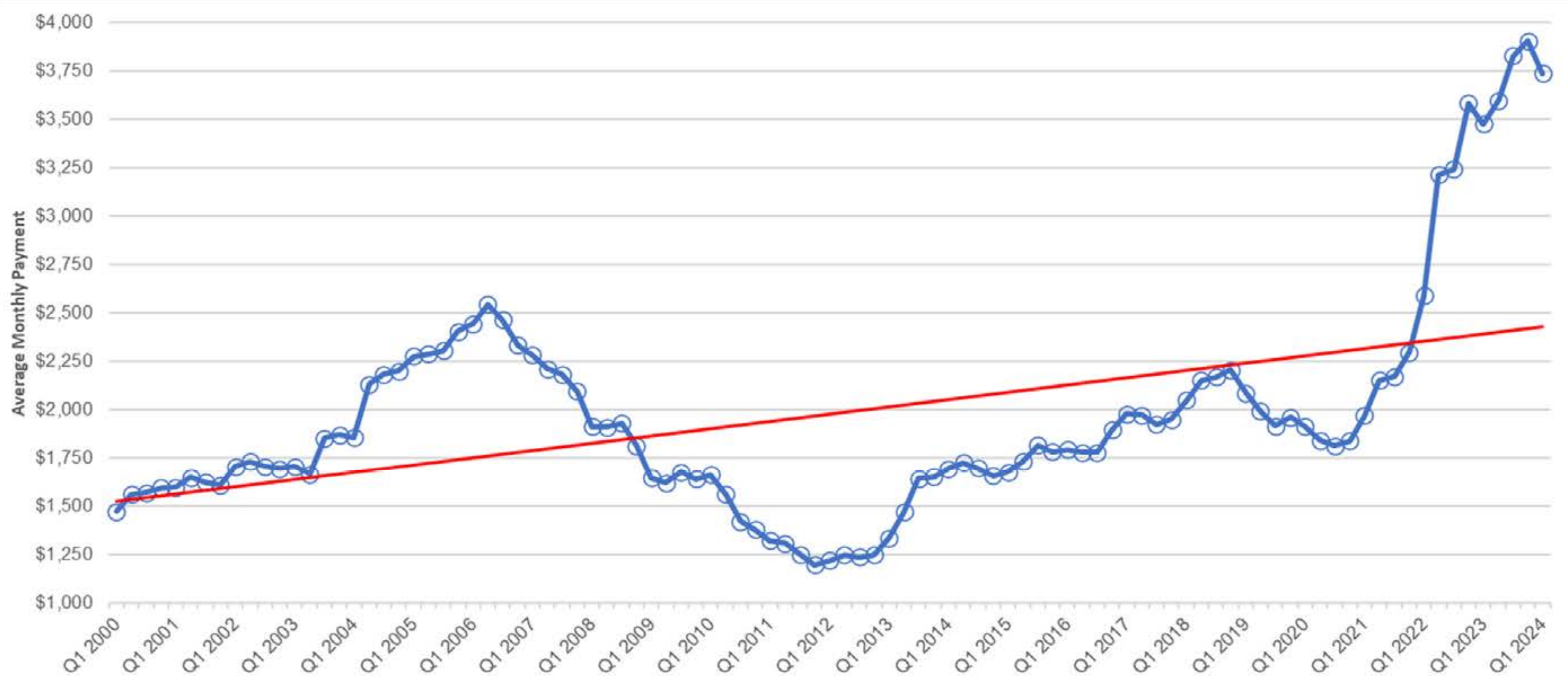
Despite the rapid increase in mortgage rates, new-home sales increased as the number of available existing homes for sale has stayed below the long-term average. A substantial number of California homeowners currently have a mortgage rate that is less than 5.0% and while easy money and low mortgage rates may be a thing of the past, they may settle at a reasonable five- to six-percent range for the longer-term. As of March 2024, mortgage rates are 6.82%.



Source: FreddieMac

The graph below displays the average monthly payment based on the average price of a new-home in the Sacramento Region along with the corresponding 30-year fixed rate mortgage. The principal monthly payment includes a 30-year loan with a 20% down payment and does not include taxes (property taxes or special taxes), insurance or HOA fees. The resulting graph indicates a steep increase in the principal payment from a low of $1,800 in the Third Quarter of 2020 to $3,737 in the First Quarter of 2024. As this graph indicates, the rate has declined over the previous quarter, and there is hope that a decrease in mortgage rates to below seven-percent will push the slope lower.

Because of the increase in interest rates due to inflationary pressures and increasing home prices due to pandemic influences, the cost to afford housing has accelerated in recent years. Despite this, new home sales have been robust due to several factors including all cash or larger down payments (often with Baby-Boomer parents helping millennial children with a down payment), a transfer of equity form the sale of an existing home and higher incomes (especially from Bay Area transplants). The chart below (not adjusted for inflation) represents the entire Sacramento Region, but affordability is more nuanced: Natomas is more affordable than Granite Bay for instance. Affordability is also relative regionally; what is unaffordable in the Bay Area or coastal California can be vey affordable in Sacramento.



Source: The Gregory Group, FreddieMac, Mortgage News Daily

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, Sacramento County, City of Sacramento, American FactFinder, MLS (Trends), The Gregory Group

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THE Gregory Group

Real Estate Information and Consulting Services

Folsom
101 Parkshore Drive, Suite 100
Folsom, CA 95630
(916) 983-3524
info@thegregorygroup.com
www.thegregorygroup.com

Aliso Viejo
120 Vantis, Suite 300
Aliso Viejo, CA 92656
(949) 382-6414
info@thegregorygroup.com
www.thegregorygroup.com

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IMPROVEMENT AREA NO. 2 SPECIAL TAX BONDS, SERIES 2024

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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