

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 2018 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, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$11,615,000
CITY OF ROSEVILLE
WESTBROOK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2018

Dated: Date of Delivery

Due: September 1, as shown below

The bonds captioned above (the "2018 Bonds"), are being issued by the City of Roseville (the "City") by and through its Westbrook Community Facilities District No. 1 (Public Facilities) (the "District"). The 2018 Bonds are special tax obligations of the City, authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Act"), and are issued pursuant to the Resolution of Issuance (as defined herein) and a Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of July 1, 2018, which supplements the Fiscal Agent Agreement dated as of December 1, 2014 (collectively, the "Fiscal Agent Agreement") by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). The 2018 Bonds are being issued to (i) construct and acquire certain public facilities of benefit to the District, (ii) provide for a deposit to a debt service reserve account for the 2018 Bonds, (iii) provide capitalized interest on a portion of the debt service due on the 2018 Bonds due September 1, 2018 and a portion due in Bond Year 2019, and (iv) pay costs of issuance of the 2018 Bonds. Interest on the 2018 Bonds is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2018. The 2018 Bonds represent the second series of a total of \$90,000,000 of bonds authorized for the District, and the issuance of additional parity bonds in the future is contemplated, subject to the conditions set forth in the Fiscal Agent Agreement. The initial series of special tax bonds for the District was issued in 2014 and is currently outstanding in the aggregate principal amount of \$14,235,000. See "THE BONDS - Authority for Issuance."

The 2018 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. See "APPENDIX G – THE BOOK-ENTRY SYSTEM."

The 2018 Bonds are secured by and payable from a pledge of Special Tax Revenues (as defined herein) derived from Special Taxes (as defined herein) to be levied by the City on real property within the boundaries of the District, from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Taxes, and from amounts held in certain funds under the Fiscal Agent Agreement, all as more fully described herein. **Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the parcel of real property securing the delinquent Special Tax. There is no assurance the owners will be able to pay the Special Tax or that they will pay a Special Tax even though financially able to do so.** To provide funds for payment of the 2018 Bonds and the interest thereon as a result of any delinquent Special Taxes, the City will establish a debt service reserve account for the 2018 Bonds from proceeds of the 2018 Bonds, as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Property in the District subject to the Special Tax comprises approximately 398.4 gross acres northwest of the center of the City currently planned for 2,029 residential units, planned as 1,409 single-family and 620 multi-family units (365 of which are planned as very-low income affordable or low income affordable and not subject to the Special Tax) and, to a lesser extent, commercial uses. The land is currently partially developed and controlled by the master developer, and multiple merchant homebuilders. See "THE DISTRICT" and "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT."

The 2018 Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "THE BONDS — Redemption."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF PLACER, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2018 BONDS. THE 2018 BONDS DO NOT CONSTITUTE A DEBT OF THE CITY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "SPECIAL RISK FACTORS," SHOULD BE READ IN ITS ENTIRETY.

This cover page contains certain information for general reference only. It is not a summary of all of the provisions of the 2018 Bonds. Prospective investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "SPECIAL RISK FACTORS" herein for a discussion of the special risk factors that should be considered, in addition to the other matters and risk factors set forth herein, in evaluating the investment quality of the 2018 Bonds.

The 2018 Bonds are offered when, as and if issued, subject to approval as to their legality by Jones Hall, a Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed on by Jones Hall, as Disclosure Counsel and Nossaman LLP, Irvine, California, as counsel to the Underwriter. Certain legal matters will be passed upon for the City by the City Attorney. It is anticipated that the 2018 Bonds will be available for delivery to DTC on or about July 26, 2018.

PiperJaffray

\$11,615,000
CITY OF ROSEVILLE
WESTBROOK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2018

MATURITY SCHEDULE

Maturity (Sept. 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† (777870)
2020	\$75,000	3.000%	2.000%	102.042%	YD2
2021	85,000	3.000	2.220	102.320	YE0
2022	100,000	4.000	2.420	106.125	YF7
2023	115,000	4.000	2.580	106.739	YG5
2024	130,000	4.000	2.800	106.681	YH3
2025	150,000	4.000	2.920	106.875	YJ9
2026	170,000	4.000	3.020	106.990	YK6
2027	190,000	4.000	3.140	106.757	YL4
2028	210,000	3.000	3.240	97.945	YM2
2029	230,000	3.000	3.280	97.411	YN0
2030	250,000	3.125	3.370	97.580	YP5
2031	275,000	3.250	3.450	97.904	YQ3
2032	295,000	3.250	3.540	96.800	YR1
2033	320,000	3.375	3.630	97.053	YS9
2034	350,000	3.500	3.670	97.944	YT7
2035	370,000	3.500	3.710	97.356	YU4
2036	405,000	3.500	3.740	96.862	YV2
2037	430,000	3.625	3.790	97.769	YW0
2038	465,000	3.625	3.810	97.415	YX8

\$2,940,000 5.000% Term Bond Due September 1, 2043; Yield 3.610%; Price: 110.958 C
CUSIP†: 777870 YY6

\$4,060,000 5.000% Term Bond Due September 1, 2048; Yield 3.660%; Price: 110.624 C
CUSIP†: 777870 YZ3

C: Priced to optional call at 103% on September 1, 2025.

† Copyright 2018, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by Standard & Poor's Capital IQ, and are provided for convenience of reference only. Neither the City nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

CITY OF ROSEVILLE, CALIFORNIA

City Council

Susan Rohan, *Mayor*
Bonnie Gore, *Vice Mayor*
John Allard, *Councilmember*
Scott Alvord, *Councilmember*
Tim Herman, *Councilmember*

City Staff

Dominick Casey, *Acting City Manager*¹
Jay Panzica, *Chief Financial Officer*
Dennis Kauffman, *Finance Director*
Robert R. Schmitt, *City Attorney*
Sonia Orozco, *City Clerk*

SPECIAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor

Hilltop Securities Inc.
Encino, California

Appraiser

Integra Realty Resources
Sacramento, California

Special Tax Administrator

Willdan Financial Services
Temecula, California

Fiscal Agent

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

¹ Dominick Casey is expected to be confirmed as permanent City Manager following a City Council meeting on August 15, 2018.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the 2018 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2018 Bonds.

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

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the 2018 Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2018 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2018 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2018 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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OFFICIAL STATEMENT

\$11,615,000
CITY OF ROSEVILLE
WESTBROOK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2018

This Official Statement, including the cover page and all Appendices hereto, is provided to furnish certain information in connection with the issuance by the City of Roseville (the “**City**”) by and through its Westbrook Community Facilities District No. 1 (Public Facilities) (the “**District**”) of the bonds captioned above (the “**2018 Bonds**”).

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

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the 2018 Bonds to potential investors is made only by means of the entire Official Statement.

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

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

Authority for Issuance of the 2018 Bonds. The 2018 Bonds are issued pursuant to the Act, a resolution adopted by the City Council on May 23, 2018 (the “**Resolution of Issuance**”) and a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of July 1, 2018, which supplements the Fiscal Agent Agreement dated as of December 1, 2014 (collectively, the “**Fiscal Agent Agreement**”) between the City and The Bank of New York Mellon Trust Company, N.A.,

Los Angeles, California, as fiscal agent (the “**Fiscal Agent**”). The 2018 Bonds represent the second series of a total of \$90,000,000 of bonds authorized for the District, and the issuance of additional parity bonds in the future is contemplated, subject to the conditions set forth in the Fiscal Agent Agreement. The initial series of special tax bonds for the District was issued in 2014 and is currently outstanding in the aggregate principal amount of \$14,235,000. See “THE BONDS - Authority for Issuance.”

Bond Terms. The 2018 Bonds will be dated as of and bear interest from the date of delivery thereof at the rate or rates set forth on the cover page of this Official Statement. Interest on the 2018 Bonds is payable on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing September 1, 2018. The 2018 Bonds will be issued without coupons in denominations of \$5,000 or any integral multiple thereof.

Registration of Ownership of 2018 Bonds. The 2018 Bonds will be issued only as fully registered bonds in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”). Ultimate purchasers of 2018 Bonds will not receive physical certificates representing their interest in the 2018 Bonds. So long as the 2018 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the 2018 Bonds. Payments of the principal, premium, if any, and interest on the 2018 Bonds will be made directly to DTC, or its nominee, Cede & Co. so long as DTC or Cede & Co. is the registered owner of the 2018 Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX G – THE BOOK-ENTRY SYSTEM.”

Use of Proceeds. Proceeds of the 2018 Bonds will primarily be used to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements (the “**Improvements**,” as described herein) as part of Phase 2 development in the District. The Improvements consist generally of water, wastewater, drainage, roadway and other infrastructure improvements necessary for development of property within the District, as well as park and open space improvements (which include environmental mitigation costs). Lennar Homes of California, Inc. (“**Lennar Homes**”), which purchased 259 unfinished lots in Phase 2 of the District from Westpark S.V. 400, LLC and WP Development Company, LLC (collectively, the “**Developer**”), is responsible for these infrastructure improvements. Lennar Homes has substantially completed construction of its portion of the Improvements for Phase 2, with landscaping being the only remaining improvement. Of Lennar Homes’ portion of the Improvements for Phase 2, the Pleasant Grove Boulevard Improvements have been accepted by the City and Lennar Homes anticipates that the remainder will be accepted in July 2018.

Proceeds of the 2018 Bonds will first be used to pay for the improvements constructed as part of Phase 2A, specifically the extension of the southern lanes of Pleasant Grove Blvd to just west of the entrance to Village WB-1A and the extension of Solaire Drive to just west of the future intersection with Silver Spruce Drive. Excess proceeds, if any, will be used either to reimburse the Developer for the shortfall associated with the Phase 1 backbone infrastructure (the shortfall was approximately \$10.4 million), or to provide funding for the Phase 2B backbone infrastructure being installed by Lennar Homes.

The cost of a portion of the Improvements will be reimbursed by the proceeds of the 2018 Bonds and by additional bonds expected to be issued in the future and the pay-as-you-go component of the Special Tax, as described below, and the Developer and/or Lennar Homes is

required to fund any remaining shortfall. More specifically, Lennar Homes is obligated for the full cost of Improvements needed for Phase 2 development in the District, while the Developer remains responsible for all other Improvements. See "THE IMPROVEMENTS." Proceeds of the 2018 Bonds will also be deposited to a debt service reserve account for the 2018 Bonds, to provide capitalized interest on a portion of the debt service due on the 2018 Bonds due September 1, 2018 and a portion due in Bond Year 2019, and to pay costs of issuance.

Although secured by the Special Taxes levied throughout the District, the 2018 Bonds are being sized to provide at least 110% debt service coverage on the 2014 Bonds and the 2018 Bonds based on the Special Taxes expected to be generated by the land in Phase 1, the 259 lots owned by Lennar Homes in Phase 2, and the 100 lots owned by Woodside Homes (assuming these lots record their Final Map) in Phase 2 of the development.

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

Existing and Future Additional Parity Bonds. The maximum authorized indebtedness for the District is \$90,000,000. The 2018 Bonds are secured on parity with the District's outstanding bonds captioned "\$14,355,000 City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2014" (the "**2014 Bonds**"), which were issued on December 18, 2014, and are currently outstanding in the aggregate principal amount of \$14,235,000.

The District may issue additional bonds secured by Special Tax Revenues on parity with the 2018 Bonds and the 2014 Bonds or on a basis subordinate thereto, upon the satisfaction of certain conditions set forth in the Fiscal Agent Agreement. Following the issuance of the additional indebtedness of the 2018 Bonds in the amount of \$11,615,000, the remaining authorized amount of bonds to be issued is \$64,030,000.

The 2018 Bonds are the second series of bonds being issued for the District and one or more additional series of bonds is expected to be issued in the future to facilitate continued development in Phase 2 and Phase 3 of the project. Notwithstanding the \$90 million bond authorization, the total amount of Bonds expected to be issued for the District is projected at approximately \$40 million, with the remaining costs funded by the Developer, Lennar Homes and other owners of land in the District from other sources including the pay-as-you-go component of the Special Taxes. For a discussion of additional bonds that may utilize a portion of the available authorized bond amount, see "– Use of Bond Authorization for Development Impact Fee Deferral

Bonds.” So long as the 2018 Bonds and 2014 Bonds are outstanding, any future bonds issued for the District and secured on parity with the 2018 Bonds and 2014 Bonds (herein, “**Additional Bonds**” and collectively with the 2014 Bonds and the 2018 Bonds, the “**Bonds**”) are required to meet certain conditions of issuance as set forth in the Fiscal Agent Agreement, and no bonds having a lien senior to the lien of the 2018 Bonds or the 2014 Bonds are allowed; see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Future Parity Bonds.”

Although secured by the Special Taxes levied throughout the District, the 2018 Bonds are being sized to provide at least 110% debt service coverage on the 2014 Bonds and the 2018 Bonds based on the Special Taxes expected to be generated by the land in Phase 1, the 259 lots owned by Lennar Homes in Phase 2, and the 100 lots owned by Woodside Homes in Phase 2 of the development.

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

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

Property Subject to the Special Tax. The land in the District is located in the southwestern portion of the City within the City's Sierra Vista Specific Plan (“**SVSP**”) and is geographically positioned as an extension of the adjoining Westpark project originally developed by principals of the Developer. The land in the District is also known locally as “Westbrook.” The District comprises approximately 398.4 gross acres, approximately 260 of which is planned for 2,029 residential units, planned as 1,409 single-family and 620 multifamily units (365 of which are planned in Phase 3 to be designated as very-low income affordable or low income affordable units that would not be subject to a Special Tax), as well as approximately 24.5 acres of planned commercial use land; however, only 14.5 acres of nonresidential property are subject to the Special Tax. Land in the District also includes land planned for open space, schools and public parks that are not subject to the Special Tax.

Status of Development in the District. Development of the District was planned to take place over the course of three phases, with the initial homebuilding activity in Phase 1 beginning in Spring 2015. The Developer acquired all of the land in the District in 2010 and has since installed all backbone infrastructure planned for Phase 1, which has been approved by the City. As noted above, Lennar Homes has installed a portion of the backbone infrastructure planned for Phase 2. The Developer has sold lots in Phase 1 to three merchant homebuilders: 3 villages, consisting of 210 single-family lots, to Woodside 05N, LP ("**Woodside Homes**"), 2 villages, consisting of 203 single-family lots, to D.R. Horton, Inc. ("**D.R. Horton**"), and 2 villages, consisting of 145 single-family lots, to Taylor Morrison of California, LLC ("**Taylor Morrison**"). The Developer has also sold 359 unfinished lots in Phase 2, 259 of which were sold to Lennar Homes and 100 of which were sold to Woodside Homes. The Developer is also in contract with Lennar Homes to sell an additional 234 lots in Phase 2 (Villages 2A, 2B, 3A and 3B), which sale is scheduled to close in December 2018.

Woodside Homes, D.R. Horton, and Taylor Morrison have completed all in-tract improvements, constructed model homes, and are selling homes within their lots in Phase 1. Lennar Homes has completed installation of backbone infrastructure in its portion of Phase 2, has completed lot improvements for the 259 lots it currently owns in Phase 2, which it is developing into an active adult community, and has model homes open for sale as of May 2018. See "THE DISTRICT - Anticipated Development in the District" and "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT."

The Developer retains ownership of all of the land in Phase 3 and a portion of Phase 2. The remaining portion of Phase 2 owned by the Developer consists of (i) the 234 lots in Phase 2 (Villages 2A, 2B, 3A and 3B) under contract to Lennar Homes, which sale is scheduled to close in December 2018 and (ii) parcel WB-23, which does not yet have a tentative map as it is scheduled to be tentatively mapped with the single-family villages in Phase 3. The Developer is not a home developer and expects to sell such land to merchant home builders as market conditions warrant.

Appraised Value of Property. Property in the District is security for the Special Tax. The City authorized the preparation of an appraisal report (and an update appraisal report) for certain real property within the District, which sets forth an aggregate value of appraised and assessed taxable property in the District of \$220,108,516, as of April 11, 2018 (and a "not-less-than" value of \$220,108,516 as of June 15, 2018). The valuation assumes completion of the Improvements funded by the 2018 Bonds (but not any Additional Bonds) and accounts for the impact of the lien of the Special Tax and adds the estimated bond amount to the value of property. See "THE IMPROVEMENTS." In considering the estimates of value evidenced by the appraisal, it should be noted that the appraisal is based upon a number of standard and special assumptions, which affect the estimates as to value, in addition to the assumption of completion of the Improvements and the availability of certain of the proceeds of the 2018 Bonds to reimburse for completed Improvements. The Improvements to be paid for with proceeds of the 2018 Bonds are not complete. See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT" and Appendix B. The aggregate combined value (assessed values and appraised values) of property in the District is 8.51 times the \$25,850,000 aggregate principal amount of the 2018 Bonds and 2014 Bonds, and 8.24 times the \$26,696,340 aggregate principal amount of direct and overlapping debt in the District. See "VALUE OF PROPERTY WITHIN THE DISTRICT – Value to Special Tax Burden Ratios."

Risks of Investment. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of special factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the 2018 Bonds.

Limited Obligation of the City. The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of the interest on, or principal of or redemption premiums, if any, on the 2018 Bonds. The 2018 Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the City or any of its income or receipts, except the money in the Special Tax Fund (described herein) established under the Fiscal Agent Agreement, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the 2018 Bonds is a general debt, liability or obligation of the City. The 2018 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restrictions, and neither the City Council, the City nor any officer or employee thereof are liable for the payment of the interest on or principal of or redemption premiums, if any, on the 2018 Bonds other than from the proceeds of the Special Taxes and the money in the Special Tax Fund, as provided in the Fiscal Agent Agreement.

Summary of Information. Brief descriptions of certain provisions of the Fiscal Agent Agreement, the 2018 Bonds and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the Finance Director of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof.

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

ESTIMATED SOURCES AND USES OF FUNDS

A summary of the estimated sources and uses of funds associated with the sale of the 2018 Bonds follows:

Estimated Sources of Funds:

Principal Amount of 2018 Bonds	\$11,615,000.00
PlusNet Original Issue Premium	722,341.20
Total	\$12,337,341.20

Estimated Uses of Funds:

Deposit to Improvement Fund	\$10,861,601.53
Deposit to 2018 Reserve Account of the Reserve Fund ⁽¹⁾	939,750.00
Deposit to Bond Fund ⁽²⁾	134,021.07
Costs of Issuance ⁽³⁾	401,968.60
Total	\$12,337,341.20

(1) Equal to the Reserve Requirement for the 2018 Bonds.

(2) Represents an amount scheduled to provide for capitalized interest due on the 2018 Bonds on September 1, 2018 and a portion due in Bond Year 2019.

(3) Includes fees of bond and disclosure counsel, fees, expenses and charges of the Fiscal Agent, printing costs, fees of the special tax administrator, appraiser, and municipal advisor, Underwriter's discount, and other costs of issuance.

THE BONDS

Authority for Issuance

The 2018 Bonds are issued pursuant to the Fiscal Agent Agreement, the Resolution of Issuance and the Act.

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

Description of the Bonds

Bond Terms. The 2018 Bonds will be dated as of and bear interest from the date of delivery thereof at the rates and mature in the amounts and years, as set forth on the cover page hereof. The 2018 Bonds are being issued in the denomination of \$5,000 or any integral multiple thereof.

Interest on the 2018 Bonds will be payable semiannually on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing September 1, 2018. The principal of the 2018 Bonds and premiums due upon the redemption thereof, if any, will be payable in lawful money of the United States of America at the principal corporate trust office of the Fiscal Agent in Los Angeles, California, or such other place as designated by the Fiscal Agent, upon presentation and surrender of the 2018 Bonds; provided that so long as any 2018 Bonds are in book-entry form, payments with respect to such 2018 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC.

Book-Entry Only System. The 2018 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”), and will be available to ultimate purchasers under the book-entry system maintained by DTC. Ultimate purchasers of 2018 Bonds will not receive physical certificates representing their interest in the 2018 Bonds. So long as the 2018 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the 2018 Bonds. The Fiscal Agent will make payments of the principal, premium, if any, and interest on the 2018 Bonds directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the 2018 Bonds. Disbursements of such payments to DTC's Participants are the responsibility of DTC and disbursements of such payments to the Beneficial Owners are the responsibility of DTC's

Participants and Indirect Participants, as more fully described herein. See “APPENDIX G – THE BOOK ENTRY SYSTEM” below.

Calculation and Payment of Interest. Interest on the 2018 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the 2018 Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on each Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs whether or not such day is a Business Day (the “**Record Date**”) preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date, of any Owner of \$1,000,000 or more in aggregate principal amount of 2018 Bonds; provided that so long as any 2018 Bonds are in book-entry form, payments with respect to such 2018 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC. See “APPENDIX G – BOOK ENTRY SYSTEM” below.

Each 2018 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the Dated Date; provided, however, that if at the time of authentication of a 2018 Bond, interest is in default thereon, such 2018 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. So long as the 2018 Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the 2018 Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC’s Participants are the responsibility of DTC and disbursements of such payments to the Beneficial Owners are the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX G – THE BOOK ENTRY SYSTEM” below.

Redemption

Optional Redemption. The 2018 Bonds may be redeemed prior to maturity at the option of the City from any source of available funds, as a whole or in part, on any date on and after September 1, 2025 at the following respective redemption prices (expressed as percentages of the principal amount of the 2018 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2025 through August 31, 2026	103%
September 1, 2026 through August 31, 2027	102
September 1, 2027 through August 31, 2028	101
September 1, 2028 and any date thereafter	100

Mandatory Redemption From Prepayments. The 2018 Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the

following respective redemption prices (expressed as percentages of the principal amount of the 2018 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2018 through and including March 1, 2026	103%
September 1, 2026 and March 1, 2027	102
September 1, 2027 and March 1, 2028	101
September 1, 2028 and any Interest Payment Date thereafter	100

Mandatory Sinking Fund Redemption. The Term 2018 Bonds maturing September 1, 2043 and September 1, 2048 are subject to mandatory sinking payment redemption in part on September 1, 2039 and September 1, 2044, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term 2018 Bonds Maturing September 1, 2043

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
2039	\$495,000
2040	540,000
2041	585,000
2042	635,000
2043 (maturity)	685,000

Term 2018 Bonds Maturing September 1, 2048

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
2044	\$735,000
2045	770,000
2046	810,000
2047	850,000
2048 (maturity)	895,000

The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially uniform debt service, as a result of any prior partial optional redemption or mandatory redemption of the 2018 Bonds.

Purchase In Lieu of Redemption. In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2018 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2018 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

Redemption Procedure by Fiscal Agent. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60

days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2018 Bonds designated for redemption, at their addresses appearing on the registration books in the Principal Office of the Fiscal Agent; but such mailing is not a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such 2018 Bonds.

Such notice will state the redemption date and the redemption price and, if less than all of the then Outstanding 2018 Bonds are to be called for redemption, will designate the CUSIP numbers and bond numbers of the 2018 Bonds to be redeemed by giving the individual CUSIP number and bond number of each 2018 Bond to be redeemed or will state that all 2018 Bonds between two stated bond numbers, both inclusive, are to be redeemed or that all of the 2018 Bonds of one or more maturities have been called for redemption, will state as to any 2018 Bond called in part the principal amount thereof to be redeemed, and will require that such 2018 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and will state that further interest on such 2018 Bonds will not accrue from and after the redemption date.

The City has the right to rescind any notice of the optional redemption of 2018 Bonds and such notice may be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2018 Bonds then called for redemption.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2018 Bonds of any maturity, the Fiscal Agent will select the 2018 Bonds to be redeemed, from all 2018 Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion deems appropriate. Upon surrender of 2018 Bonds redeemed in part only, the City will execute and the Fiscal Agent will authenticate and deliver to the registered Owner, at the expense of the City, a new 2018 Bond or 2018 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2018 Bond or 2018 Bonds.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2018 Bonds so called for redemption are deposited in the Bond Fund, such 2018 Bonds so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Transfer or Exchange of Bonds

So long as the 2018 Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of 2018 Bonds will be made in accordance with DTC procedures. See "APPENDIX G – THE BOOK ENTRY SYSTEM." Any 2018 Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2018 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any 2018 Bond or 2018 Bonds are surrendered for transfer or exchange, the City will execute and the Fiscal Agent will authenticate and deliver a new 2018 Bond or 2018 Bonds, for a like aggregate principal amount of 2018 Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer or exchange will be paid by the City. The Fiscal Agent will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange.

No transfers or exchanges of 2018 Bonds will be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of 2018 Bonds for redemption or (ii) with respect to a 2018 Bond after such 2018 Bond has been selected for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Special Taxes

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

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

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

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

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

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

Special Tax Methodology

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

Determination of Annual Costs. Each year, the City will determine the Annual Costs of the District for the upcoming fiscal year. The “**Annual Costs**” includes the following items:

- (i) debt service on the bonds issued for the District;
- (ii) administrative expenses and County fees;
- (iii) any amounts needed to replenish bond reserve funds and to pay for Bond delinquencies in the previous Fiscal Year or anticipated for the current year; and
- (iv) pay-as-you-go expenditures for authorized improvements.

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

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

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

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

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

Levy of Annual Special Tax; Maximum Special Tax

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

The Maximum Annual Special Tax for Fiscal Year 2018-19 per detached single-family unit range from \$1,407.16 to \$1,715.65 (excluding low income affordable units and very-low income affordable units, which are exempt from the Special Tax), however these amounts are subject to adjustment based upon the actual number of units built. For Large Lot Parcels and Undeveloped Parcels, the Special Tax is based upon the gross acres or number of units planned for such parcels. Affordable Low and Affordable Very-Low units are exempt from the Special Tax. The Annual Maximum Special Tax is allowed to escalate by 2% per year for the first 45 years following

fiscal year 2014-15 or until all bonds of the District have been paid and the City has covenanted in the Fiscal Agent Agreement to apply the 2% escalator annually through fiscal year 2047-48. See "APPENDIX A - AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" and for a table showing the expected land uses and assigned Maximum Special Taxes, see "Attachment 2" in such Appendix.

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

The Special Tax Formula provides that the Maximum Annual Special Tax may be increased annually by the Tax Escalation Factor which for each Fiscal Year is equal to 2% of the Maximum Special Tax in effect in the prior Fiscal Year, applied for the first 45 years following fiscal year 2014-15 or until all bonds of the District have been paid. The City has covenanted in the Fiscal Agent Agreement to apply the 2% escalator annually through fiscal year 2047-48. The City covenants in the Fiscal Agent Agreement to fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the Special Tax Formula. The Special Tax is authorized to be levied in an amount not to exceed the Maximum Special Tax levy as described in the Special Tax Formula notwithstanding that a lower amount is sufficient to pay debt service on the Bonds. The Special Tax Formula provides a mechanism whereby the City may utilize the pay-as-you-go component to pay for and/or reimburse developers for a portion of the cost of Improvements not funded by proceeds of the bonds issued for the District. Proceeds of the annual Special Tax levy will first be used to pay the Annual Costs (which include debt service payments on the Bonds) other than pay-as-you-go expenditures, and the City contemplates that the levy will include a pay-as-you-go component in an amount equal to the Maximum Annual Special Tax on Developed Parcels, for deposit into the Improvement Fund for authorized costs not funded from Bond proceeds. See "THE IMPROVEMENTS" and "APPRAISAL OF PROPERTY WITHIN THE DISTRICT." See also "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Tax Methodology" above. See "APPENDIX A - AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" for a copy of the Special Tax Formula.

Special Tax Fund

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

provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds.

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

Deposit and Use of Proceeds of Bonds

The Bonds are additionally secured by amounts generated from proceeds of the Bonds, together with interest earnings thereon pledged under the Fiscal Agent Agreement. The proceeds of the Bonds will be paid to the Fiscal Agent, who will deposit such proceeds in the Reserve Fund, Bond Fund, Improvement Fund and Costs of Issuance Fund established under the Fiscal Agent Agreement. See "–2018 Reserve Account of Reserve Fund" and "–Improvement Fund" below.

Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure

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

The City has covenanted in the Fiscal Agent Agreement with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior fiscal year, and if the City determines on the basis of such review that the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in the District in such Fiscal Year, it will within 30 days thereafter institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of

the Special Tax against each separate lot or parcel of land in the District for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; *provided*, that if the City determines on the basis of such review that (a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the District in such Fiscal Year, but that property owned by any single property owner in the District is delinquent by more than \$5,000 with respect to the Special Tax due and payable by such property owner in such Fiscal Year, or (b) property owned by any single property owner in the District is delinquent cumulatively by more than \$3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the District), then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner.

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

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

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

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

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

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

2018 Reserve Account of Reserve Fund

In connection with the issuance of the 2014 Bonds, a Reserve Fund (the "**Reserve Fund**") was established under the Fiscal Agent Agreement, to be held by the Fiscal Agent for the benefit of the holders of the 2014 Bonds and Additional Bonds, including the 2018 Bonds. The Fiscal Agent Agreement specifies that within the Reserve Fund is also established a reserve account for each series of bonds covered by the Reserve Fund. Accordingly, in connection with the issuance of the 2018 Bonds, a reserve account for the 2018 Bonds (previously defined as the "**2018 Reserve Account**") will be established within the Reserve Fund to be held by the Fiscal Agent for the benefit of the 2018 Bonds.

Upon delivery of the 2018 Bonds, the Fiscal Agent will deposit an amount of the proceeds into the 2018 Reserve Account of the Reserve Fund so that the amount therein equals the "**Reserve Requirement**" for the 2018 Bonds, which means, calculated separately as to each series of Bonds, an amount equal to the lesser of (a) Maximum Annual Debt Service on the respective Outstanding Bonds, (b) 125% of the respective average Annual Debt Service, or (c) 10% of the principal amount of the respective Bonds (or the issue price of the respective Bonds excluding accrued interest, if the net original issue discount or premium is less than 98% or more than 102% of the principal amount of the respective Bonds), as calculated by the City.

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

The City is required to maintain an amount of money or other security equal to the Reserve Requirement with respect to the 2018 Bonds in the 2018 Reserve Account of the Reserve Fund at all times that the 2018 Bonds are outstanding. All amounts deposited in the 2018 Reserve Account of the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest on, the 2018 Bonds. Whenever transfer is made from the 2018 Reserve Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the City.

Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund (and accounts therein) exceeds the Reserve Requirement for the applicable series of Bonds, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund or the Improvement Fund as provided below, except that investment earnings on

amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the Federal government to comply with rebate requirements.

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

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

Improvement Fund

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

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

Future Parity Bonds

The Resolution of Formation authorizes the issuance of up to \$90 million of bonds, of which the 2018 Bonds represent the second series. Although secured by the Special Taxes levied throughout the District, the 2018 Bonds are being sized to provide at least 110% debt service coverage on the 2014 Bonds and the 2018 Bonds based on the Special Taxes expected to be generated by the land in Phase 1, the 259 lots owned by Lennar Homes in Phase 2, and the 100 lots owned by Woodside Homes (assuming these lots record their Final Map) in Phase 2 of the development. The City expects that it will, by a Supplemental Fiscal Agent Agreement, authorize the issuance of one or more additional series of Bonds (previously defined as the "**Additional Bonds**") payable from Special Taxes and secured by the Special Tax Revenues on a parity with the 2014 Bonds and the 2018 Bonds, as development progresses in the District and upon compliance by the City with the conditions set forth in the Fiscal Agent Agreement, which include the following:

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

(ii) For each Bond Year that the 2014 Bonds, 2018 Bonds, and Additional Bonds will be outstanding, projected Maximum Special Taxes (net of County administration charges) in each Fiscal Year are equal to or greater than 110% of maximum Debt Service due in the Bond Year that begins in the corresponding Fiscal Year.

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

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

DEBT SERVICE SCHEDULES

The annual debt service on the 2018 Bonds, based on the interest rates and maturity schedule set forth on the cover of this Official Statement and assuming no early redemptions, is set forth below.

City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2018 Debt Service – 2018 Bonds

Year Ending (Sept. 1)	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ --	\$49,695.75	\$49,695.75
2019	--	511,156.26	511,156.26
2020	75,000.00	511,156.26	586,156.26
2021	85,000.00	508,906.26	593,906.26
2022	100,000.00	506,356.26	606,356.26
2023	115,000.00	502,356.26	617,356.26
2024	130,000.00	497,756.26	627,756.26
2025	150,000.00	492,556.26	642,556.26
2026	170,000.00	486,556.26	656,556.26
2027	190,000.00	479,756.26	669,756.26
2028	210,000.00	472,156.26	682,156.26
2029	230,000.00	465,856.26	695,856.26
2030	250,000.00	458,956.26	708,956.26
2031	275,000.00	451,143.76	726,143.76
2032	295,000.00	442,206.26	737,206.26
2033	320,000.00	432,618.76	752,618.76
2034	350,000.00	421,818.76	771,818.76
2035	370,000.00	409,568.76	779,568.76
2036	405,000.00	396,618.76	801,618.76
2037	430,000.00	382,443.76	812,443.76
2038	465,000.00	366,856.26	831,856.26
2039	495,000.00	350,000.00	845,000.00
2040	540,000.00	325,250.00	865,250.00
2041	585,000.00	298,250.00	883,250.00
2042	635,000.00	269,000.00	904,000.00
2043	685,000.00	237,250.00	922,250.00
2044	735,000.00	203,000.00	938,000.00
2045	770,000.00	166,250.00	936,250.00
2046	810,000.00	127,750.00	937,750.00
2047	850,000.00	87,250.00	937,250.00
2048	895,000.00	44,750.00	939,750.00
Total	\$11,615,000.00	\$11,355,245.95	\$22,970,245.95

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

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

Year Ending (Sept. 1)	<u>2014 Bonds</u>	<u>2018 Bonds</u>	<u>Total</u>
2018	\$784,181.26	\$49,695.75	\$833,877.01
2019	801,843.76	511,156.26	1,313,000.02
2020	813,562.50	586,156.26	1,399,718.76
2021	834,512.50	593,906.26	1,428,418.76
2022	849,075.00	606,356.26	1,455,431.26
2023	867,475.00	617,356.26	1,484,831.26
2024	884,637.50	627,756.26	1,512,393.76
2025	900,500.00	642,556.26	1,543,056.26
2026	918,500.00	656,556.26	1,575,056.26
2027	935,000.00	669,756.26	1,604,756.26
2028	955,000.00	682,156.26	1,637,156.26
2029	973,250.00	695,856.26	1,669,106.26
2030	994,750.00	708,956.26	1,703,706.26
2031	1,014,250.00	726,143.76	1,740,393.76
2032	1,036,750.00	737,206.26	1,773,956.26
2033	1,057,000.00	752,618.76	1,809,618.76
2034	1,075,000.00	771,818.76	1,846,818.76
2035	1,100,750.00	779,568.76	1,880,318.76
2036	1,118,750.00	801,618.76	1,920,368.76
2037	1,144,250.00	812,443.76	1,956,693.76
2038	1,166,750.00	831,856.26	1,998,606.26
2039	1,191,250.00	845,000.00	2,036,250.00
2040	1,212,500.00	865,250.00	2,077,750.00
2041	1,235,500.00	883,250.00	2,118,750.00
2042	1,260,000.00	904,000.00	2,164,000.00
2043	1,285,750.00	922,250.00	2,208,000.00
2044	1,312,500.00	938,000.00	2,250,500.00
2045	--	936,250.00	936,250.00
2046	--	937,750.00	937,750.00
2047	--	937,250.00	937,250.00
2048	--	939,750.00	939,750.00
Total	\$27,723,287.52	\$22,970,245.95	\$50,693,533.47

THE SIERRA VISTA SPECIFIC PLAN

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

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

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

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

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

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

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

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

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

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The table below shows a summary of current and planned land uses attributable to the Westbrook project as shown in the SVSP. Actual uses may vary from this projection.

**Sierra Vista Specific Plan
Summary of Current and Planned Westbrook Villages and Land Uses (at Buildout)**

Parcel Area Reference	Land Use	Acres	Units
WB-1A	LDR (Residential)	29.3	126
WB-1B	LDR (Residential)	22.2	133
WB-2A	LDR (Residential)	10.6	58
WB-2B	LDR (Residential)	7.7	39
WB-3A	LDR (Residential)	11.6	66
WB-3B	LDR (Residential)	11.2	71
WB-4	LDR (Residential)	16.0	100
WB-5A	LDR (Residential)	11.7	71
WB-5B	LDR (Residential)	18.8	86
WB-6	LDR (Residential)	21.6	103
WB-7A	LDR (Residential)	11.9	73
WB-7B	LDR (Residential)	13.2	72
WB-20	MDR (Residential)	10.0	73
WB-21	MDR (Residential)	10.0	72
WB-22	MDR (Residential)	7.4	54
WB-23	MDR (Residential)	7.2	59
WB-24	MDR (Residential)	7.5	53
WB-25	MDR (Residential)	14.3	100
WB-30	HDR (Residential) - Affordable Very-Low*	2.3	68
WB-30	HDR (Residential) - Affordable Low *	5.6	169
WB-31	HDR (Residential)	11.1	255
WB-32	HDR (Residential) - Affordable Very-Low*	1.4	36
WB-32	HDR (Residential) - Affordable Low *	3.7	92
WB-41	Nonresidential**	10.0	-
WB-42	CC (Commercial)	14.5	-
WB-50	PR (Park)**	8.7	-
WB-51	PR (Park)**	4.4	-
WB-52	PR (Park)**	1.5	-
WB-60	Public/Quasi-Public (Elementary School)**	10.0	-
WB-61	Public/Quasi-Public (Well)**	0.3	-
WB-62	Public/Quasi-Public (Lift Station)**	0.8	-
WB-80	OS (Open Space) **	36.6	-
WB-100	ROW/Landscape Corridors**	45.3	-
Totals		398.4	2,029

* Very-low income affordable and low income affordable units are excluded from the levy of Special Taxes.

** Properties not subject to Special Tax.

Source: Developer.

THE DISTRICT

Formation of the District

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

Location and Description of the District and the Immediate Area

The District is located within a portion of the SVSP area (described above), in the northwest portion of the City and is approximately 20 miles northeast of the central business district of Sacramento. The process of annexation of the area to the City was completed in January 2012. The District is located along the south side of the extension of Pleasant Grove Boulevard, immediately south and west of the Westpark master planned community and the West Roseville Specific Plan. Access to the District will be provided by a planned extension of Pleasant Grove Boulevard, an existing four-lane roadway, which Lennar Homes will complete as part of Phase 2 development.

The land in the District is generally level topography, currently with large open annual grassland areas and clusters of seasonal wetlands, including vernal pools, dispersed throughout the site. The SVSP has targeted a majority of the creek corridors and a portion of the seasonal wetlands for preservation in permanent open space/park use. However, no additional Section 404 environmental permits or stream alteration agreements are required for build-out of the District or any of the required infrastructure.

Subsequent to formation of the District, parcels were created by subdivision into large lots that correspond to Developer designated development “villages,” which are listed below. Large lot parcel maps have been recorded for the villages in all three of the planned phases. Final maps have been recorded for Phase 1 and 259 lots owned by Lennar Homes in Phase 2. Final maps for the 100 lots owned by Woodside Homes in Phase 2 are expected to be recorded by the end of July 2018. Future tentative maps for Phase 3 are pending and expected to be approved in 2018. As property develops, new parcel numbers will be established for each parcel created by a large lot parcel map and final subdivision map.

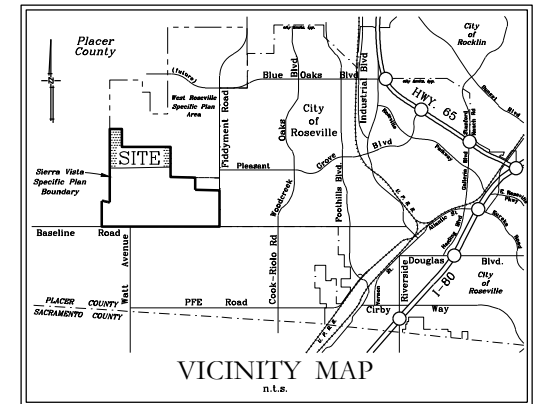
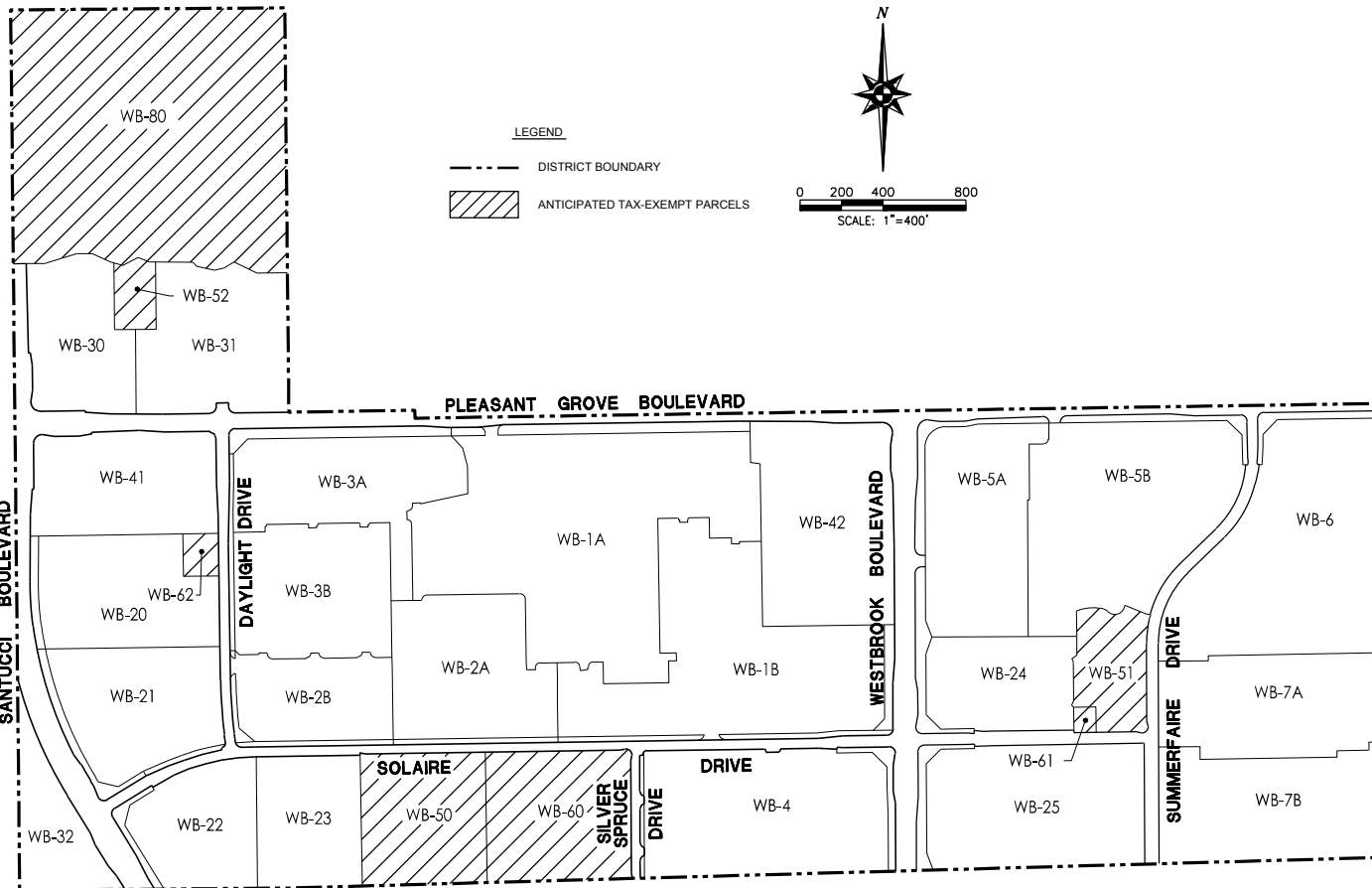
<u>Village/Phase</u>	<u>Large Lot Parcel</u>	<u>APN⁽¹⁾</u>
<u><i>Phase 1:</i></u>		
Village WB-5A	5	496-100-005-000
Village WB-5B	6	496-100-006-000
Village WB-6	7	496-100-007-000
Village WB-7A	8	496-100-008-000
Village WB-7B	9	496-100-009-000
Village WB-24	2	496-100-002-000
Village WB-25	1	496-100-001-000
Well Site	3	496-100-003-000
Park Site	4	496-100-004-000
<u><i>Phase 2:</i></u>		
Village WB-1A	14	496-100-080-000
Village WB-1B	19	496-100-082-000
Village WB-2A	15	496-100-085-000
Village WB-2B	11	496-100-083 & 085-000
Village WB-3A	13	496-100-088 & 089-000
Village WB-3B	12	496-100-086 & 086-000
Village WB-4	18	496-100-048-000
Village WB-23	10	496-100-036 & 037-000
Parcel WB-42	21	496-100-051-000
School Site	17	496-100-047-000
Park Site	16	496-100-046-000
<u><i>Phase 3:</i></u>		
Village WB-20	5	496-100-031-000
Village WB-21	7	496-100-033-000
Village WB-22	9	496-100-035-000
Village WB-30	1	496-100-027-000
Village WB-31	3	496-100-029-000
Village WB-32	8	496-100-034-000
Parcel WB-41	4	496-100-030-000
Well Site	6	
Open Space	12	496-100-012-000

(1) Certain APNs within Phases 1 and 2 have since been further subdivided.

Maps. A District boundary map and the final large lot parcel map are shown on the following pages.

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

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



CITY CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE THIS ____ DAY OF ____ 2014.

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

CITY CLERK'S MAP STATEMENT

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

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

RECORDER'S STATEMENT

FILED THIS ____ DAY OF ____, 2014, AT THE HOUR OF ____ O'CLOCK ____ M., IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOCUMENT NO. _____

FEE: _____

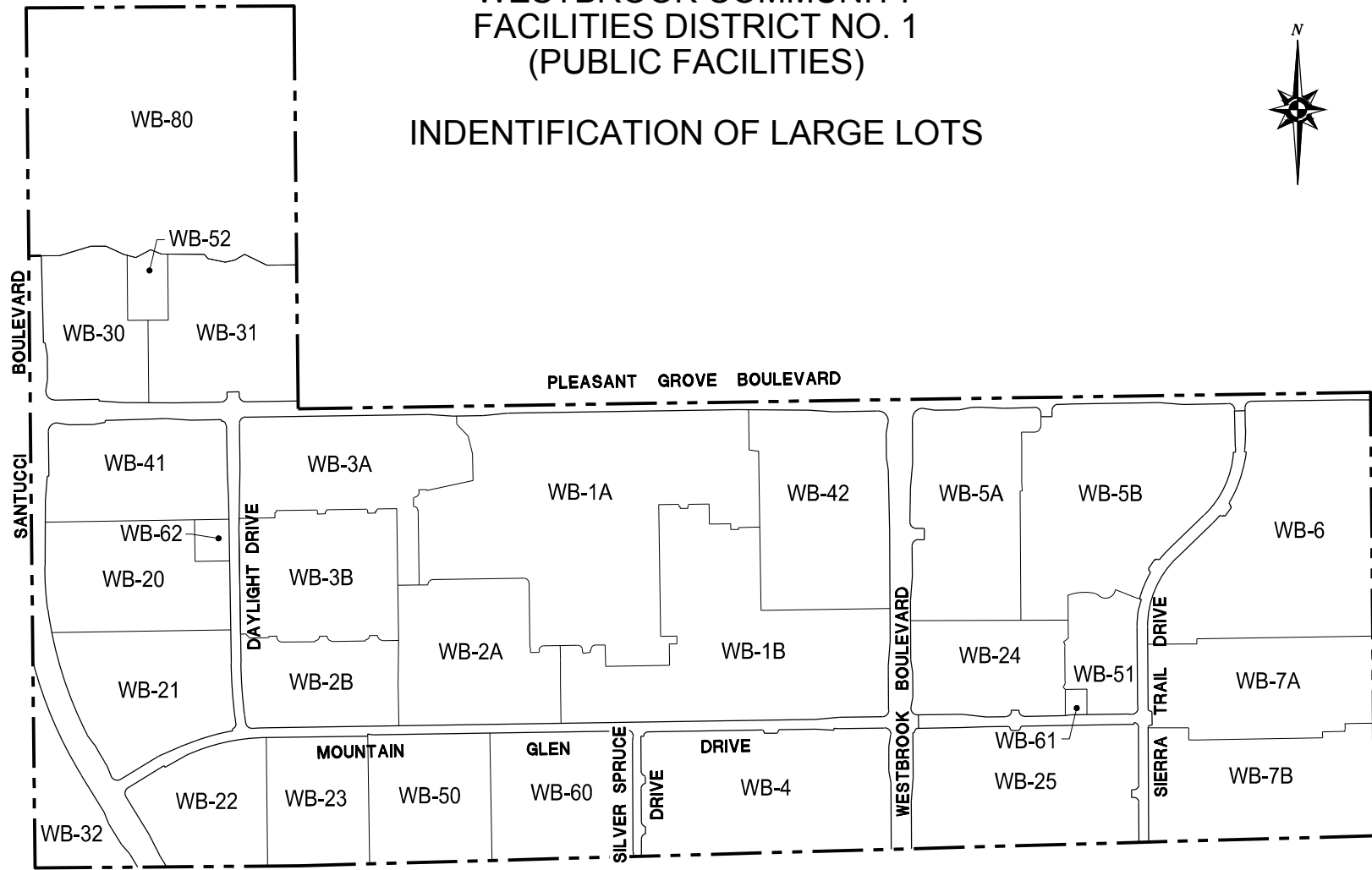
BY:
JIM MCCAULEY
COUNTY RECORDER
COUNTY OF PLACER

Mackay & Somp
ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 101, Roseville, CA 95661 (916) 773-1199

FEBRUARY 2018
SHEET 1 OF 1

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

IDENTIFICATION OF LARGE LOTS



Current and Anticipated Development in the District

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

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

Phase 1. The Developer has installed all backbone infrastructure planned as part of Phase 1 (described below), and it has sold 3 villages to Woodside Homes, 2 villages to D.R. Horton, Inc. ("**DR Horton**") and 2 villages to Taylor Morrison of California, LLC ("**Taylor Morrison**"). In-tract improvements have been completed and each merchant homebuilder has built model homes and is selling homes within its respective villages. As of March 1, 2018, approximately 330 lots had been developed into single-family homes and sold to individual homeowners.

Phase 2. The Developer sold 259 unfinished lots in Phase 2 to Lennar Homes and is in contract with Lennar Homes to sell an additional 234 lots in Phase 2, which sale is scheduled to close in December 2018. The Developer also sold 100 unfinished lots to Woodside Homes, who expects to commence land development and home construction in 2018. The 259 unfinished lots sold to Lennar Homes have final maps in place and have now been finished, while the 100 unfinished lots sold to Woodside Homes are expected to record final maps by the end of July 2018. As part of Phase 2 development, Lennar Homes has completed installation of the backbone infrastructure in its portion of Phase 2, including the extension of Pleasant Grove Boulevard and Solaire Drive. As of the date hereof, Lennar Homes has substantially completed construction of its portion of the Improvements for Phase 2, with landscaping being the only remaining improvement. Of Lennar Homes' portion of the Improvements for Phase 2, the Pleasant Grove Boulevard Improvements have been accepted by the City and Lennar Homes anticipates that the remainder will be accepted in July 2018. In addition to the backbone infrastructure, Lennar Homes has also completed the in-tract development of the 259 single family lots, commenced construction of 12 model homes and secured approximately 45 building permits for production homes. Lennar Homes opened its model homes for sales in May 2018. Given the foregoing sales to Lennar Homes and Woodside Homes, the Developer's ownership of taxable property in Phase 2 consists of WB-23, which is expected to be developed into 59 MDR lots, and WB-42, a commercial site.

Phase 3. The Developer retains ownership of all of the land in Phase 3. The Developer is not a home developer and expects to sell the land in Phase 3 to merchant home builders as market conditions warrant.

Entitlements. Property within the District encompasses approximately 398.4 gross acres, 260 of which are planned for development subject to the Special Tax. In May 2016, the Developer obtained approval of a Specific Plan Amendment for the lands within Phases 2 and 3, modifying the prior entitlements to allow for a 493-lot, age-restricted community, which decreased the amount of multi-family housing. The resulting approvals increased the total single-family units from 1,340 to 1,409 and reduced multi-family units from 689 to 620 (365 of which are planned in Phase 3 to be designated as very-low income affordable or low income affordable units not subject to a Special Tax), consistent with the zoning designations of the SVSP, as well as approximately 24.5 acres of nonresidential, of which approximately 14.5 acres are subject to the Special Tax.

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

Subdivision Maps. Large lot parcel maps have been prepared and recorded for the villages in all three of the planned phases. Final maps have been recorded for Phase 1 and the 259 lots owned by Lennar Homes in Phase 2. Future tentative maps for Phase 3 are pending and expected to be approved in 2018. Large lot parcel maps will eventually be further subdivided into individual "small" lots upon recordation of the final subdivision maps for each village.

The current and planned lotting plan and map status is as follows (excluding parks, right of ways and open space parcels, which are not subject to the Special Tax). See also Attachment 2 of the Special Tax Formula in Exhibit A.

Table 1
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
CFD Land Uses (as of Amendment #3 to Rate and Method of Apportionment)

Large Lot Number	Land Use Category	Net Acres	No. of Units
Zone 1 (Phase 1)			
WB-5A	LDR	11.7	71
WB-5B	LDR	18.8	86
WB-6	LDR	21.6	103
WB-7A	LDR	11.9	73
WB-7B	LDR	13.2	72
WB-24	MDR	7.5	53
WB-25	MDR	14.3	100
WB-51	Park*	4.4	-
WB-61	Well*	0.3	-
ROW	Major Roads	14.2	-
Zone 1 - Totals		117.9	558
Zone 2 (Phase 2)			
WB-1A	LDR	29.3	126
WB-1B	LDR	22.2	133
WB-2A	LDR	10.6	58
WB-2B	LDR	7.7	39
WB-3A	LDR	11.6	66
WB-3B	LDR	11.2	71
WB-4	LDR	16.0	100
WB-23	MDR	7.2	59
WB-42	Nonresidential	14.5	-
WB-50	Park*	8.7	-
WB-60	School*	10.0	-
WB-62	Lift Station*	0.8	-
ROW	Major Roads	13.5	-
Zone 2 - Totals		163.3	652
Zone 3 (Phase 3)			
WB-20	MDR	10.0	73
WB-21	MDR	10.0	72
WB-22	MDR	7.4	54
WB-30	HDR - Affordable Very-Low**	2.3	68
WB-30	HDR - Affordable Low*	5.6	169
WB-31	HDR	11.1	255
WB-32	HDR - Affordable Very-Low**	1.4	36
WB-32	HDR - Affordable Low*	3.7	92
WB-41	Nonresidential*	10.0	-
WB-52	Park*	1.5	-
WB-80	Open Space*	36.6	-
ROW	Major Roads	17.6	-
Zone 3 - Totals		117.2	819
CFD Totals		398.4	2,029

* Not subject to special tax.

** Very-low income affordable and low income affordable units are not subject to Special Tax.

Source: Westpark Associates, MacKay & Somp Civil Engineers, Inc.

Table 2
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Tentative Map and Final Map Status– By Phase

<u>Phase 1</u>				Tentative Map Approval Date	Small Lot Final Map Record Date
<u>PARCEL</u>	<u>LAND USE</u>	<u>ACRES</u>	<u>UNITS</u>		
WB-5A	LDR (Residential)	11.7	71	Feb 2014	2015
WB-5B	LDR (Residential)	18.8	86	Feb 2014	2015
WB-6	LDR (Residential)	21.6	103	Feb 2014	2016
WB-7A	LDR (Residential)	11.9	73	Feb 2014	2017
WB-7B	LDR (Residential)	13.2	72	Feb 2014	2017
WB-24	MDR (Residential)	7.5	53	Feb 2014	2016
WB-25	MDR (Residential)	14.3	100	Feb 2014	2016
WB-51	PR (Park)*	4.4	-	Feb 2014	
WB-61	Public/Quasi-Public (Well)*	0.3	-	Feb 2014	
	Sub-total Market Rate LDR		405		
	Sub-total Market Rate MDR		153		
	Sub-total Market Rate HDR		-		
	Sub-total Affordable LDR		-		
	Sub-total Affordable MDR		-		
	Sub-total Affordable HDR		-		
	Total Phase 1	103.7	558		

* Not subject to Special Tax.

Source: Developer.

<u>Phase 2</u>				Tentative Map Approval Date	Estimated Small Lot Final Map Record Date
	<u>LAND USE</u>	<u>ACRES</u>	<u>UNITS</u>		
WB-1A	LDR (Residential)	29.3	126	April 2016	2018 ⁽¹⁾
WB-1B	LDR (Residential)	22.2	133	April 2016	2018 ⁽¹⁾
WB-2A	LDR (Residential)	10.6	58	April 2016	2019
WB-2B	LDR (Residential)	7.7	39	April 2016	2019
WB-3A	LDR (Residential)	11.6	66	April 2016	2019
WB-3B	LDR (Residential)	11.2	71	April 2016	2019
WB-4	LDR (Residential)	16.0	100	April 2016	2018 ⁽²⁾
WB-23	MDR (Residential)	7.2	59	April 2016	2019
WB-42	CC (Commercial)	14.5	-		
WB-50	Park*	8.7	-		
WB-60	Public/Quasi-Public (School)*	10.0	-		
WB-62	Public/Quasi-Public (Lift Station)*	0.8	-		
	Sub-total Market Rate LDR		593		
	Sub-total Market Rate MDR		59		
	Sub-total Market Rate HDR		-		
	Sub-total Affordable LDR		-		
	Sub-total Affordable MDR		-		
	Sub-total Affordable HDR		-		
	Total Phase 2	149.8	652		

* Not subject to Special Tax.

(1) Small lot final maps have been recorded for these parcels owned by Lennar Homes.

(2) Recordation of small lot final maps by Woodside Homes on these parcel is anticipated by the end of July 2018.

Source: Developer.

Phase 3

PARCEL	LAND USE	ACRES	UNITS	Estimated Tentative Map Approval Date	Estimated Small Lot Final Map Record Date
WB-20	MDR (Residential)	10.0	73	Dec 2018	2019
WB-21	MDR (Residential)	10.0	72	Dec 2018	2019
WB-22	MDR (Residential)	7.4	54	Dec 2018	2019
WB-30	HDR (Residential) - Affordable Very-Low**	2.3	68		
WB-30	HDR (Residential) - Affordable Low**	5.6	169		
WB-31	HDR (Residential)	11.1	255		
WB-32	HDR (Residential) - Affordable Very-Low**	1.4	36		
WB-32	HDR (Residential) - Affordable Low**	3.7	92		
WB-41	CC (Commercial)*	10.0	-		
WB-52	PR (Park)*	1.5	-		
WB-80	OS (Open Space)*	36.6	-		
	Sub-total Market Rate LDR		-		
	Sub-total Market Rate MDR		199		
	Sub-total Market Rate HDR		255		
	Sub-total Affordable LDR		-		
	Sub-total Affordable MDR		-		
	Sub-total Affordable HDR		365		
	Total Phase 3	99.6	819		

* Not subject to Special Tax.

** HDR (Residential) - Very-low income affordable and low income affordable units are exempt from the levy of the Special Tax.

Source: Developer.

Westbrook Land Use Plan - Summary of Current Projections

Market Rate LDR	998
Market Rate MDR	411
Market Rate HDR	255
Affordable LDR	-
Affordable MDR	-
Affordable HDR	365
Total	353.1 2,029
Major Roads	45.3
Total Acres	398.4

Note: HDR (Residential) - Very-low income affordable and low income affordable units are exempt from the levy of the Special Tax.

Source: Developer.

Projected Construction Schedule.

Phase 1. All villages in Phase 1 have been sold to merchant builders with all in-tract improvements complete and new home construction underway. Construction on homes in Phase 1 is ongoing, with approximately 330 homes completed and sold to individual homeowners as of March 1, 2018.

Phase 2. In June 2017, Lennar Homes began construction of backbone infrastructure improvements in a portion of Phase 2, including Improvements to be financed with proceeds of the 2018 Bonds, which will serve the initial 359 units to be developed in this portion of Phase 2 of the District. As of the date hereof, Lennar Homes has substantially completed construction of its portion of the Improvements for Phase 2, with landscaping being the only remaining improvement. Of Lennar Homes' portion of the

Improvements for Phase 2, the Pleasant Grove Boulevard Improvements have been accepted by the City and Lennar Homes anticipates that the remainder will be accepted in July 2018. Upon completion of various components of such infrastructure by the City, the Developer is eligible to be reimbursed for the cost thereof from proceeds of the 2018 Bonds as provided in an acquisition agreement entered into between the Developer and the City, as and to the extent such proceeds are available.

With respect to Phase 2, Lennar Homes has completed in-tract improvements for 259 individual lots, which are in the active adult community. Lennar Homes has started construction on a 12-home model home complex and opened models in May 2018. Construction on a 4,500-square foot recreation center including pool, pickle ball courts, a fitness center and meeting rooms began in May 2018, with a planned opening expected in November 2018. Lennar Homes is scheduled to close the purchase of the remaining 234 lots that are under contract in December 2018 and expects to develop these lots into age-restricted units.

Woodside Homes acquired 100 lots in Village WB-4, which is part of Phase 2. Improvement plans have been approved for these lots, with the final map expected to be recorded by the end of July 2018 upon Woodside Homes' delivery of construction bonds and a Subdivision Improvement Agreement. Woodside Homes anticipates starting construction of infrastructure in summer 2018, with model homes under construction by fall 2018. This will be Woodside Homes' fourth new home community in the District.

Phase 3. The Developer retains ownership of all of the land in Phase 3. The Developer is not a home developer and expects to sell the land in Phase 3 to merchant home builders as market conditions warrant.

Infrastructure and Utilities. All Phase 1 backbone improvements have been constructed and have been accepted by the City as complete. Construction of backbone infrastructure improvements for a portion of Phase 2 began in June 2017, and Lennar Homes has completed infrastructure for the initial 259 of 493 age-restricted units. These improvements include the installation of a portion of each of Pleasant Grove Boulevard and Solaire Drive, sidewalks, water, sewer, drainage, concrete curb, gutter, and paving, landscaping, perimeter walls, as well as all of the relevant utilities in the major streets.

Lennar Homes (pursuant to agreement with the Developer) is responsible for the cost of construction of the infrastructure improvements and other costs of development in Phase 2, in two phases. Proceeds of the 2018 Bonds and any Additional Bonds will provide for the cost of Improvements. Improvement costs greater than the net proceeds of the 2018 Bonds will be contributed by Lennar Homes. Any surplus of net proceeds of 2018 Bonds above Improvements costs will be used to reduce the shortfall existing from construction of the Phase 1 backbone infrastructure or to construct improvements in Phase 3. See "THE IMPROVEMENTS - Estimated Cost of the Improvements" below. One or more series of Additional Bonds for the District is expected to be issued as development progresses. See "THE DEVELOPER – Financing Plan."

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

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

Development Agreement

General. The Developer entered into the development agreement dated June 20, 2012 (as amended on May 4, 2016, the "**Development Agreement**") with the City in accordance with applicable state and local codes. The Development Agreement vests development rights, sets forth infrastructure improvements and dedication requirements, secures the timing and methods for financing improvements, and specifies other performance obligations as related to development in the Sierra Vista Specific Plan area. All of the property in the District is subject to the requirements of the Development Agreement as well as the SVSP. The Development Agreement was entered into in accordance with Sections 65864 through 65869.5 of the California Government Code, as implemented through Article V, Chapter 19.84 of the City's Zoning Ordinance No. 802. The Development Agreement is the primary implementation tool for the SVSP and is intended to create a binding contract between the City and the Developer and their assigned successors in interest, which sets forth the needed infrastructure improvements, park dedication requirements, timing and method for financing improvements and other specific performance obligations of the City and the Developer as such obligations relate to development of the property in the District, including the terms, conditions, rules, regulations, entitlements, vested rights and other provisions relating to the development of the property in the District according to the SVSP entitlements. Included are provisions relating to infrastructure improvements, public dedication requirements, landscaping amenities and other obligations of the parties. The Development Agreement has a 30-year term, runs with the property, and may be modified only by mutual consent of the City and the Developer and in a manner consistent with the SVSP. With the Development Agreement in place, subject to compliance with the terms of the Development Agreement, construction of homes within the District may occur upon City approval of subdivision maps, satisfaction of certain design requirements and conditions of such maps and issuance of building permits. The Development Agreement is binding on the Developer and all successor owner-developers of property in the District.

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

Improvements. The Development Agreement sets forth the responsibility of the Developer and its successors for a portion of the costs of certain public improvements required for its development within the SVSP, including an electric substation. Dedication and grading of this electric substation site in the SVSP has occurred and the City has commenced with the design of the electric substation. The current status of electric substation development allows for the construction of up to 1,151 homes. The City anticipates completion of the electric substation by September 2019, after which there will be no restriction on the number of homes that can be built. There are a total of 558 homes in Phase 1 and the portion of Phase 2 being built and served by the Improvements contemplated herein includes another 359 homes, for a total of 917 homes. Sufficient capacity exists for the homes to be built in the District.

Notwithstanding the foregoing, once the substation site has been dedicated to the City and two years has passed, regardless of the status of the construction of the electric substation, there will be no restriction on the issuance of building permits. The dedication of the electric substation site occurred on May 26, 2017. Funding of the Improvements with 2018 Bond and Additional Bond proceeds will satisfy a portion, but not all, of the relevant obligations of the Developer for infrastructure improvements required by the Development Agreement. The improvements not funded from proceeds of the 2018 Bonds and Additional Bonds, or Special Taxes are required to be funded by the Developer, Lennar Homes and/or other developers of land in the District to whom the Developer sells parcels in the District. See "THE IMPROVEMENTS" below.

Environmental Matters

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

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

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

THE IMPROVEMENTS

Eligible Facilities

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

The eligible Improvements authorized include, but are not limited to, the following:

Transportation Improvements. Eligible roadway improvements include, but are not limited to, these: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps;

street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters and bus rapid transit improvements, including transfer stations and regional public transit improvements; masonry walls; traffic control and agency fees, and other improvements related to the foregoing.

Potable and Non-potable Water System Improvements. Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the Project. These facilities include, but are not limited to, potable and non-potable mains, valves, services and appurtenances; wells; and water treatment and storage facilities.

Eligible improvements also include a recycled water storage tank facility, which includes site clearing; grading and paving; curbs and gutters; recycled water storage tanks, booster pump stations and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting; drainage; sanitary sewer and water service; landscaping and irrigation; access gates; fencing, stripping and signage.

Drainage System Improvements. Authorized facilities include any and all onsite and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the Project. These facilities include, but are not limited to mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping and irrigation; access roads gates, and fencing; and striping and signage.

Wastewater System Improvements. Authorized facilities include any and all backbone wastewater facilities designed to meet the needs of development of the Project. These facilities include but are not limited to pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements.

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

Park Improvements. Authorized facilities include any and all improvements to neighborhood parks located in the Specific Plan.

Open Space Improvements. Authorized facilities include any and all open space improvements designed to meet the needs of development of the Project, including, but not limited to: bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, off-site hawk mitigation, agricultural mitigation, and/or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing and related open space improvements.

Utilities. Authorized facilities include any and all utility improvements designed to meet the needs of development of the Project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized Facilities shall also include costs related to the acquisition of the offsite electric substation site, site clearing, grading, street frontage improvements including curbs, gutters, and paving; construction of an all-weather access road to the site from the nearest public

street and/or extension of temporary 12kV overhead lines as described in the Project Development Agreement.

Other Public Facilities. Authorized facilities include any and all public facilities or infrastructure including the Project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, street frontage improvements including curbs, gutters, and paving.

Development Impact Fees. Authorized facilities include deferred development impact fees whether standard City fees levied at the time of the issuance of a building permit or required as part of the Development Agreement.

Formation, Administrative, and Incidental Expenses. In addition to the above facilities and costs related thereto, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982 are included, which include, but are not limited to, the cost of planning, permitting, approving and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching operation and maintenance plan for the City of Roseville Open Space Preserves; land acquisition and easement payments for authorized District facilities; project management, construction staking; engineering studies and preparation of an engineer's report for the use of recycled water; utility relocation and demolition costs incidental to the construction of the public facilities, cost associated with the creation of the District, issuance of bonds; determination of the amount of taxes, collection of taxes; payment of taxes; or costs otherwise incurred in order to carry out the authorized purposes of the District; reimbursements to other areas for infrastructure facilities or planning purposes serving development in the District; and any other expenses incidental to the construction, completion, and inspection of the facilities and related expenses associated with any of the foregoing.

Estimated Cost of the Improvements

As of December 2017, the total cost of Phase 1 Improvements was approximately \$22.1 million, of which approximately \$11.8 million was financed by the 2014 Bonds. The total cost of the Improvements (which are related to Phase 2) is estimated to be \$15.1 million, a portion of which is expected to be financed by the 2018 Bonds. Additional Bonds are expected to be issued in the future to finance further Phase 2 and Phase 3 Improvements.

The total estimated cost of the Improvements at buildout, for all three phases of construction, is expected to be approximately \$57.2 million. Approximately \$40 million of bonds are expected to be issued for the District to provide a portion of the funding needs, with the remaining costs funded by the Developer, Lennar Homes and other owners of land in the District from other sources including the pay-as-you-go component of the Special Taxes.

The Special Tax Formula provides that the funding of Improvement costs can also be made from collections of the Special Tax available as the "pay-as-you-go" component of Special Taxes in an amount equal to Special Tax collections in excess of the amount needed to pay debt service and administration costs, which is expected to be provided through the annual Special Tax levy at the maximum rate during the time the 2018 Bonds are outstanding.

These amounts are estimates and actual costs are expected to vary. The cost of the Improvements will initially be paid for by the Developer and/or Lennar Homes, which will be reimbursed for certain of such improvement expenditures from the proceeds of the 2018 Bonds.

See "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT" below for a description of other sources of funding available to the Developer and/or Lennar Homes.

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

Item	Approximate Projected Total Cost (in millions)
Backbone Infrastructure	\$47.4
Neighborhood Parks/Trails	5.1
Deferred Development Impact Fees	<u>4.7</u>
Total	<u>\$57.2</u>

Source: Developer.

Infrastructure construction throughout the District is anticipated to be completed in three phases. Phase 1 infrastructure in the District (planned for 558 homes) cost \$22.1 million, with the 2014 Bonds providing approximately \$11.8 million of that cost. The Developer is owed approximately \$10.4 million in reimbursement for construction of Phase 1 infrastructure, which is expected to be paid from the proceeds of one or more future series of Additional Bonds and pay-as-you-go funding.

Phase 2 infrastructure in the District (planned for 652 single-family homes, 493 of which will be for individuals aged 55 years and older) is expected to cost \$15.1 million, a portion of which is expected to be financed by the 2018 Bonds. The amount not financed by the 2018 Bonds is expected to be paid from the proceeds of one or more future series of Additional Bonds.

Phase 3 infrastructure is expected to be funded, in part, by the issuance of one or more series of Additional Bonds in the future.

The Special Tax Formula provides that the funding of Improvement costs can also be made from collections of the Special Tax available as the "pay-as-you-go" component of Special Taxes. The pay-as-you-go funding component is expected to provide for funding of the cost of a portion of the Improvements in excess of the amount provided from bond proceeds (if such proceeds are not sufficient) through annual Special Tax collections in excess of the amount needed to pay the debt service. The City and the Developer contemplate utilizing this funding mechanism during the time the 2018 Bonds are outstanding. Additionally, after the final maturity date of the 2018 Bonds and any Additional Bonds issued to reimburse the Developer and/or other entities eligible for reimbursement for costs of the Improvements, the City expects to continue to levy Special Taxes for payment of the "Development Impact Fee Deferral" (as defined in the Rate and Method of Apportionment) which levy may secure future bonds issued after payment in full of the 2014 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Methodology" and " – Special Tax Fund."

Construction and Acquisition of the Improvements and Payment of Fees

Lennar Homes has completed construction of the backbone and in-tract infrastructure to serve its first 259 homes in Phase 2, as well as the backbone infrastructure that serves the 100 lots acquired by Woodside Homes in Village WB-4. Lennar Homes anticipates construction of the remaining Phase 2 backbone infrastructure, as well as the in-tract improvements for their expected

remaining 234 lots (which they are expected to close on in December 2018), in 2018. Lennar Homes owns the first 259 lots and expects to acquire the remaining lots at the end of 2018. Lennar Homes has 12 model homes under construction and broke ground on a 4,500-square foot recreation center in May 2018, with completion expected by November 2018. Woodside Homes is expected to begin model home construction in fall 2018, with sales to homebuyers to begin in 2018. Completion of homes in Phase 2 is projected for 2024, although these estimates are subject to market conditions. See "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT."

In connection with the issuance of the 2014 Bonds, the City and the Developer entered into a Funding, Construction and Acquisition Agreement (the "**Acquisition Agreement**") which provides that Developer or its affiliate will construct (or cause to be constructed or funded) the Improvements and related facilities, and the City, upon completion of construction and acceptance by the City, or through progress payments prior to completion of the entire improvement, will purchase the Improvements or reimburse the Developer for expended amounts using a portion of the proceeds of the Bonds pursuant to the terms of the Acquisition Agreement. The Developer and/or subsequent owners of land in the District which purchase parcels from the Developer (including Lennar Homes) will be responsible for the portion of the cost of construction of the Improvements not paid with Bond proceeds, however a portion of the needed funding is expected to come from the pay-as-you-go levy component resulting from a maximum Special Tax levy on Developed Property, as previously described above. The Developer expects to enter into an amendment to the Acquisition Agreement with the City for the Phase 2 backbone infrastructure under similar terms as the Acquisition Agreement, which will cover amounts owed for the backbone infrastructure constructed by Lennar Homes to-date in Phase 2.

OWNERSHIP OF PROPERTY WITHIN THE DISTRICT

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

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

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

Current Ownership in the District

Development is currently ongoing in the District, particularly in Phase 1 and Phase 2. As of April 11, 2018, there were 1,342 appraised single-family lots or homes in the District, including 592 unimproved residential lots, owned as set forth in the following table. The Appraisal also included one commercial parcel and one multi-family high-density residential parcel consisting of 255 lots. An additional 67 completed homes were not covered by the Appraisal. The Appraisal does not include the low-income properties that are not subject to the tax.

The following table shows the ownership of Appraised Property in the District as of April 11, 2018.

Table 4
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Ownership of Appraised Property in the District
As of April 11, 2018

<u>Owner</u>	<u>Commercial Parcels</u>	<u>Multifamily Units</u>	<u>Finished Lots</u>	<u>Partially Completed Homes</u>	<u>Completed Homes⁽²⁾</u>	<u>Unimproved Residential Lots</u>	<u>Total</u>
<u>Developer</u>							
Westpark SV 400 LLC ⁽¹⁾	1	255	--	--	--	492	748
<u>Merchant Builders</u>							
Woodside Homes	--	--	26	37	7	100	170
DR Horton	--	--	45	46	17	--	108
Taylor Morrison	--	--	122	23	--	--	145
Lennar Homes	--	--	231	28	--	--	259
Individual Homeowners ⁽³⁾	--	--	--	--	168	--	168
Totals	1	255	424	134	192	592	1,598

(1) Projected number of lots and parcels. Actual number of lots are less until small lot final maps are recorded.

(2) Completed homes without a complete assessment for structural improvements by County Assessor.

(3) Does not include 67 homes that were not covered by the Appraisal.

Source: *Appraisal of Real Property, Integra Realty Resources - Sacramento.*

The Developer

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

As development progressed, the Developer transferred areas of land to WP Development Company, LLC, a separate entity comprised of the same managing principals and capital members, for lot development and sales. WP Development Company, LLC is a limited liability company, formed in 2014 and registered to do business in California. The entity was formed for the purpose of commencing land development and marketing of individual villages to merchant builders to separate the dealer activities of this entity from the investment purpose of the Developer. The term "**Developer**" as used herein includes Westpark S.V. 400, LLC and WP Development Company, LLC.

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

where he oversaw the development of the Sun City Roseville and Sun City Lincoln Hills Communities.

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

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

<u>Project Name</u>	<u>City</u>	<u>No. of Lots (res)</u>	<u>No. of Sq. Ft. (Office/Industrial)</u>	<u>No. of Sq. Ft (Retail)</u>	<u>Owner/Developer</u>	<u>Status</u>
Westpark	Roseville, CA	4,585	1,110,000	163,350	1600 Placer Investors, LP	Sold March 2005 to Pulte, Lennar & Centex
Sierra Vista/ Westpark-Federico	Roseville, CA	908	0	0	Westpark Sierra Vista, LLC	Entitlements Completed, completing federal permitting process
Education Foundation	Lincoln, CA	71	0	0	Westpark LR, LLC	Entitlements complete, completing federal permitting process. Available for sale spring 2015

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

Developer Development Schedule. The Developer originally acquired the property in the District in August 2010. Westpark S.V. 400, LLC continues to own some land in Phase 2, all of which (other than WB-23, which will be mapped along with the villages in Phase 3), is in contract for sale to Lennar Homes. Westpark S.V. 400, LLC also owns all of the land in Phase 3, which it currently holds for investment purposes. It intends to sell all of its land holdings in the future either to merchant builders or will undertake a similar transfer to WP Development Company, LLC or a similarly controlled entity, as has taken place with Phase 1. See "THE DISTRICT – Current and Anticipated Development in the District."

The Developer has constructed the Phase 1 backbone infrastructure and has sold seven individual villages to merchant homebuilders. These sales include all of the land previously owned by the Developer in Phase 1. In Phase 2, the Developer has sold 259 unfinished lots to Lennar Homes and 100 unfinished lots to Woodside Homes. The Developer is also in contract with Lennar Homes to sell an additional 234 lots in Phase 2, which sale is scheduled to close in December 2018. The Developer still owns villages WB-2B, WB-3A, WB-3B, and WB-2A, all of which are in contract to be sold to Lennar, and WB-23 and WB-42 (commercial) in Phase 2, and the entirety of Phase 3. The Developer is not a homebuilder and expects to sell the remainder of its land in the District to merchant homebuilders and commercial purchasers for development as infrastructure improvements are completed. The timing of the sale of residential and non-residential parcels within the District by the Developer to merchant builders and others will be determined by market conditions.

All improved single-family residential homes and lots (817 in total, 558 of which are in Phase 1 and 259 of which are in Phase 2) have final maps in place. Five hundred ninety-two (592) unimproved residential lots (none of which are in Phase 1, 393 of which are in Phase 2, and 199 of which are in Phase 3), the two commercial parcels (WB-42 in Phase 2 and WB-41 in Phase 3), as well as the three multifamily residential parcels (WB-30, WB-31, WB-32, which are all in Phase 3 and which, except for WB-31 are expected to be designated as very-low income affordable or low income affordable and not subject to the Special Tax), have zoning in place for development, but no further entitlements. One hundred (100) of the unimproved residential lots in Phase 2 (owned by Woodside Homes) are expected to have final maps recorded by the end of July 2018.

The Developer also owns the commercial sites and expects to sell those sites once the adjacent development creates demand for the commercial needs. All of the commercial sites are "neighborhood serving," meaning they are likely to include uses required daily by local residents, such as grocery stores, pharmacies, and local food service outlets. The current sales forecast for these uses include the sale, anticipated in 2024, of a 14.5-acre retail parcel (WB-42), the only commercial parcel subject to the Special Tax. This sale is expected to be to a commercial developer with tenants in tow to service the needs of the area where few retail services exist. The remaining commercial site (WB-41), which is not subject to the Special Tax, is planned for sale in or after 2025.

Developer Financing Plan. The development of the backbone infrastructure improvements required to be installed by the Developer, and payment of the Special Taxes by the Developer will be funded through a combination of the following; (i) owner capital via periodic capital calls from investor members of the Developer; (ii) internal funds generated from sales of lots to merchant builders; and (iii) proceeds from the sale of bonds.

The Developer provided its current projected schedule of sources and uses for the proposed development of the remainder of Phase 2 and all of Phase 3 shown on the following page. ***The Developer has provided no assurances to the City or the Underwriter that the sources of financing that will actually be available to the Developer will be sufficient to complete its currently projected property development and project construction.***

Westbrook Community Facilities District No. 1 (Public Facilities)
Proposed Financing Plan of the Developer
Calendar Years 2018 through 2022
(Phases 2 and 3)

	Total	2018	2019	2020	2021	2022
Sources:						
Equity	\$--	\$--	\$--	\$--	\$--	\$--
Bond Proceeds	22,000,000	10,500,000	5,500,000	6,000,000	--	--
Net Residential Land Sales Proceeds	24,450,000	12,500,000	2,950,000	9,000,000		
Net Office & Retail Land Sales Proceeds	6,200,000	--	--	4,000,000	--	2,200,000
Total Sources	\$52,650,000	\$23,000,000	\$8,450,000	\$19,000,000		\$2,200,000
Uses:						
Infrastructure Hard Costs	\$19,492,000	\$7,105,200	\$4,736,800	\$7,650,000	\$--	\$--
Infrastructure Soft Costs	6,497,500	2,368,500	1,579,000	2,550,000	--	--
Interest Expense	--	--	--	--	--	--
Loan Repayment	--	--	--	--	--	--
Total Uses	\$26,000,000	\$9,473,700	\$6,315,800	\$10,200,000	\$--	\$--
Net Cash Flow	\$26,650,000	\$13,526,300	\$2,134,200	\$8,800,000	\$--	\$2,200,000

Source: Developer.

History of Property Tax Payments; Loan Defaults; Bankruptcy. The Developer will certify to the following representations at Closing:

- Neither the Developer nor any of its affiliates has ever defaulted to any material extent in the payment of special taxes or assessments in connection with the District or any other community facilities districts or assessment districts in California within the past five years.
- Neither the Developer nor any of its affiliates is currently in default on any loans, lines of credit or other obligation, the result of which could materially adversely affect the development of the property owned by the Developer in the District.
- The Developer is solvent and no proceedings are pending or, to the actual knowledge of Developer, threatened in which the Developer may be adjudicated as bankrupt or become the debtor in a bankruptcy proceeding, or discharge from all of its debts or obligations, or granted an extension of time to pay debts or a reorganization or readjustment of its debts.
- There is no litigation or administrative proceeding of any nature in which the Developer has been served, or to the Developer's actual knowledge, is pending or threatened against the Developer which, if successful, would materially adversely affect the ability of the Developer to complete the development and sale of its property within the District, or to pay the Special Taxes or ordinary ad valorem property tax obligations when due on its property within the District, or which challenges or questions the validity or enforceability of the 2018 Bonds, the Resolution of Issuance, the Fiscal Agent Agreement, the Property Owner Continuing Disclosure Certificate or the Bond Purchase Agreement.
- The Developer is not aware of any material failures to comply with previous undertakings by it or its affiliates periodic continuing disclosure reports or notices of material events in California within the past five years.

Lennar Homes

General. Lennar Homes of California, Inc. (previously defined as "**Lennar Homes**"), is a wholly-owned subsidiary of Lennar Corporation, a Delaware corporation ("**Lennar Corporation**"), with headquarters in Miami, Florida. Lennar Corporation is a diversified real estate company, publicly traded on the New York Stock Exchange under the symbol LEN and presided over by Chief Executive Officer Stuart Miller. Lennar Corporation started as a Dade County, Florida homebuilder in 1954. The year 2018 marked the 21st year that Lennar Corporation has operated in the Sacramento area. In February 2018, Lennar Corporation completed its merger with homebuilder CalAtlantic, creating the largest homebuilder in the United States based on revenues.

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 with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC's website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned

material may also be inspected at the office of the NYSE at 20 Broad Street, New York, New York 10005. Additionally, Lennar Corporation provides investor relations information on its website.

Recent Litigation Against Lennar Corporation. A lawsuit was filed in the state court of California against Lennar Corporation relating to Lennar Corporation and LandSource Communities Development, LLC, a Delaware limited liability company ("**LandSource**"), in which the California Public Employees' Retirement System ("**CalPers**") invested in 2007. LandSource filed for bankruptcy on June 8, 2008 ("**LandSource Bankruptcy Matter**"), and a plan for reorganization was approved by the bankruptcy court on July 20, 2009. (In re: LandSource Communities Development LLC, et al, Case No. 08-11111, United States Bankruptcy Court, District of Delaware.) The complaint, which is filed as a qui tam action by a newly created limited liability company, makes a number of claims related to Lennar Corporation's actions regarding LandSource and the related bankruptcy and seeks injunctive relief and damages (including statutory and treble) relating to CalPers' alleged \$970 million loss. Lennar Corporation has filed a petition to remove the complaint to federal court (Citizens Against Corporate Crime v. Lennar Corporation (9th Circuit, California Eastern District Court, Case No. 2:2018cv01269). Lennar Corporation has also filed a Motion to Reopen the Chapter 11 Bankruptcy Cases for the Limited Purpose of Enforcing the Injunction and Release in the Debtors' Joint Chapter 11 Plan and Confirmation Order. Persons released in the LandSource Bankruptcy Matter include Lennar Corporation and Lennar Homes. Lennar Corporation contends that in addition to the complaint being barred by the release and injunction in the LandSource Bankruptcy Matter, the complaint is meritless and barred by applicable statutes of limitation and other defenses. Lennar Homes is not a party to the complaint. Lennar Homes believes that even if, in the unlikely event, the complaint is successful against Lennar Corporation, Lennar Homes will be able to complete the development and sale of its project within the District as described in this Official Statement and pay Special Taxes and ad valorem tax obligations on the property that it owns within the District prior to delinquency during Lennar Homes' period of ownership.

For further information on Lennar Corporation, see its Internet homepage located at www.lennar.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriter. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference and no representation is made in this Official Statement as to the accuracy or adequacy of the information contained on the internet site.

Lennar Homes Development. As of April 11, 2018, Lennar Homes owns 259 lots in Phase 2 of the District, consisting of 231 finished lots and 28 partially completed homes. Lennar Homes also anticipates closing in December 2018 the purchase from the Developer of an additional 234 lots in Phase 2. Within its "Heritage Solaire" neighborhood, Lennar Homes is offering 12 floorplans that range in size from approximately 1,246 square feet to approximately 2,766 square feet and in price from \$402,000 to \$591,000. Prices reflect base sales prices as of January 31, 2018, which are subject to change and exclude options, upgrades, lot premiums and any incentives or price reductions being offered. There can be no assurance that actual base sales prices of the remaining homes will equal or exceed the base sales prices set forth above.

Woodside Homes

General. Woodside 05N, LP, a California limited partnership (previously defined as "**Woodside Homes**"), is wholly owned by Woodside Group, LLC, a Nevada limited liability company ("**Woodside Group**"), directly or through its wholly owned subsidiaries. Woodside Homes is owned 99% directly by Woodside Group, as a limited partner. The remaining 1%

interest is owned by WDS GP, Inc., a California corporation, as its general partner, which is wholly owned by Woodside Homes of California, Inc., a California corporation, which in turn is wholly owned by Woodside Group. The parent of Woodside Group is Woodside Homes Company, LLC, a Delaware limited liability company.

Woodside Group's subsidiaries engage in the design, construction and sale of single-family homes under the brand name of "Woodside Homes." Woodside Homes is one of America's top 30 homebuilders having built more than 40,000 homes across the United States, with current operations in Arizona, California, Nevada, Texas and Utah.

On February 28, 2017, Sekisui House, Ltd. ("**Sekisui House**"), acquired all of the membership interests in Woodside Homes Company, LLC pursuant to a Merger Agreement, dated February 27, 2017, by and between Sekisui House and Woodside Homes Company, LLC (the "**Merger Agreement**"). Pursuant to the Merger Agreement, SH Residential Holdings, LLC, a subsidiary of Sekisui House US Holdings, LLC, which is a wholly owned subsidiary of Sekisui House, completed the merger of Crayon Special Vehicle-I, LLC, a wholly owned subsidiary of SH Residential Holdings, LLC and Woodside Homes Company, LLC (the "**Merger**"), with Woodside Homes Company, LLC being the surviving entity. Immediately following the Merger, Woodside Homes Company, LLC became a wholly owned subsidiary of SH Residential Holdings, LLC. In addition, North America Sekisui House, LLC, a wholly owned subsidiary of Sekisui House, became a wholly owned subsidiary of Sekisui House US Holdings, LLC.

Information about Woodside Homes, including current home offerings, is available on its website at www.woodsidehomes.com. This website is given for reference and convenience only, and the information on this website may be incomplete or inaccurate and has not been reviewed by the District, the City or the Underwriter. Information on this website 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 this Internet site.

Woodside Development. As of April 11, 2018, within the "Bromley," "Hillingdon," and "Solis" neighborhoods in the District, approximately 186 homes had been completed and conveyed to individual homebuyers and the remaining 70 residential lots consisted of 26 finished lots, 37 homes under construction, and 7 finished homes without assessed value.

Within its "WB-4" neighborhood, consisting of 100 tentatively mapped parcels (expected to record a final map by the end of July 2018), Woodside Homes is still evaluating its potential product offering, but is considering offering 6 floorplans ranging in size from approximately 1,700 square feet to approximately 2,500 square feet, with base sales prices as of January 31, 2018 ranging from approximately \$410,000 to approximately \$486,000. Base sales prices are subject to change and exclude options, upgrades, lot premiums and any incentives or price reductions being offered. There can be no assurance that actual base sales prices of the remaining homes will equal or exceed the base sales prices set forth above.

There can be no assurance that Woodside Homes' development plan described in this Official Statement will be completed or that the development plan will not be modified in the future. Additionally, there can be no assurances of the absorption rate of the homes remaining to be built and sold. In changing market conditions, builders will often revise the product lines and prices and the rate of sales can fluctuate. Woodside Homes will continuously evaluate its product lines and prices in light of the then current market conditions. See "SPECIAL RISK FACTORS" herein for a discussion of risk factors.

D.R. Horton

General. D.R. Horton CA3, Inc., a Delaware corporation (“**D.R. Horton**”). is a wholly-owned subsidiary of D.R. Horton, Inc., a Delaware corporation (“**D.R. Horton, Inc.**”), a public company whose common stock is traded on the New York Stock Exchange under the symbol “DHI.” Founded in 1978 and headquartered in Fort Worth, Texas, D.R. Horton, Inc. constructs and sells homes in 26 states and 79 metropolitan markets of the United States under the names of D.R. Horton, America’s Builder, Emerald Homes, Express Homes, Freedom Homes and Pacific Ridge Homes.

D.R. Horton, Inc. is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and in accordance therewith files reports, proxy statements and other information, including financial statements, with the Securities and Exchange Commission. Such filings, particularly, D.R. Horton, Inc.’s Annual Report on Form 10-K for the Fiscal Year ended September 30, 2017, as filed by D.R. Horton, Inc. with the Securities and Exchange Commission on November 15, 2017, and Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2017, as filed by D.R. Horton, Inc. with the Securities and Exchange Commission on February 8, 2018, set forth certain data relative to the consolidated results of operations and financial position of D.R. Horton, Inc. and its subsidiaries, including D.R. Horton, as of such dates.

D.R. Horton, Inc./Forestar Merger. On October 5, 2017, D.R. Horton, Inc. announced the closing of D.R. Horton, Inc.’s previously announced acquisition of approximately 75% of the then-outstanding shares of Forestar Group, Inc. (NYSE: FOR) (“**Forestar**”) pursuant to a merger of a wholly owned subsidiary of D.R. Horton, Inc. with and into Forestar. Forestar is a residential and real estate development company with operations in 14 markets in 10 states, where it owns, directly or through joint ventures, interests in 44 residential and mixed-use projects. Pursuant to the merger announcement, the transaction establishes a strategic relationship between Forestar and D.R. Horton, Inc. for the supply of developed lots, as an extension of D.R. Horton’s strategy of increasing its optioned land and lot position to enhance operational efficiency and returns.

The Securities and Exchange Commission maintains an Internet web site that contains reports, proxy and information statements and other information regarding that registrants, including D.R. Horton, Inc., that file electronically with the Securities and Exchange Commission. The address of such Internet web site is www.sec.gov. In addition, the aforementioned material may also be inspected at the offices of the NYSE at 20 Broad Street, New York, NY 10005. All documents subsequently filed by D.R. Horton, Inc. pursuant to the requirements of the Securities Exchange Act of 1934 after the date of this Official Statement will be available for inspection in such manner as the Securities and Exchange Commission prescribes.

Copies of D.R. Horton, Inc.’s Annual Report and each of its other quarterly and current reports, including any amendments, are available from D.R. Horton, Inc.’s website at www.drhorton.com.

The foregoing Internet addresses and references to filings with the Securities and Exchange Commission are included for reference only, and the information on these Internet sites and on file with the Securities and Exchange Commission may be incomplete or inaccurate and has not been reviewed by the District, the City or the Underwriter. Information on these websites 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 these Internet sites.

D.R. Horton Development. D.R. Horton's development plan within Phase 1 of the District is the construction of 203 single-family detached homes in two neighborhoods known as "Manchester", proposed to contain 100 homes at completion, and "Wexford", proposed to contain 103 homes at completion.

As of May 31, 2018, within the "Manchester" neighborhood in the District, 81 homes had been completed and conveyed to individual homebuyers and the remaining 19 residential lots consisted of two lots with completed homes owned by D.R. Horton (including two model homes), 15 lots in various stages of home construction, and two finished lots without any home construction thereon. Within its "Manchester" neighborhood, D.R. Horton is offering three floorplans that range in size from approximately 1,974 square feet to approximately 2,238 square feet, with base sales prices as of January 31, 2018 ranging from approximately \$403,990 to approximately \$432,990. Base sales prices are subject to change and exclude options, upgrades, lot premiums and any incentives or price reductions being offered. There can be no assurance that actual base sales prices of the remaining homes will equal or exceed the base sales prices set forth above.

As of May 31, 2018, within the "Wexford" neighborhood in the District, 49 homes had been completed and conveyed to individual homebuyers and the remaining 54 residential lots consisted of two lots with completed homes owned by D.R. Horton (including two model homes), 25 lots in various stages of home construction, and 27 finished lots without any home construction thereon. Within its "Wexford" neighborhood, D.R. Horton is offering four floorplans that range in size from approximately 1,898 square feet to approximately 2,257 square feet, with base sales prices as of January 31, 2018 ranging from approximately \$416,990 to approximately \$444,990. Base sales prices are subject to change and exclude options, upgrades, lot premiums and any incentives or price reductions being offered. There can be no assurance that actual base sales prices of the remaining homes will equal or exceed the base sales prices set forth above.

There can be no assurance that D.R. Horton's development plan described in this Official Statement will be completed or that the development plan will not be modified in the future. Additionally, there can be no assurances of the absorption rate of the homes remaining to be built and sold. In changing market conditions, builders will often revise the product lines and prices and the rate of sales can fluctuate. D.R. Horton will continuously evaluate its product lines and prices in light of the then current market conditions. See "SPECIAL RISK FACTORS" herein for a discussion of risk factors.

Taylor Morrison

General. Taylor Morrison of California LLC, a California limited liability company, is a subsidiary of Taylor Morrison Home Corporation, a Delaware corporation ("**Taylor Morrison**"). Taylor Morrison's common stock is publicly traded on the NYSE under the symbol "TMHC." Taylor Morrison is one of the largest public homebuilders in the United States, as well as a real estate developer, with a portfolio of lifestyle and master-planned communities. It operates under both the Taylor Morrison and Darling Homes brand names. It also provides financial services to customers through its wholly owned mortgage subsidiary, and title insurance and closing settlement services through its title company. According to Taylor Morrison, during the year ended December 31, 2017, it had operations located in nine states and closed 8,032 homes. At December 31, 2017, it owned or controlled over 37,952 lots.

Taylor Morrison's website address is <http://www.taylormorrison.com>. The website address is given for reference and convenience only, the information on the website may be incomplete or inaccurate and has not been reviewed by the Authority, the City or the Underwriter. Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.

Taylor Morrison Development. As of April 11, 2018, Taylor Morrison owns 145 lots in Phase 1 of the District, consisting of 122 finished lots and 23 partially completed homes. Within its "Solaire" neighborhood, Taylor Morrison is offering seven floorplans that range in size from approximately 2,018 square feet to approximately 3,911 square feet and in price from \$436,990 to \$552,990. Prices reflect base sales prices as of March 26, 2018, which are subject to change and exclude options, upgrades, lot premiums and any incentives or price reductions being offered. There can be no assurance that actual base sales prices of the remaining homes will equal or exceed the base sales prices set forth above.

VALUE OF PROPERTY WITHIN THE DISTRICT

Assessed Values

The following table shows a history of assessed valuations of land in the District since Fiscal Year 2014-15.

Table 5
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Historical Assessed Values for the District
Fiscal Years 2014-15 through 2017-18

Fiscal Year	Land Value	Structure Value	Total Assessed Value	% Change in Total Assessed Value
2014-15	\$11,496,355	\$0	\$11,496,355	--
2015-16	11,726,045	0	11,726,045	2.0%
2016-17	23,381,318	2,196,600	25,577,918	118.1%
2017-18	37,855,938	23,215,361	61,071,299	138.8%

Sources: City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2014, Annual Continuing Disclosure Information Statements for fiscal years 2014-15 through 2015-16; Placer County Secured Property Roll, as compiled by Willdan Financial Services for fiscal years 2016-17 through 2017-18.

The Appraisal

General. Integra Realty Resources, Sacramento, California (the "**Appraiser**") prepared an appraisal report dated May 4, 2018, with a date of value of April 11, 2018, and an Update Appraisal Report, dated June 22, 2018, with a date of value of June 15, 2018 (together, the "**Appraisal**"). The Appraisal was prepared at the request of the City. The Appraisal is set forth in APPENDIX B hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions and qualifications which are set forth in the Appraisal.

Parcels Appraised. The appraised properties consist of 592 unimproved residential lots, 424 finished residential lots, 134 partially completed homes, one commercial parcel, and one multifamily (high density residential) parcel within the District, all of which are identified in the appendix to the Appraisal.

In addition, there are also 192 completed single-family homes within the boundaries of the District not currently assessed for a complete improvement value by the Placer County Assessor on the 2017-18 County property tax roll; as such, a not-less-than estimate of market value for the smallest floor plan constructed within each subdivision was appraised and assigned to each respective assessor's parcel within the District. Additionally, See APPENDIX B for additional details.

Value Estimates. The Appraisal valued the fee simple estate of the taxable property in the District to estimate the market value of the property in bulk (based on the hypothetical condition the improvements to be financed by the 2018 Bonds were in place as of the date of valuation). The valuation accounts for the impact of the lien of the Special Tax and represents the hypothetical market value (based on the hypothetical condition cited below) of all the land in the District. In accounting for the impact of the lien of the Special Tax, the valuation adds the projected bond lien amount to arrive at a "fully loaded" value. The property appraised excludes property in the District designated for public and quasi-public purposes.

The aggregate value estimate for the appraised properties as of the April 11, 2018 date of value, using the methodologies described in the Appraisal and subject to the limiting conditions and special assumptions set forth in the Appraisal, and based on the ownership of the property as of that date, is not less than \$190,608,900. This does not include the assessed value of the existing homes in the District (which were not appraised), which have a 2017 assessed value equal to \$29,499,616. Taken together, the appraised value of the appraised parcels and the assessed value of the completed homes is equal to not less than \$220,108,516.

The appraisal methodology utilizes all three approaches to value, the cost, sales comparison and income capitalization approach, as well as an extraction technique, to estimate the market value for the property's various land components. For the ownership held by the master developer, the aggregate value estimate is then integrated into a discounted cash flow (subdivision development method). The approaches to value were conducted as set forth below. See also "Assumptions and Limiting Conditions" below.

Hypothetical Condition. *The value estimate is subject to a hypothetical condition, defined as that which is contrary to what exists but is supposed for the purposes of analysis. For purposes of the hypothetical condition, the Appraiser assumed that certain proceeds of the 2018 Bonds are available to reimburse for infrastructure improvements completed. The appraised value accounts for the lien of the Special Tax by adding the bond lien amount to arrive at a "fully loaded" value.*

Aggregate Value. The retail value for the property represents estimates of what an end user would pay for a finished property under conditions requisite to a fair sale. The Appraiser considered property finished if it were in a state where it could be purchased and then or shortly thereafter be fully developed, with all major infrastructure in place, the subdivision map ready for final approval, and the in-tract improvements able to be completed shortly. The aggregate retail value is the sum of the retail values for the applicable property groupings. This value estimate excludes all allowances for carrying costs and is not equal to the market value of all the subject properties.

Market Value, Bulk Value. The bulk sale value represents the most probable price, in a sale of certain parcels within District, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value. The discounted value of the property represents the market value of the property in the District.

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

- The value estimates assume the completion of the public facilities to be financed by the 2018 Bonds, but not any Additional Bonds. See "THE IMPROVEMENTS."
- The Appraisal relies on infrastructure and development cost estimates from the Developer, as well as presumed Special Taxes and 2018 Bond proceeds expected to be available. Accordingly, the value estimate is connected to such estimates of infrastructure and development costs, Special Taxes and 2018 Bond proceeds; any changes to these variables may necessarily affect the estimated value. It is therefore an extraordinary assumption that the infrastructure and development costs, Special Taxes and bond proceeds are as represented in the Appraisal.

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

Projected Absorption Period. The Appraiser also estimated the marketing time that would be required for the disposition of the single-family residential lots, based on the historical marketing times of a number of local sales, as well as current and projected economic conditions, the impacts of present market conditions, as well as anticipated changes in the market. After considering the development timeline and scope of the project, the Appraiser estimated the various land use components held by the master developer could transfer within four years of exposure on the market. Thus, the discounted cash flow analysis reflected sales of residential lots over such period, following completion of additional backbone infrastructure. The estimate takes into account the time and process associated with delivering developable parcels. The various parcels held by the merchant builders are anticipated to sell within 12 months of exposure. See Appendix B.

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

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

No assurance can be given that the foregoing valuation can or will be maintained during the period of time that the 2018 Bonds are outstanding in that the City has no control over the market value of the property within the District or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes. See "—Overlapping Liens and Priority of Lien" below.

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

Value to Special Tax Burden Ratios

Value to Lien Ratios by Development Status and Phase. The following table (Table 6-A) sets forth appraised value, assessed value, maximum special tax, allocable CFD debt, and average value to lien ratios by status of development and Phase, based on the status of development in the District as of April 11, 2018, the Appraiser's date of inspection, and on

assumptions detailed herein. Table 6-B, which follows thereafter, sets forth appraised value, assessed value, maximum special tax, allocable CFD debt, and average value to lien ratios by status of development and Phase, based on the hypothetical assumption that parcel WB-4 in Phase 2-A records its final map and is classified as Developed Property instead of Tentative Map Property. This hypothetical assumption has been made to show the impact on the average value to lien ratios on property in the District, assuming parcel WB-4 has recorded small-lot final maps (which is expected to occur in July 2018) and no additional properties record their small-lot final maps after WB-4 and no additional CFD Bonds are issued after the 2018 Bonds.

In both Table 6-A and Table 6-B, the Hypothetical Fiscal Year 2018-19 Special Tax Levy shown represents maximum Special Taxes levied on certain taxable parcels (Developed Property and the WB-4 lots assuming they receive their final map), as indicated in such tables. This does not reflect the actual projected Fiscal Year 2018-19 Special Tax levy, which is expected to be lower due to capitalized interest paying a portion of debt service due on the 2018 Bonds. Table 6-A and Table 6-B are meant to reflect the proportion of the debt service levy that will occur after the capitalized interest period based on the status of development noted in each such table. See the footnotes to Table 6-A and Table 6-B for additional details.

Table 6-A
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Allocable CFD Debt and Value to Lien Ratios by Phase of Development - CFD Debt Allocated by Hypothetical Special Taxes
(Reflecting Large Lot WB-4 as Tentative Map Property)

Development Status / Phase No. ⁽¹⁾⁽²⁾	No. of Parcels ⁽³⁾	Planned Residential Units ⁽³⁾	Appraised Value ⁽⁴⁾	Assessed Value ⁽⁴⁾	FY 2018-19 Maximum Tax	Hypothetical FY 2018-19 Special Tax Levy ⁽⁵⁾⁽⁷⁾	Allocable Debt CFD Bonds ⁽⁶⁾⁽⁷⁾	% of Total CFD Bonded Debt ⁽⁷⁾	Overlapping Debt ⁽⁸⁾	Total Direct & Overlapping Debt	Average Value to Lien Ratio ⁽⁷⁾
<u>Completed Homes ⁽⁹⁾</u>											
Phase 1	259	259	\$83,795,000	\$29,499,616	\$407,952	\$407,952	\$6,910,342	26.73%	\$573,329	\$7,483,672	15.14
<u>Partially Completed Homes</u>											
Phase 1	1	106	\$14,274,000	N/A	\$171,988	\$171,988	\$2,913,314	11.27%	\$85,654	\$2,998,968	4.76
Phase 2-A	N/A	28	4,032,000	N/A	48,038	48,038	813,726	3.15%	3,722	817,447	4.93
Subtotal	N/A	134	\$18,306,000	N/A	\$220,026	\$220,026	\$3,727,040	14.42%	\$89,376	\$3,816,416	4.80
<u>Finished Lots</u>											
Phase 1	N/A	193	\$26,753,000	N/A	\$330,197	\$330,196	\$5,593,218	21.64%	\$84,326	\$5,677,544	4.71
Phase 2-A	N/A	231	33,264,000	N/A	396,316	396,316	6,713,237	25.97%	23,216	6,736,453	4.94
Subtotal	N/A	424	\$60,017,000	N/A	\$726,513	\$726,512	\$12,306,455	47.61%	\$107,542	\$12,413,997	4.83
<u>Tentative Map Lots ⁽¹⁰⁾</u>											
Phase 2-A	1	100	\$9,160,900	N/A	\$171,565	\$44,866	\$759,997	2.94%	\$8,459	\$768,457	11.92
Phase 2-B	9	293	9,714,466	N/A	484,486	126,699	2,146,166	8.30%	30,668	2,176,834	4.46
Subtotal	10	393	\$18,875,366	N/A	\$656,051	\$171,565	\$2,906,163	11.24%	\$39,127	\$2,945,290	6.41
<u>Unimproved Lots / Multi-Family</u>											
Phase 3 ⁽¹¹⁾	4	454	\$8,224,016	N/A	\$364,211	\$0	\$0	0.00%	\$29,490	\$29,490	N/A
<u>Unimproved Non- Residential</u>											
Phase 2-A ⁽¹²⁾	1	N/A	\$1,391,518	N/A	\$0	\$0	\$0	0.00%	\$7,476	\$7,476	N/A
Total	433	1,664	\$190,608,900	\$29,499,616	\$2,383,386	\$1,526,056	\$25,850,000	100.00%	\$846,340	\$26,696,340	8.24

Footnotes Follow on Next Page

- (1) Development Status as of April 11, 2018 inspection date of the Appraisal.
- (2) The boundaries of the Westbrook development's Phase Nos. 1, 2 & 3 are coterminous to the respective boundaries of Westbrook CFD 1 Zone Nos. 1, 2 & 3.
- (3) Differences between the number of parcels and the number of residential lots can be due to the timing difference between the Assessor's July 1, 2017 Secured Tax Roll and the Appraisal's April 11, 2018 Inspection Date.
- (4) Appraised Values as of April 11, 2018. According to the Appraisal dated May 4, 2018, those lots/parcels with completed improvements with an assigned complete assessed value for both land and improvements are not a part of the Appraisal. Those parcels not appraised are instead valued at FY 2017-18 assessed value.
- (5) The projected Special Tax Levy for FY 2018-19 will be debt service on the Bonds during the 2019 Bond Year, district administration costs and taking into account the small amount of capitalized interest that will be applied against the 2019 Bond Year debt service. The projected 2018-19 Special Tax Levy is \$1,354,491, which equals the FY 2018-19 Maximum Special Tax on all of the District's Developed Property (Final Small Lot Subdivision Maps recorded by June 30, 2018). The Hypothetical FY 2018-19 Special Tax Levy of \$1,526,056 represents the Maximum Special Tax on both the Developed Property and the tentatively mapped 100 lots identified as Large Lot WB-4. The WB-4 parcel is expected to record its Final Small Lot Subdivision Map after June 30, 2018, which would classify its 100 Lots as Developed Property in a tax year after FY 2018-19. The Hypothetical FY 2018-19 Special Tax Levy would be the approximate amount that would be levied if there was no Capitalized Interest.
- (6) Includes the \$14,235,000 outstanding principal amount of the Westbrook CFD 1 Series 2014 Special Tax Bonds and the \$11,615,000 par amount of the Series 2018 Special Tax Bonds.
- (7) This allocation reflects the proportion of the debt service levy that will occur after the capitalized interest period based on the status of development as noted in this table. Since the Final Small Lot Subdivision Map for Large Lot WB-4 was not recorded by June 30, 2018, the 100 lots within the WB-4 parcel will not be considered Developed Property for the FY 2018-19 Special Tax Levy. This table allocates the District's Debt on the Hypothetical FY 2018-19 Special Tax Levy of \$1,526,056, including a projected levy of \$171,565 to all of the 393 tentatively mapped lots within Zone 2. Since the Tentative Map Lots are levied at only 26% of their Maximum Special Tax, less CFD Bonded Debt is allocated to the Tentative Map Lots in comparison to the Developed parcels at their Maximum Special Tax, causing the Value-to-Lien Ratios of the Tentative Map parcels in this table to be higher than if CFD Debt was allocated using each tentatively mapped parcel's Maximum Special Tax. Table 6-B provides an alternate allocation of the District's Bonded Debt assuming that the Final Subdivision Map for Large Lot WB-4 was recorded by June 30, 2018 and levied as Developed Property in FY 2018-19.
- (8) Includes the overlapping debt liens to each parcel as of June 1, 2018 as listed under "Direct and Overlapping Tax and Assessment Debt" in the overlapping debt report prepared by California Municipal Statistics, Inc. No direct charges related to PACE liens secured by Special Taxes were levied onto the District parcels in FY 2017-18.
- (9) Of the District's 259 Completed Homes, 192 are valued by the Appraiser while 67 are valued using assessed value.
- (10) Represents Large Lot WB-4 which is described in the Appraisal Report as 100 "Unimproved Lots". The Master Developer has indicated that the Final Small Lot Subdivision Map for Large Lot WB-4 is expected to be recorded after June 30, 2018, which would classify the 100 units of parcel WB-4 as "Developed Property" in a tax year after FY 2018-19. Therefore, parcel WB-4 is shown in this table as being subject to the FY 2018-19 levy in proportion with the 293 other tentative map lots in Phase 2, which impacts the allocation of the District's Bonded Debt as described in footnotes (5) and (7). Because parcel WB-4 is expected to receive its final map after June 30, 2018, Table 6-B provides an alternate allocation of the District's Bonded Debt assuming that the final subdivision map for Large Lot WB-4 was recorded before June 30, 2018 and will be levied as Developed Property in FY 2018-19. Although the WB-4 parcel will not be Developed for FY 2018-19, since its small lot final map is expected to be recorded shortly, the allocation shows the debt lien assuming no additional final maps are recorded after the final subdivision of the WB-4 parcel.
- (11) Phase 3 includes 199 units of single family residential and 255 units of high density residential subject to the District's Special Tax. Although the District is approved for 2,029 residential units, the 365 high density affordable units of Lots WB-30 and WB-32 are excluded from this table as these parcels are not subject to the District's Special Tax.
- (12) Represents one 14.5-acre commercial parcel known as Lot WB-42. The 10-acre non-residential property known as Lot WB-41 is excluded from the tables as it is not subject to the District's Special Tax.

Sources: *Assessed Values – Placer County 2017-18 Secured Property Roll, as compiled by Willdan Financial Services; Appraised Values - Integra Realty Resources, Inc.; Overlapping Debt - California Municipal Statistics, Inc.; Maximum Special Tax - Willdan Financial Services.*

Table 6-B
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Allocable CFD Debt and Value to Lien Ratios by Phase of Development - CFD Debt Allocated by Hypothetical Special Taxes
(Assuming Large Lot WB-4 as Developed Property)

Development Status / Phase No. ⁽¹⁾⁽²⁾	No. of Parcels ⁽³⁾	Planned Residential Units ⁽³⁾	Appraised Value ⁽⁴⁾	Assessed Value ⁽⁴⁾	FY 2018-19 Maximum Tax	Hypothetical FY 2018-19 Special Tax Levy ⁽⁵⁾⁽⁷⁾	Allocable Debt CFD Bonds ⁽⁶⁾⁽⁷⁾	% of Total CFD Bonded Debt ⁽⁷⁾	Overlapping Debt ⁽⁸⁾	Total Direct & Overlapping Debt	Average Value to Lien Ratio ⁽⁷⁾
Completed Homes ⁽⁹⁾											
Phase 1	259	259	\$83,795,000	\$29,499,616	\$407,952	\$407,952	\$6,910,342	26.73%	\$573,329	\$7,483,672	15.14
Partially Completed Homes											
Phase 1	1	106	\$14,274,000	N/A	\$171,988	\$171,988	\$2,913,314	11.27%	\$85,654	\$2,998,968	4.76
Phase 2-A	N/A	28	4,032,000	N/A	48,038	48,038	813,726	3.15%	3,722	817,447	4.93
Subtotal	N/A	134	\$18,306,000	N/A	\$220,026	\$220,026	\$3,727,040	14.42%	\$89,376	\$3,816,416	4.80
Finished Lots											
Phase 1	N/A	193	\$26,753,000	N/A	\$330,197	\$330,192	\$5,593,218	21.64%	\$84,326	\$5,677,544	4.71
Phase 2-A	N/A	231	33,264,000	N/A	396,316	396,316	6,713,237	25.97%	23,216	6,736,453	4.94
Subtotal	N/A	424	\$60,017,000	N/A	\$726,513	\$726,512	\$12,306,455	47.61%	\$107,542	\$12,413,997	4.83
Tentative Map Lots ⁽¹⁰⁾											
Phase 2-A	1	100	\$9,160,900	N/A	\$171,565	\$171,565	\$2,906,163	11.24%	\$8,459	\$2,914,622	3.14
Phase 2-B	9	293	9,714,466	N/A	484,486	0	0	0.00%	30,668	30,668	N/A
Subtotal	10	393	\$18,875,366	N/A	\$656,051	\$171,565	\$2,906,163	11.24%	\$39,127	\$2,945,290	N/A
Unimproved Lots / Multi-Family											
Phase 3 ⁽¹¹⁾	4	454	\$8,224,016	N/A	\$364,211	\$0	\$0	0.00%	\$29,490	\$29,490	N/A
Unimproved Non- Residential											
Phase 2-A ⁽¹²⁾	1	N/A	\$1,391,518	N/A	\$0	\$0	\$0	0.00%	\$7,476	\$7,476	N/A
Total	433	1,664	\$190,608,900	\$29,499,616	\$2,383,386	\$1,526,056	\$25,850,000	100.00%	\$846,340	\$26,696,340	8.24

Footnotes Follow on Next Page

- (1) Development Status as of April 11, 2018 inspection date of the Appraisal.
- (2) The boundaries of the Westbrook development's Phase Nos 1, 2 & 3 are coterminous to the respective boundaries of Westbrook CFD 1 Zone Nos. 1, 2 & 3.
- (3) Differences between the number of parcels and the number of residential lots can be due to the timing difference between the Assessor's July 1, 2017 Secured Tax Roll and the Appraiser's April 11, 2018 date of inspection.
- (4) Appraised Values as of April 11, 2018. According to the Appraisal dated May 4, 2018, those lots/parcels with completed improvements with an assigned complete assessed value for both land and improvements are not a part of the Appraisal. Those parcels not appraised are instead valued at FY 2017-18 assessed value.
- (5) The projected Special Tax Levy for FY 2018-19 will be debt service on the Bonds during the 2019 Bond Year, district administration costs and taking into account the small amount of capitalized interest that will be applied against the 2019 Bond Year debt service. The projected FY 2018-19 Special Tax Levy is \$1,354,491, which equals the FY 2018-19 Maximum Special Tax on all of the District's Developed Property (Final Small Lot Subdivision Maps recorded by June 30, 2018). The Hypothetical FY 2018-19 Special Tax Levy of \$1,526,056 represents the Maximum Special Tax on both the Developed Property and the tentatively mapped 100 lots identified as Large Lot WB-4. The WB-4 parcel is expected to record its Final Small Lot Subdivision Map after June 30, 2018, which would classify its 100 Lots as Developed Property in a tax year after FY 2018-19. The Hypothetical FY 2018-19 Special Tax Levy would be the approximate amount that would be levied if there was no Capitalized Interest.
- (6) Includes the \$14,235,000 outstanding principal amount of the Westbrook CFD 1 Series 2014 Special Tax Bonds and the \$11,615,000 par amount of the Series 2018 Special Tax Bonds.
- (7) This table assumes the allocation of the District's Bonded Debt based upon the Hypothetical FY 2018-19 Special Tax Levy of \$1,526,056 to all Developed Parcels, including the assumption that parcel WB-4 recorded its final map so that its 100 lots be considered Developed Property in FY 2018-19. Reference is made to footnotes (5) and (10) as well as Table 6-A.
- (8) Includes the overlapping debt liens to each parcel as of June 1, 2018 listed under "Direct and Overlapping Tax and Assessment Debt" in the overlapping debt report prepared by California Municipal Statistics, Inc. No direct charges related to PACE liens secured by Special Taxes were levied onto the District parcels in FY 2017-18.
- (9) Of the District's 259 Completed Homes, 192 are valued by the Appraiser while 67 are valued using assessed value.
- (10) Represents Large Lot WB-4 which is described in the Appraisal Report as 100 "Unimproved Lots". Since the Final Small Lot Subdivision Map for parcel WB-4 was not recorded by June 30, 2018, the WB-4 parcel will be classified as Tentative Map Property for purposes of the FY 2018-19 tax levy. However, the WB-4 parcel is expected to receive its recorded final map after June 30, 2018. This alternate allocation assumes that parcel WB-4 has recorded its small-lot final map (which is expected to occur in July 2018), no additional properties record their small-lot final maps after this subdivision of the WB-4 parcel and no additional CFD Bonds are issued after the 2018 Bonds.
- (11) Phase 3 includes 199 units of single family residential and 255 units of high density residential subject to the District's Special Tax. Although the District is approved for 2,029 residential units, the 365 high density affordable units of Lots WB-30 and WB-32 are excluded from this table as these parcels are not subject to the District's Special Tax.
- (12) Represents one 14.5-acre commercial parcel known as Lot WB-42. The 10-acre non-residential property known as Lot WB-41 is excluded from the tables as it is not subject to the District's Special Tax.

Sources: Assessed Values – Placer County 2017-18 Secured Property Roll, as compiled by Willdan Financial Services; Appraised Values - Integra Realty Resources, Inc.; Overlapping Debt - California Municipal Statistics, Inc.; Maximum Special Tax - Willdan Financial Services.

Value to Lien Ratios by Ownership and Development Status. The following table presents information regarding appraised value, assessed value, and average value to lien ratios by owner and status of development as of April 11, 2018.

Table 7
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Hypothetical 2018/19 Special Tax Levy, Principal Property Owners and Development Status - CFD Debt Allocated by Hypothetical Special Taxes
(Reflecting Large Lot WB-4 as Tentative Map Property)

Ownership & Development Status⁽¹⁾	No. of Parcels⁽²⁾	Residential Units⁽²⁾	Appraised Value⁽³⁾	Assessed Value⁽³⁾	FY 2018-19 Maximum Tax	Hypothetical FY 2018-19 Special Tax Levy⁽⁴⁾⁽⁶⁾	Allocable Debt CFD Bonds⁽⁵⁾⁽⁶⁾	% of Total CFD Bonded Debt⁽⁶⁾	Overlapping Debt⁽⁷⁾	Total Direct & Overlapping Debt	Average Value to Lien Ratio⁽⁶⁾
<u>MASTER DEVELOPER</u>											
<u>Westpark SV 400 LLC</u>											
Tentative Map Lots ⁽⁶⁾⁽¹⁰⁾	9	293	\$9,714,466	N/A	\$484,486	\$126,699	\$2,146,166	8.30%	\$30,668	\$2,176,834	4.46
Unimproved Lots / Multi-Family ⁽⁸⁾	4	454	8,224,016	N/A	364,211	0	0	0.00%	29,490	29,490	N/A
Unimproved Non-Residential	1	0	1,391,518	N/A	8,633	0	0	0.00%	7,476	7,476	N/A
Subtotal	14	747	\$19,330,000	N/A	\$857,330	\$126,699	\$2,146,166	8.30%	\$67,634	\$2,213,799	N/A
<u>MERCHANT BUILDERS</u>											
<u>D R Horton CA2 Inc. ⁽¹³⁾</u>											
Completed Homes	17	17	\$7,540,000	N/A	\$27,624	\$27,624	\$467,920	1.81%	\$15,960	\$483,879	15.58
Partially Completed Homes	46	46	5,836,500	N/A	69,665	69,665	1,180,067	4.57%	40,879	1,220,946	4.78
Finished Lots	45	45	5,798,500	N/A	76,587	76,587	1,297,322	5.02%	43,819	1,341,141	4.32
Subtotal	108	108	\$19,175,000	N/A	\$173,876	\$173,876	\$2,945,309	11.39%	\$100,658	\$3,045,967	6.30
<u>Lennar Homes of California LLC</u>											
Partially Completed Homes	N/A	28	\$4,032,000	N/A	\$48,038	\$48,038	\$813,726	3.15%	\$3,722	\$817,447	4.93
Finished Lots	N/A	231	33,264,000	N/A	396,317	396,317	6,713,237	25.97%	23,216	6,736,453	4.94
Subtotal	3	259	\$37,296,000	N/A	\$444,355	\$444,355	\$7,526,962	29.12%	\$26,938	\$7,553,901	4.94
<u>Taylor Morrison of California, LLC</u>											
Partially Completed Homes	N/A	23	\$3,242,000	N/A	\$39,460	\$39,460	\$668,418	2.59%	\$1,982	\$670,399	4.84
Unimproved Lots	N/A	122	17,273,000	N/A	209,310	209,310	3,545,519	13.72%	10,681	3,556,200	4.86
Subtotal	2	145	\$20,515,000	N/A	\$248,770	\$248,770	\$4,213,937	16.30%	\$12,662	\$4,226,599	4.85
<u>Woodside 05N LP</u>											
Completed Homes ⁽⁹⁾	13	13	\$3,051,000	\$2,435,055	\$21,378	\$21,378	\$362,124	1.40%	\$38,946	\$401,071	13.68
Partially Completed Homes	37	37	5,195,500	N/A	62,862	62,862	1,064,829	4.12%	42,793	1,107,622	4.69
Finished Lots	26	26	3,681,500	N/A	44,299	44,299	750,377	2.90%	29,826	780,203	4.72
Unimproved Lots ⁽⁶⁾⁽¹⁰⁾	1	100	9,160,900	N/A	171,565	171,565	759,997	2.94%	8,459	768,457	11.92
Subtotal		176	\$21,088,900	\$2,435,055	\$300,104	\$300,104	\$2,937,328	11.36%	\$120,025	\$3,057,353	7.69
<u>INDIVIDUAL HOMEOWNERS</u>											
Completed Homes ⁽¹¹⁾	229	229	\$73,204,000	\$27,064,561	\$358,951	\$358,951	\$6,080,298	23.52%	\$518,423	\$6,598,721	15.20
Total	433	1,664	\$190,608,900	\$29,499,616	\$2,383,386	\$1,526,056	\$25,850,000	100.00%	\$846,340	\$26,696,340	8.24

Footnotes Follow on Next Page

- (1) Ownership and Development Status as of April 11, 2018 inspection date of the Appraisal.
- (2) Differences between the number of parcels and the number of residential lots can be due to the timing difference between the Assessor's July 1, 2017 Secured Tax Roll and the Appraisal's April 11, 2018 Inspection Date.
- (3) Appraised Values as of April 11, 2018. According to the Appraisal dated May 4, 2018, those lots/parcels with completed improvements with an assigned complete assessed value for both land and improvements are not a part of the Appraisal. Those parcels not appraised are instead valued at FY 2017-18 assessed value.
- (4) The projected Special Tax Levy for FY 2018-19 will be debt service on the Bonds during the 2019 Bond Year, district administration costs and taking into account the small amount of capitalized interest that will be applied against the 2019 Bond Year debt service. The projected 2018-19 Special Tax Levy is \$1,354,491, which equals the FY 2018-19 Maximum Special Tax on all of the District's Developed Property (Final Small Lot Subdivision Maps recorded by June 30, 2018). The Hypothetical FY 2018-19 Special Tax Levy of \$1,526,056 represents the Maximum Special Tax on both the Developed Property and the tentatively mapped 100 lots identified as Large Lot WB-4. The WB-4 parcel is expected to record its Final Small Lot Subdivision Map after June 30, 2018, which would classify its 100 Lots as Developed Property in a tax year after FY 2018-19. The Hypothetical FY 2018-19 Special Tax Levy would be the approximate amount that would be levied if there was no Capitalized Interest.
- (5) Includes the \$14,235,000 outstanding principal amount of the Westbrook CFD 1 Series 2014 Special Tax Bonds and the \$11,615,000 par amount of the Series 2018 Special Tax Bonds.
- (6) This allocation reflects the proportion of the debt service levy that will occur after the capitalized interest period based on the status of development as noted in this table. Since the Final Small Lot Subdivision Map for Large Lot WB-4 was not recorded by June 30, 2018, the 100 lots within the WB-4 parcel will not be considered Developed Property for the FY 2018-19 Special Tax Levy. This table allocates the District's Debt on the Hypothetical FY 2018-19 Special Tax Levy of \$1,526,056, including a projected levy of \$171,565 to all of the 393 tentatively mapped lots within Zone 2. Since the Tentative Map Lots are levied at only 26% of their Maximum Special Tax, less CFD Bonded Debt is allocated to the Tentative Map Lots in comparison to the Developed parcels at their Maximum Special Tax, causing the Value-to-Lien Ratios of the Tentative Map parcels in this table to be higher than if CFD Debt was allocated using each tentatively mapped parcel's Maximum Special Tax. Table 6-B provides an alternate allocation of the District's Bonded Debt assuming that the Final Subdivision Map for Large Lot WB-4 was recorded by June 30, 2018 and levied as Developed Property in FY 2018-19.
- (7) Includes the overlapping debt liens to each parcel as of June 1, 2018 as listed under "Direct and Overlapping Tax and Assessment Debt" in the overlapping debt report prepared by California Municipal Statistics, Inc. No direct charges related to PACE liens secured by Special Taxes were levied on the District parcels in FY 2017-18.
- (8) Includes 199 units of single family residential and 255 units of high density residential subject to the District's Special Tax. Although the District is approved for 2,029 residential units, the 365 high density affordable units of lots WB-30 and WB-32 are excluded from this table as these parcels are not subject to the District's Special Tax.
- (9) Of the 13 Completed Homes owned by Woodside 056N LP, 7 are valued by the Appraiser while the remaining 6 are valued using assessed value.
- (10) Represents Large Lot WB-4 which is described in the Appraisal Report as 100 "Unimproved Lots". The Master Developer has indicated that the Final Small Lot Subdivision Map for Large Lot WB-4 is expected to be recorded after June 30, 2018, which would classify the 100 units of parcel WB-4 as "Developed Property" in a tax year after FY 2018-19. Therefore, parcel WB-4 is shown in this table as being subject to the FY 2018-19 levy in proportion with the 293 other tentative map lots in Phase 2, which impacts the allocation of the District's Bonded Debt as described in footnotes (5) and (7). Because parcel WB-4 is expected to receive its final map after June 30, 2018, Table 6-B provides an alternate allocation of the District's Bonded Debt assuming that the final subdivision map for Large Lot WB-4 was recorded before June 30, 2018 and will be levied as Developed Property in FY 2018-19. Although the WB-4 parcel will not be Developed for FY 2018-19, since its small lot final map is expected to be recorded shortly, the allocation shows the debt lien assuming no additional final maps are recorded after the final subdivision of the WB-4 parcel.
- (11) Of the 229 Completed Homes owned by individual homeowners, 168 are valued by the Appraiser while the remaining 61 are valued using assessed value.

Sources: *Appraised Values, Development Status Categories and Ownership - Integra Realty Resources, Inc.; Assessed Values - Placer County 2017-18 Secured Property Roll - Placer County as compiled by Willdan Financial Services; Overlapping Debt - California Municipal Statistics, Inc, as compiled by Willdan Financial Services; PACE Special Taxes - Placer County Tax Collector, and Maximum Special Tax - Willdan Financial Services.*

Average Value to Lien Ratio Categories. The estimated value of all taxable property within the District is \$220,108,516. The principal amount of direct and overlapping bonded debt in the District (including the 2018 Bonds and the 2014 Bonds) is \$26,696,340. Consequently, the estimated value of the taxable property within the District is approximately 8.24 times the principal amount of the direct and overlapping bonded debt.

Table 8
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Average Value to Bonded Debt Ratios by Range - CFD Debt Allocated by Hypothetical Special Taxes
(Reflecting Large Lot WB-4 as Tentative Map Property)

Value To Bonded Debt Category	No. of Parcels ⁽¹⁾	Planned Residential Units ⁽¹⁾	Appraised Value ⁽²⁾	Assessed Value ⁽²⁾	Fiscal Year 2018-19 Maximum Tax	Hypothetical FY 2018-19 Special Tax ⁽³⁾⁽⁵⁾	Allocable Debt CFD Bonds ⁽⁴⁾⁽⁵⁾	% of Total CFD Bonded Debt ⁽⁵⁾	Overlapping Debt ⁽⁶⁾	Total Direct & Overlapping Debt
10:1 to 19.99:1	254	353	\$92,955,900	\$28,000,909	\$569,224	\$442,525	\$7,495,970	29.00%	\$561,218	\$8,057,189
5:1 to 9.99:1	39	62	\$4,966,461	1,498,707	96,499	66,091	1,119,522	4.33%	50,308	1,169,830
4:1 to 4.99:1	134	767	82,211,528	N/A	1,296,781	1,004,877	17,021,708	65.85%	194,731	17,216,439
3:1 to 3.99:1	1	28	859,477	N/A	48,038	12,563	212,799	0.82%	3,117	215,916
N/A ⁽⁵⁾	5	454	9,615,534	N/A	372,844	0	0	0.00%	36,965	36,965
Totals	433	1,664	\$190,608,900	\$29,499,616	\$2,383,386	\$1,526,056	\$25,850,000	100.00%	\$846,340	\$26,696,340

- (1) Differences between the number of parcels and the number of residential lots can be due to the timing difference between the Assessor's July 1, 2017 Secured Tax Roll and the Appraisal Report's April 11, 2018 Valuation Date.
- (2) According to an Appraisal Report dated May 4, 2018, those lots/parcels with completed improvements with an assigned complete assessed value for both land and improvements, are not a part of the Appraisal; those parcels are instead valued at FY 2017-18 assessed value.
- (3) The projected Special Tax Levy for FY 2018-19 will be debt service on the Bonds during the 2019 Bond Year, district administration costs and taking into account the small amount of capitalized interest that will be applied against the 2019 Bond Year debt service. The projected FY 2018-19 Special Tax Levy is \$1,354,491, which equals the FY 2018-19 Maximum Special Tax on all of the District's Developed Property (Final Small Lot Subdivision Maps recorded by June 30, 2018). The Hypothetical FY 2018-19 Special Tax Levy of \$1,526,056 represents the Maximum Special Tax on both the Developed Property and the tentatively mapped 100 lots identified as Large Lot WB-4. The WB-4 parcel is expected to record its Final Small Lot Subdivision Map after June 30, 2018, which would classify its 100 Lots as Developed Property in a tax year after FY 2018-19. The Hypothetical FY 2018-19 Special Tax Levy would be the approximate amount that would be levied if there was no Capitalized Interest.
- (4) Includes the \$14,235,000 outstanding principal amount of the Westbrook CFD 1 Series 2014 Special Tax Bonds and the \$11,615,000 par amount of the Series 2018 Special Tax Bonds.
- (5) This allocation reflects the proportion of the debt service levy that will occur after the capitalized interest period based on the status of development as noted in this table. Since the Final Small Lot Subdivision Map for Large Lot WB-4 was not recorded by June 30, 2018, the 100 lots within the WB-4 parcel will not be considered Developed Property for the FY 2018-19 Special Tax Levy. This table allocates the District's Debt on the Hypothetical FY 2018-19 Special Tax Levy of \$1,526,056, including a projected levy of \$171,565 to all of the 393 tentatively mapped lots within Zone 2. Since the Tentative Map Lots are levied at only 26% of their Maximum Special Tax, less CFD Bonded Debt is allocated to the Tentative Map Lots in comparison to the Developed parcels at their Maximum Special Tax, causing the Value-to-Lien Ratios of the Tentative Map parcels in this table to be higher than if CFD Debt was allocated using each tentatively mapped parcel's Maximum Special Tax. Table 6-B provides an alternate allocation of the District's Bonded Debt assuming that the Final Subdivision Map for Large Lot WB-4 was recorded by June 30, 2018 and levied as Developed Property in FY 2018-19.
- (6) Includes the overlapping debt liens to each parcel as of June 1, 2018 as listed under "Direct and Overlapping Tax and Assessment Debt" in the overlapping debt report prepared by California Municipal Statistics, Inc. No direct charges related to PACE liens secured by Special Taxes were levied on the District parcels in FY 2017-18.

Sources: Appraised Values - Integra Realty Resources, Inc.; Assessed Values - Placer County 2017-18 Secured Property Roll, as compiled by Willdan Financial Services; Overlapping Debt - California Municipal Statistics, Inc. as compiled by Willdan Financial Services; PACE Special Taxes - Placer County Tax Collector, and Maximum Special Tax - Willdan Financial Services.

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

Other public agencies whose boundaries overlap those of the District could, without the consent of the City and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the land within the District. The lien created on the land within the District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Tax. In addition, construction loans may be obtained by the Developers or home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within the District, however, will be subordinate to the lien of the Special Tax.

Overlapping Liens and Priority of Lien

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

Set forth below is an overlapping debt table showing the existing direct and overlapping bonded debt payable with respect to property within the District. This table has been prepared by California Municipal Statistics Inc. as of the date indicated, and is included for general information purposes only. The City has not reviewed the data for completeness or accuracy and makes no representations in connection therewith. In addition to bonded debt, property in the District is also subject to Fiscal Year 2018-19 special taxes authorized to be levied on behalf of the City's Westbrook Community Facilities District No. 2 (Public Services) and Community Facilities District No. 3 (Municipal Services) for municipal services, which districts provide for escalating annual special taxes on residential property currently in the respective approximate annual amount of \$377 to \$415 (low density and medium density) for CFD No. 2 and \$439 (low density)/\$257 (medium density)/\$128 (high density market rate)/\$64 (high density affordable) for CFD No. 3.

Table 9
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Summary of Overlapping Debt
(As of June 1, 2018)

2017-18 Local Secured Assessed Valuation: \$61,071,299

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/18</u>
Center Joint Unified School District General Obligation Bonds	0.103%	\$ 38,997
Roseville Joint Union High School District General Obligation Bonds	0.211	235,440
Roseville Joint Union High School District SFID No. 1 General Obligation Bonds	3.220	514,597
Roseville City School District General Obligation Bonds	0.368	57,306
City of Roseville Westbrook Community Facilities District No. 1	100.000	14,235,000⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$15,081,340
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Placer County Certificates of Participation	0.086%	\$ 24,306
Placer County Office of Education Certificates of Participation	0.086	950
Sierra Joint Community College District Certificates of Participation	0.065	3,089
Central Joint Unified School District Certificates of Participation	0.103	615
Roseville City School District Certificates of Participation	0.368	24,927
City of Roseville Certificates of Participation	0.292	69,699
Placer County Mosquito and Vector Control District Certificates of Participation	0.086	2,823
TOTAL OVERLAPPING GENERAL FUND DEBT		\$126,409
Less: City of Roseville supported obligations		8,208
TOTAL OVERLAPPING GENERAL FUND DEBT		\$118,201
 GROSS COMBINED TOTAL DEBT		\$15,207,749⁽²⁾
NET COMBINED TOTAL DEBT		\$15,119,541

Ratios to 2017-18 Assessed Valuation:

Direct Debt (\$14,235,000)	23.31%
Total Direct and Overlapping Tax and Assessment Debt.....	24.69%
Combined Total Debt	24.90%
Net Combined Total Debt.....	24.89%

(1) Excludes the 2018 Bonds to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics.

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

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

Estimated Tax Burden on Single-Family Home

The Development Agreement specifies that the overall tax burden after formation of the District shall not exceed 2% of the estimated sales price of a single-family residential home. Based on estimated sales prices provided by the Developer, the Special Tax Administrator has projected that the overall tax burden for low-density residences will be approximately 1.63% and for medium-density residences will be approximately 1.62%, as shown in the following table.

Table 10
City of Roseville
Westbrook Community Facilities District No. 1 (Public Facilities)
Projected Overall Tax Burden for Single-Family Residential Parcels
(Fiscal Year 2018-19)

Land Use Designation:		MDR	LDR
Net Taxable Value		Amount	Amount
Average Assessed Value ⁽¹⁾		\$385,000	\$470,000
Less: Homeowner's Exemption		(7,000)	(7,000)
Net Taxable Value		\$378,000	\$463,000
Ad Valorem Property Taxes		Amount	Amount
	Rate ⁽²⁾		
Base Property Tax	1.000000%	\$ 3,780	\$ 4,630
Roseville City Elem B&I 2002 Series	0.011525%	44	53
Roseville High B&I 1992	0.013840%	52	64
Roseville High B&I 2004 Series	0.023469%	89	109
Roseville High B&I 2008 SFID #1 2016 & 2017 Series	0.033604%	127	156
Roseville High B&I 2016 Series	0.014780%	56	68
Total Ad Valorem Property Taxes	1.097218%	\$ 4,147	\$ 5,080
Parcel Charges, Special Taxes and Assessments ⁽³⁾		Amount	Amount
Placer Mosquito & Vector ⁽⁴⁾		\$ 28	\$ 28
City of Roseville Westbrook CFD 1 (Public Facilities) ⁽⁵⁾		1,407	1,716
City of Roseville Westbrook CFD 2 (Public Services) ⁽⁶⁾		415	415
City of Roseville CFD 3, Municipal Services ⁽⁷⁾		257	439
Total Parcel Charges, Assessments, and Special Taxes		\$ 2,108	\$ 2,598
Total Projected Taxes and Direct Charges		\$ 6,255	\$ 7,678
Total Effective Tax Rate		1.62%	1.63%

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

(2) FY 2017/18 Ad Valorem Tax Rates.

(3) Assumes no PACE related Special Taxes.

(4) FY 2017/18 Charge.

(5) Equal to the applicable Maximum Public Facilities Special Tax for FY 2018/19.

(6) Equal to the applicable Maximum Public Services Special Tax for FY 2018/19.

(7) Projected applicable Maximum Municipal Services Special Tax for FY 2018/19.

Source: FY 2017-18 Ad Valorem Tax Rates of TRA 005-071 and Placer Mosquito & Vector charges - Placer County Tax Collector; Representative new home prices - Integra Realty Resources, Inc.; Maximum Special Tax Rates CFD Nos 1, 2 and 3 - Willdan Financial Services.

Special Tax Collections and Delinquencies

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

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

<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>No. of Parcels Levied</u>	<u>As of the End of Each Fiscal Year⁽¹⁾</u>		
			<u>Number of Parcels Delinquent</u>	<u>Amount Delinquent</u>	<u>Percentage Amount Delinquent</u>
2015-16	\$822,830	7	0	\$0	0.00%
2016-17	856,654	105	0	0	0.00%
2017-18	830,882	415	2	2,523	0.30%

(1) Collections for fiscal years 2015-16 and 2016-17 are reported as of June 30th of each respective fiscal year. Collections for fiscal year 2017-18 are reported as of June 4, 2018. The District was first levied in Fiscal Year 2015-16.

Source: Placer County Assessor, as compiled by Willdan Financial Services.

SPECIAL RISK FACTORS

The purchase of the 2018 Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks that should be considered before making an investment decision.

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the 2018 Bonds in the event Special Tax collections are delinquent, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent, nor is the City obligated to advance funds to pay such debt service on the 2018 Bonds. The 2018 Bonds are not general obligations of the City but are limited obligations of the City and the District payable solely from the proceeds of the Special Tax and certain funds held under the Fiscal Agent Agreement, including amounts deposited in the Reserve Fund and investment income thereon, and the proceeds, if any, from the sale of property in the event of a foreclosure. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." Any tax for the payment of the 2018 Bonds will be limited to the Special Tax to be collected within the jurisdiction of the District.

Concentration of Ownership

The majority of the land within the District is currently owned by the Developer and four merchant homebuilders (Lennar Homes, Woodside Homes, D.R. Horton and Taylor Morrison). The owners of property in the District are not personally obligated to pay the Special Tax attributable to their property. Rather, the Special Tax is an obligation only against the parcel of property, secured by the amount which could be realized in a foreclosure proceeding against the property, and not by any promise of the owner to pay. If the value of the property is not sufficient, taking into account other obligations also constituting a lien against the property, the City, Fiscal Agent and owners of the 2018 Bonds have no recourse against the owner, such as filing a lawsuit to collect money.

Failure of the Developer, the merchant homebuilders, or any future owner of significant property subject to the Special Taxes in the District to pay installments of Special Taxes when due could cause the depletion of the Reserve Fund prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax and, consequently, result in the delinquency rate reaching a level that would cause an insufficiency in collection of the Special Tax to meet the District's obligations on the 2018 Bonds. For a description of the Developer, see "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT." In that event, there could be a delay or failure in payments on the 2018 Bonds. See "SPECIAL RISK FACTORS - Bankruptcy and Foreclosure Delays" below and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

Appraised Values

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

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

In considering the estimates of value evidenced by the appraisal, it should be noted that the appraisal is based upon a number of standard and special assumptions which affect the estimates as to value, in addition to hypothetical conditions, as set forth in the Appraisal (see APPENDIX B hereto). The improvements to be financed by the 2018 Bonds were not in place as of the date of inspection; thus, the value estimate is subject to a hypothetical condition (of such improvements being in place)

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

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

Property Values and Property Development

The value of Taxable Parcels within the District is a critical factor in determining the investment quality of the 2018 Bonds. If a property owner defaults in the payment of the Special Tax, the District's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land development and land values could be adversely affected by economic and other factors beyond the District's control, such as: a general economic downturn; adverse judgments in future litigation that could affect the scope, timing or viability of development; relocation of employers out of the area; stricter land use regulations; shortages of water, electricity, natural gas or other utilities; destruction of property caused by earthquake, flood or other natural disasters; environmental pollution or contamination.

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

Neither the District, the Underwriter, nor the City has evaluated development risks. Since these are largely business risks of the type that property owners customarily evaluate individually, and inasmuch as changes in land ownership may well mean changes in the evaluation with respect to any particular parcel, the District is issuing the 2018 Bonds without regard to any such evaluation. Thus, the creation of the District and the issuance of the 2018 Bonds in no way implies that the District, the Underwriter, or the City has evaluated these risks or the reasonableness of these risks.

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

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

First, undeveloped or partially developed land is generally less valuable than developed land and provides less security to the owners of the 2018 Bonds should it be necessary for the District to foreclose on undeveloped or partially developed property due to the nonpayment of Special Taxes.

Second, failure to complete development on a timely basis could adversely affect the land values of those parcels that have been completed. Lower land values would result in less security for the payment of principal of and interest on the 2018 Bonds and lower proceeds from any foreclosure sale necessitated by delinquencies in the payment of the Special Tax. See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT –Value to Special Tax Burden Ratios." No assurance can be given that the proposed development within the District will be completed, and in assessing the investment quality of the 2018 Bonds, prospective purchasers should evaluate the risks of noncompletion.

The Developer provides no assurances to the City that the project will be developed or that sources of financing that will actually be available will be sufficient to complete the currently projected development. The Developer has no obligation to the City or to owners of the 2018 Bonds to complete the project.

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

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

Other natural disasters could include, without limitation, landslides, floods, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the parcels may well depreciate.

Recent California Drought. On January 17, 2014, with California facing water shortfalls in the then-driest year in recorded state history, Governor Edmund G. Brown Jr. proclaimed a State of Emergency and directed state officials to take all necessary actions to prepare for these drought conditions. In the State of Emergency declaration, Governor Brown directed State officials to assist farmers and communities that were economically impacted by dry conditions and to ensure the State could respond if Californians faced drinking water shortages. The Governor also directed state agencies to use less water and hire more firefighters and greatly expanded water conservation public awareness. In addition, the proclamation gave state water officials more flexibility to manage supply throughout California under drought conditions.

The Governor's State of Emergency declaration followed a series of actions the administration had taken to ensure that California was prepared for record dry conditions. In May 2013, Governor Brown had issued an Executive Order to direct State water officials to expedite the review and processing of voluntary transfers of water and water rights. In December 2014, the Governor had formed a Drought Task Force to review expected water allocations, California's preparedness for water scarcity and whether conditions merited a drought declaration.

California set a new "low water" mark on April 1, 2015, with its early-April snowpack measurement. The Statewide electronic reading of the snowpack's water content stood at 1.4 inches, or 5 percent, of the 28-inch average. The lowest previous reading since 1950 was 25 percent of the average, so water year 2015 was the driest winter in California's written record. Subsequently, on April 1, 2015, for the first time in State history, the Governor directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. This savings amounted to approximately 1.5 million acre-feet of water over nine months.

Following a wet winter that partly replenished the mountain snowpack and a year of savings in State water use, the State Water Resources Control Board announced that it would suspend the mandatory Statewide reduction in urban water use, effective June 1, 2016. Although the State is still in a drought, the State Water Resources Control Board adopted new rules that would allow local communities to set their own conservation standards based on their own projection of water supplies, assuming that the next three years would continue to be uncommonly dry. These projections would be subject to State review, and the State could impose restrictions on communities it determines were being unrealistic. Should communities revert to water-wasting habits, or if subsequent years are dry again, the State may return to the mandatory statewide reductions. The City cannot predict how long the drought conditions will last, what effect drought conditions may have on property values or whether or to what extent water reduction requirements in effect today or mandated in the future may affect the District.

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

way, parks and golf courses. The use of recycled water reduces the demand for treated water for these purposes and leaving more for domestic use.

The Developer and the City indicate that the existing Development Agreement protects the Developer's ability to access water for the project through an agreed upon water allocation. Further, the City indicates it has adequate surface water and groundwater supplies to meet the allocation for all three phases of development notwithstanding existing limitations as part of the City's drought management programs. However, in the event that the City's water supply is severely limited or cut off by virtue of future actions beyond its control resulting from ongoing or future drought conditions, development within the District may be delayed or even stopped. The Development Agreement provides that should the City need to restrict development it must do so City-wide and cannot single out the Westbrook property in restricting development activity. In turn, the anticipated diversity of land ownership within the District could also be reduced, making the owners of the 2018 Bonds more dependent upon the Developer's or other owners of undeveloped land timely payment of the Special Taxes levied on undeveloped property. Furthermore, such an increased period of concentrated ownership of undeveloped land increases the potential negative impact of any bankruptcy or other financial difficulties experienced by the Developer or successor owners. Any reduction or interruption in the water supply would also likely cause a reduction in the land value and thus a reduction in the security in the event of a need to foreclose on land within the District following a delinquency in the payment of Special Taxes.

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

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

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

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

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

Levy and Collection of Special Taxes

General. The principal source of payment of principal of and interest on the 2018 Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the District.

Limitation on Maximum Special Tax Rate. The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Rate and Method. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2018 Bonds.

In addition to the maximum annual Special Tax rate limitation in the Rate and Method, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2018 Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax formula set forth in the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the 2018 Bonds, and certainly not a direct relationship.

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

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

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

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

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the 2018 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the Reserve Fund is depleted. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

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

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

Bankruptcy and Foreclosure Delays

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2018 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings and could result in the possibility of delinquent Special Tax installments not being paid in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2018 Bonds. To the extent that property in the District continues to be owned by a limited number of property owners, the chances are increased that the Reserve Fund established for the 2018 Bonds could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the Reserve Fund for transfer to the Bond Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the 2018 Bonds on a timely basis.

To the extent that bankruptcy or similar proceedings were to involve a large property owner, the chances would increase the likelihood that the Reserve Fund could be fully depleted during any resulting delay in receiving payment of delinquent Special Taxes. As a result, sufficient monies would not be available in the Reserve Fund for transfer to the Bond Fund to make up any shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the 2018 Bonds on a timely basis.

Parity Taxes and Special Assessments; Private Debt

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

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

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of taxable property and may be secured by a lien on a parity with the lien of the Special Tax securing the 2018 Bonds. The principal of and interest on the 2018 Bonds are payable from

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

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

Tax Delinquencies

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

The annual Special Tax will be billed and collected in two installments payable without penalty by December 10 and April 10. In the event such Special Taxes are not timely paid, moneys available to pay debt service on the 2018 Bonds becoming due on the subsequent respective March 1 and September 1 may be insufficient, except to the extent moneys are available in the Reserve Fund.

In the event of non-payment of Special Taxes, funds in the 2018 Reserve Account of the Reserve Fund, if available, may be used to pay principal of and interest on the 2018 Bonds. If funds in the 2018 Reserve Account of the Reserve Fund for the 2018 Bonds are depleted, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the 2018 Bond holders pursuant to the Fiscal Agent Agreement. However, no replenishment from the proceeds of a Special Tax levy can occur as long as the proceeds that are collected from the levy of the Special Tax against property within the District at the maximum Special Tax rates, together with other available funds, remains insufficient to pay all such amounts. Thus it is possible that the 2018 Reserve Account of the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.

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

No Acceleration Provisions

The 2018 Bonds do not contain a provision allowing for the acceleration of the 2018 Bonds in the event of a payment default or other default under the terms of the 2018 Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a 2018 Bond holder is given the right for the equal benefit and protection of all 2018 Bond holders similarly situated to pursue certain remedies. So long as the 2018 Bonds are in book-entry form, DTC will be the sole 2018 Bond holder and will be entitled to exercise all rights and remedies of 2018 Bond holders.

Ballot Initiatives

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

Voter Initiatives

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

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2018 Bonds.

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

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act". Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIIC and XIID of the State Constitution. The amendments

to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes ("special taxes") require a two-thirds vote.

The Special Taxes and the issuance of special tax bonds of the District were each authorized by not less than a two-thirds vote of the landowners within the District who constituted the qualified electors at the time of such voted authorization. The District believes, therefore, that issuance of the 2018 Bonds does not require the conduct of further proceedings under the Mello-Roos Act, Proposition 218 or Proposition 26.

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

Recent Case Law Related to the Mello-Roos Act

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

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

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

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

voters. Therefore, by its terms, the *San Diego* Court's holding does not apply to the special tax election in the District.

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

53341. Any action or proceeding to attack, review, set aside, void, or annul the levy of a special tax or an increase in a special tax pursuant to [the Mello-Roos Act] shall be commenced within 30 days after the special tax is approved by the voters....²

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

Landowner voters approved the Special Taxes and the issuance of bonds for the District in compliance with all applicable requirements of the Mello-Roos Act on April 16, 2014. Therefore, pursuant to Sections 53341 and 53359 of the Mello-Roos Act, the statute of limitations period to challenge the validity of the special tax has expired.

Because the *San Diego* Court expressly stated that it did not consider the facts presented by the District and because the period for challenging the Special Taxes has passed, the City believes the Special Taxes are valid and cannot be challenged.

Recent Changes in Tax Law

H.R. 1 of the 115th U.S. Congress, known as the "Tax Cuts and Jobs Act," was enacted into law on December 22, 2017 (the "**Tax Act**"). The Tax Act makes significant changes to many aspects of the Code that could have an impact on future property development. The Tax Act reduces the amount of mortgage interest expense and state local income tax and property tax expense that individuals may deduct from their gross income for federal income tax purposes, which could increase the cost of home ownership within the District and could adversely affect the sale of homes by the Developer and the merchant homebuilders. However, the District, the Developer, and the merchant homebuilders cannot predict the effect that the Tax Act may have on the cost of home ownership or the price of homes in the District, the rate at which homes in the District are sold to individual homeowners, or the ability or willingness of homeowners to pay special taxes or property taxes on Taxable Property within the District. Neither the appraised values in the Appraisal nor the assessed values take into account any of the potential impacts of the Tax Act on home values or home sales in the District.

² Section 53326(b) of the Mello-Roos Act defines the authorized voters for an election in which the special taxes will be levied on residential property: "Except as otherwise provided in subdivision (c), if at least 12 persons, who need not necessarily be the same 12 persons, have been registered to vote within the territory of the proposed community facilities district for each of the 90 days preceding the close of the protest hearing, the vote shall be by the registered voters of the proposed district, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each person who is the owner of land at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the proposed community facilities district not exempt from the special tax...."

CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS

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

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

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

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

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners of the 2018 Bonds to provide certain financial information and operating data relating to the District by not later than nine months after the end of the City's fiscal year (presently June 30) in each year (the "**City Annual Report**") commencing with its report for the 2017-18 fiscal year (due April 1, 2019) and to provide notices of the occurrence of certain enumerated events.

The Developer has also covenanted for the benefit of owners of the 2018 Bonds to provide certain financial information and operating data relating to the property it or its affiliates owns in the District by not later than April 1st and October 1st of each year (reflecting reported information as of December 31st of the prior year) beginning with the report due October 1, 2018 (the "**Developer Periodic Reports**") and to provide notices of the occurrence of certain enumerated events. The obligation of the Developer to provide such information is in effect only so long as the Developer and its affiliates, or their successors, are collectively responsible for 20% of the Special Taxes, as described in the Developer Periodic Reports and the Developer's undertaking includes a provision that if a portion of the Developer's property which is responsible for such 20% is sold, the reporting obligation may be assumed by the new owner and the Developer's obligations with respect to such property will be terminated, or if not so assumed, the Developer is to report such required information, as applicable to the transferee.

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

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

- (1) The Annual Reports for Fiscal Years 2012-13 and 2014-15 for certain of the City's then-outstanding obligations were not timely filed, including up to 510 days late.
- (2) The Audited Financial Statements of the City for Fiscal Year 2012-13 for certain of the City's then-outstanding obligations were not timely filed.
- (3) In the last five years, the City may not have in a timely manner filed all significant event notices of changes in the ratings of certain then-outstanding obligations resulting from changes in ratings to the bond insurers who insured such obligations or the underlying rates for such obligations, including up to 3,994 days late. However, the City has submitted all previously undisclosed significant event notices of changes in ratings on all currently outstanding obligations.

The Developer has represented to the City that, during the past five years, the Developer has been in material compliance with its continuing disclosure undertakings; however, the Developer notes that the report due October 1, 2016 was filed 10 days late.

UNDERWRITING

The 2018 Bonds were purchased through negotiation by Piper Jaffray & Co. (the "**Underwriter**"). The Underwriter agreed to purchase the 2018 Bonds at a price of \$12,225,372.60 (which is equal to the par amount of the 2018 Bonds, plus a net original issue premium of \$722,341.20 and less the Underwriter's discount of \$111,968.60). The initial public offering prices set forth on the cover page hereof may be changed by the Underwriter. The Underwriter may offer and sell the 2018 Bonds to certain dealers and others at a price lower than the public offering prices set forth on the cover page hereof.

MUNICIPAL ADVISOR

The City has retained Hilltop Securities Inc., Encino, California, as registered municipal advisor (the "**Municipal Advisor**") in connection with the issuance of the 2018 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LEGAL OPINION

The validity of the 2018 Bonds and certain other legal matters are subject to the approving opinion of Jones Hall, a Professional Law Corporation, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix D to this Official Statement, and the final opinion will be made available to registered owners of the 2018 Bonds at the time of delivery. The fees of Bond Counsel are contingent upon the sale and delivery of the 2018 Bonds.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2018 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, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2018 Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2018 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2018 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 2018 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 2018 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 2018 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2018 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2018 Bonds who purchase the 2018 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2018 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2018 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such 2018 Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2018 Bond (said term being the shorter of the 2018 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 2018 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2018 Bond is amortized each year over the term to maturity of the 2018 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 2018 Bond premium is not deductible for federal income tax purposes. Owners of premium 2018 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 2018 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2018 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 2018 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 2018 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 2018 Bonds, or as to the consequences of owning or receiving interest on the 2018 Bonds, as of any future date. Prospective purchasers of the 2018 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 2018 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2018 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 2018 Bonds, the ownership, sale or disposition of the 2018 Bonds, or the amount, accrual or receipt of interest on the 2018 Bonds.

NO RATINGS

The City has not applied to a rating agency for the assignment of a rating to the 2018 Bonds and does not contemplate applying for a rating.

NO LITIGATION

At the time of delivery of and payment for the 2018 Bonds, the City Attorney will deliver his opinion that to the best of its knowledge there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or regulatory agency pending against the City affecting its existence or the titles of its officers to office or seeking to restrain or to enjoin the issuance, sale or delivery of the 2018 Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the 2018 Bonds, or in any way contesting or affecting the validity or enforceability of the 2018 Bonds, the Fiscal Agent Agreement or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the 2018 Bonds or any action of the City contemplated by any of said documents.

EXECUTION

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

CITY OF ROSEVILLE

By: /s/ Jay Panzica
Chief Financial Officer

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APPENDIX A

AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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EXHIBIT A

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

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

1. Basis of Special Tax Levy

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

2. Definitions

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

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

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

- a. Costs of computing Special Taxes and preparing annual Special Taxes collection schedules (whether by the City or any designee thereof or both).
- b. Costs of collecting the Special Taxes (whether by the County, the City, or otherwise).
- c. Costs of remitting the Special Taxes to the Trustee.
- d. Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture.
- e. Costs to the City, CFD, or any designee thereof of complying with arbitrage rebate requirements.

- f. Costs to the City, CFD, or any designee thereof of complying with City, CFD, or obligated persons disclosure requirements.
- g. Costs associated with preparing Special Taxes disclosure statements.
- h. Costs incurred in responding to public inquiries regarding the Special Taxes.
- i. Costs to the City, CFD, or designee thereof related to any appeal of the Special Taxes.
- j. Costs associated with the release of funds from an escrow account, if any.
- k. Costs to the City for the issuance of Bonds authorized by the CFD that are not recovered through the Bond sale proceeds.
- l. Amounts estimated to be advanced or advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the special taxes and commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

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

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

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

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

- a. Debt Service to be paid from Special Taxes.
- b. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture, to the extent not included in a computation of Annual Costs in a previous Fiscal Year.
- c. Administrative Expenses for such Fiscal Year.
- d. The amount needed to (i) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year, (ii) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on Bonds which are expected to occur in such Fiscal Year.

- e. Authorized Facilities Funded on a Pay-As-You-Go Basis, which shall be paid on a first in first out basis.
- f. Less any available earnings on the reserve fund, Special Tax funds, or any other available revenues of the CFD or the City that may be used to fund Annual Costs.

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

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

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

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

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

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

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

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

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

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

"County" means the County of Placer, California.

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

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

"Developed Parcel" means, in any Fiscal Year:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Duration of the Special Tax

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

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

4. Administrative Tasks

Tasks required of the Administrator are discussed below:

- a. Annual Special Tax Escalation. The Administrator shall increase the Maximum Annual Special Tax by the Tax Escalation Factor in each Fiscal Year following the Base Year, unless directed by the City to refrain from increasing or to limit the increase.
- b. Assignment of the Maximum Annual Special Tax to Original Parcels. The Maximum Annual Special Tax is assigned to Original Parcels on a Maximum Annual Special Tax per Acre basis by Zone. The Base Year Maximum Annual Special Tax per Acre for Original Parcels is shown in **Attachment 1** by Zone. **Map 1** shows the Original Parcels by County Assessor's Parcel Number. To determine the Maximum Annual Special Tax for an Original Parcel, identify the Acreage of such a Parcel. Next, determine which Zone or Zones the Parcel occupies. Determine the Acreage in each Zone, then multiply the Acreage times the Maximum Annual Special Tax per Acre (as increased by the Tax Escalation Factor) per Zone to determine the Maximum Annual Special Tax for the Original Parcel.
- c. Assignment of the Maximum Annual Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided, use the following steps to assign the Maximum Annual Special Tax to new Successor Parcels:
 1. If Original or Successor Parcels are Subdivided Into Large Lot Parcels:
 - A. The proposed Large Lot Parcels for the CFD are shown in **Map 2**. The corresponding Maximum Annual Special Taxes for each proposed Large Lot Parcel and Tax Category are shown in **Attachment 2**. If a Large Lot Parcel Map is recorded that reflects the boundaries of all Large Lot Parcels shown in **Map 2**, assign the Maximum Annual Special Tax shown in **Attachment 2** to each Large Lot Parcel created by the Large Lot Subdivision Map.

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

- B. If the Large Lot Parcels created by the Large Lot Parcel Map have boundaries that differ from the boundaries shown in **Map 2**, use the following procedures to assign the Maximum Annual Special Tax to Large Lot Parcels created by the Large Lot Subdivision Map:
1. All Large Lot Parcels are created but differ in shape and size from **Map 2**. **Map 2** and **Attachment 2** shall be updated and the correct boundaries of each Large Lot Parcel shall be reflected in **Map 2** and **Attachment 2**. If, at the same time changes are being made to **Attachment 2**, it is determined that the number of Final Small Lot Subdivision Map, Acreage of Multifamily Parcels, or Acreage of Nonresidential Parcels in a Large Lot Parcel has changed, the Maximum Annual Special Tax for each Large Lot Parcel in **Attachment 2** may, in the City's sole discretion, also be changed, as long as the Maximum CFD Special Tax Revenues are not reduced. If the City determines that such an adjustment is needed, the adjustment shall be effective immediately after recordation of the Large Lot Subdivision Map, after which time the Maximum Annual Special Tax for each Large Lot Parcel shall be fixed for all future Fiscal Years, except as otherwise provided in **Sections 4** and **5** below. After **Attachment 1** and **Attachment 2**, as needed, have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments. If such an adjustment and recording takes place, the property owner that requested the adjustment shall bear the costs to effect the adjustment and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1** and **2**. Before approval of the adjustment, the City may require a deposit from the requesting property owner for the estimated cost to perform such adjustment.
 2. Some Large Lot Parcels are created by a Large Lot Subdivision Map with a **Remainder Parcel or Parcels**. If the recorded Large Lot Parcels reflect the boundaries of the corresponding Large Lot Parcels shown in **Map 2**, assign the Maximum Annual Special Tax shown in **Attachment 2** to each Large Lot Parcel created by the Large Lot Subdivision Map:
 - a. If just one Remainder Parcel is created by the recordation of the Large Lot Parcel Map, assign the Maximum Annual Special Tax to all Large Lot Parcels created using the procedures in **Section 4.c.1.A** or **Section 4.c.1.B** above. Identify the Acreage of the Remainder Parcel and determine the Acreage which lies in each Zone, as needed. Multiply the Acreage times the Maximum Annual Special Tax shown in **Attachment 1** for the appropriate Zone to determine the Maximum Annual Special Tax for the Remainder Parcel.
 - b. If more than one Remainder Parcel is created by recordation of the Large Lot Parcel Map, assign the Maximum Annual Special Tax to all Large Lot Parcels created using the procedures in **Section 4.c.1.A** or **Section 4.c.1.B** above. Identify the Acreage of each Remainder Parcel and determine the Acreage which lies in each Zone, as needed. For each Zone, as needed, multiply the

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

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

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

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

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

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

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

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

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

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

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

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

- B. If **Attachment 2** shows that the Large Lot Parcel is assigned Affordable Units, assign the Maximum Annual Special Tax rate shown for the Large Lot Parcel in **Attachment 2** to the Taxable Parcels designated as Affordable Units.
- C. For the Remainder Parcel or Parcels, identify the Maximum Annual Special Tax for the Large Lot Parcel that has been Subdivided. Sum the Maximum Annual Special Tax for all Single-Family Parcels created by the Subdivision. Subtract the sum of the Maximum Annual Special Tax for all Single-Family Parcels from the Maximum Annual Special Tax for the Large Lot Parcel to determine the Maximum Annual Special Tax for the Remainder Parcel.

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

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

- d. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or its designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit Listing by denoting the change in status of the Unit, together with the effective date thereof. The Maximum Annual Special Tax on the Unit that no longer qualifies as an Affordable Unit shall be increased to double the amount that would have applied in that Fiscal Year if the Unit had remained as an Affordable Unit. In subsequent Fiscal Years, this increased Maximum Annual Special Tax shall continue to escalate 2 percent per year.
- e. Transfer of the Assigned Maximum Special Tax from One Large Lot to Another. The Maximum Annual Special Taxes shown in **Attachment 2** were determined based on the expected land uses for each Large Lot Parcel shown in **Map 2**. If the number of planned residential units or nonresidential acreage is transferred from one Large Lot Parcel to another before recordation of a Final Small Lot Subdivision Map in any portion of the Large Lot Parcel, the City may, in its sole discretion, allow for a transfer of the Maximum Annual Special Tax from one Large Lot Parcel to another. Such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (2) there is no reduction in the Maximum CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachment 1** or **Attachment 2** of the Notice of Special Tax Lien, the requesting property owner shall bear

the costs to effect the transfer in the CFD records and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1** and **2**. Before the transfer, the City may require a deposit from the requesting property owner for such costs. If such a transfer is requested, the Administrator shall apply the following steps to redistribute the Maximum Special Tax among the Parcels:

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

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

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

- f. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Special Tax. The Maximum Annual Special Tax for the newly assigned Tax Category for such a Parcel is determine using the provisions of **Sections 4** and **5** of the RMA.
- g. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a school site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Administrator.

5. Assignment of the Maximum Annual Special Tax

- a. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions in **Section 2**, the Parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the Administrator shall cause:
 - 1. Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel.
 - 2. Each Parcel to be classified as a Developed Parcel, a Small Lot Tentative Map Parcel, a Large Lot Parcel (including Remainder Parcels), or an Undeveloped Parcel.

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

6. Calculating Annual Special Taxes

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

- a. Compute the Annual Costs using the definition of Annual Costs in **Section 2**.
- b. Compute 100 percent of the Maximum Annual Special Tax Revenue for all Developed Parcels in Zones 1, 2, and 3.
- c. For all Parcels in Zone 1, calculate the Special Tax levy for each Taxable Parcel by the following steps:
 - Step 6.c.1: Compare the Annual Costs with the amount calculated in **Section 6.a** and the Maximum Annual Special Tax Revenue computed in **Section 6.b**.
 - Step 6.c.2: If the Annual Costs are greater than the amount calculated in **Section 6.b**, increase proportionately the Maximum Annual Special Tax levy for each Small Lot Tentative Map Parcel until the revenue from the Special Tax levy, when added to the levy amount computed in **Section 6.b**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Small Lot Tentative Map Parcels, if needed to fund Annual Costs.
 - Step 6.c.3: If the Annual Costs are greater than the amount calculated in *Step 6.c.2*, increase proportionately the Maximum Annual Special Tax levy, when added to the levy amounts determined in **Section 6.b** above, for each Large Lot Parcel until the revenue from the Special Tax levy equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Large Lot Parcels, if needed to fund Annual Costs.
 - Step 6.c.4: If the Annual Costs are greater than the amount calculated in *Step 6.c.3*, increase proportionately the Maximum Annual Special Tax levy for each Undeveloped Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined in **Section 6.b**, 6.c.2 and 6.c.3 above, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Undeveloped Parcels, if needed to fund Annual Costs.
 - Step 6.c.5: If the Annual Costs are greater than the amount calculated in *Step 6.c.4*, follow the procedures set forth in **Section 6.d** below.

- d. For all Parcels in Zone 2, calculate the Special Tax levy for each Taxable Parcel by the following steps:
- Step 6.d.1: Increase proportionately the Maximum Annual Special Tax levy for each Small Lot Tentative Map Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Section 6.b** and **6.c**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Small Lot Tentative Map Parcels, if needed to fund Annual Costs.
 - Step 6.d.2: Compare the Annual Costs with the amount calculated in *Step 6.d.1*.
 - Step 6.d.3: If the Annual Costs are greater than the amount calculated in *Step 6.d.1*, increase proportionately the Maximum Annual Special Tax levy for each Large Lot Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Section 6.b** and in previous steps in **Section 6.c**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Large Lot Parcels, if needed to fund Annual Costs.
 - Step 6.d.4: If the Annual Costs are greater than the amount calculated in *Step 6.d.3*, increase proportionately the Maximum Annual Special Tax levy for each Undeveloped Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Section 6.b** and in previous steps in **Section 6.c**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Undeveloped Parcels, if needed to fund Annual Costs.
 - Step 6.d.5: If the Annual Costs are greater than the amount calculated in *Step 6.d.4*, follow the procedures set forth in **Section 6.e** below.
- e. For all Parcels in Zone 3, calculate the Special Tax levy for each Taxable Parcel by the following steps:
- Step 6.e.1: Increase proportionately the Maximum Annual Special Tax levy for each Small Lot Tentative Map Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Sections 6.b** through **6.d**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Small Lot Tentative Map Parcels, if needed to fund Annual Costs.
 - Step 6.e.2: Compare the Annual Costs with the amount calculated in *Step 6.e.1*.
 - Step 6.e.3: If the Annual Costs are greater than the amount calculated in *Step 6.e.1*, increase proportionately the Maximum Annual Special Tax levy for each Large Lot Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Sections 6.b** through **6.d**, and in previous steps in **Section 6.e**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Large Lot Parcels, if needed to fund Annual Costs.
 - Step 6.e.4: If the Annual Costs are greater than the amount calculated in *Step 6.e.3*, increase proportionately the Maximum Annual Special Tax levy for each Undeveloped Parcel until the revenue from the Special Tax levy, when added to the levy amounts determined above in **Sections 6.b** through **6.d**, and in

previous steps in **Section 6.e**, equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Undeveloped Parcels, if needed to fund Annual Costs.

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

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

7. Prepayment of the Special Tax Obligation

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

- The City determines that the Prepayment of the Special Tax does not jeopardize its ability to make timely payments of Debt Service on Outstanding Bonds.
 - The landowner prepaying the Special Tax on a Parcel has paid any delinquent Special Tax and penalties on that Parcel before Prepayment.
- a. The Full Prepayment amount shall be established by following the steps below:
- Step 7.a.1: Determine the Maximum Annual Special Tax for the Taxable Parcel for which the Special Tax is to be prepaid using the provisions of **Sections 4 and 5**. If the Parcel is not designated as a Developed Parcel, determine the applicable Maximum Annual Special Tax for the Parcel assuming it is a Developed Parcel.
 - Step 7.a.2: Increase the Maximum Annual Special Tax by 2 percent for the remaining period for which the Parcel is subject to the Special Tax (up to 30 years or the termination of the CFD, whichever is lesser).
 - Step 7.a.3: Using a discounted rate equal to the most current yield for the 30-Year Treasury Constant Maturity, calculate the net present value of the revenue stream determined *Step 7.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.
 - Step 7.a.4: Add to the amount calculated in *Step 7.a.3* interest on the Bonds being redeemed to the next redemption date.
 - Step 7.a.5: Add to the amount calculated in *Step 7.a.4* a redemption premium on the Bonds (if any).
 - Step 7.a.6: Add to the amount calculated in *Step 7.a.5* the Development Impact Fee Deferral amount, as adjusted for inflation.

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

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

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

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

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

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

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

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

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

9. Manner of Collection

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

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

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

"att1"

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

Attachment 2
Westbrook Community Facilities District No. 1 (Public Facilities)
Large Lot Maximum Annual Special Tax in the Base Year

Large Lot Parcel	Tax Category	Acres	No. of Units	Maximum Annual Special Tax per Unit/Acre [1]	Maximum Annual Special Tax [1]
Zone 1 (Phase 1)					
WB-5A	LDR	11.7	71	\$1,585	\$112,535
WB-5B	LDR	18.8	86	\$1,585	\$136,310
WB-6	LDR	21.6	103	\$1,585	\$163,255
WB-7A	LDR	11.9	73	\$1,585	\$115,705
WB-7B	LDR	13.2	72	\$1,585	\$114,120
WB-24	MDR	7.5	53	\$1,300	\$68,900
WB-25	MDR	14.3	100	\$1,300	\$130,000
WB-51	Tax-Exempt	4.4	0	\$0	\$0
WB-61	Tax-Exempt	0.3	0	\$0	\$0
Zone 1 (Phase 1) Totals		103.7	558		\$840,825
Zone 2 (Phase 2)					
WB-1A	LDR	29.3	126	\$1,585	\$199,710
WB-1B	LDR	22.2	133	\$1,585	\$210,805
WB-1C	LDR	0.0	0	\$1,585	\$0
WB-2A	LDR	10.6	58	\$1,585	\$91,930
WB-2B	LDR	7.7	39	\$1,585	\$61,815
WB-3A	LDR	11.6	66	\$1,585	\$104,610
WB-3B	LDR	11.2	71	\$1,585	\$112,535
WB-4	LDR	16.0	100	\$1,585	\$158,500
WB-23	MDR	7.2	59	\$1,300	\$76,700
WB-42 [2]	Nonresidential	14.5	0	\$550	\$7,975
WB-50	Tax-Exempt	8.7	0	\$0	\$0
WB-60	Tax-Exempt	10.0	0	\$0	\$0
WB-62	Tax-Exempt	0.8	0	\$0	\$0
Zone 2 (Phase 2) Totals		149.8	652		\$1,024,580
Zone 3 (Phase 3)					
WB-20	MDR	10.0	73	\$1,300	\$94,900
WB-21	MDR	10.0	72	\$1,300	\$93,600
WB-22	MDR	7.4	54	\$1,300	\$70,200
WB-30 [3]	HDR - Aff.Low	5.6	169	\$0	\$0
WB-30 [3]	HDR - Aff.-Very Low	2.3	68	\$0	\$0
WB-31	HDR	11.1	255	\$305	\$77,775
WB-32 [3]	HDR - Aff.Low	3.7	92	\$0	\$0
WB-32 [3]	HDR - Aff.-Very Low	1.4	36	\$0	\$0
WB-41	Nonresidential	10.0	0	\$0	\$0
WB-52	Tax-Exempt	1.5	0	\$0	\$0
WB-80	Tax-Exempt	36.6	0	\$0	\$0
Zone 3 (Phase 3) Totals		99.6	819		\$336,475
CFD Totals		353.1	2,029		\$2,201,880

"att2"

Source: Westpark; EPS.

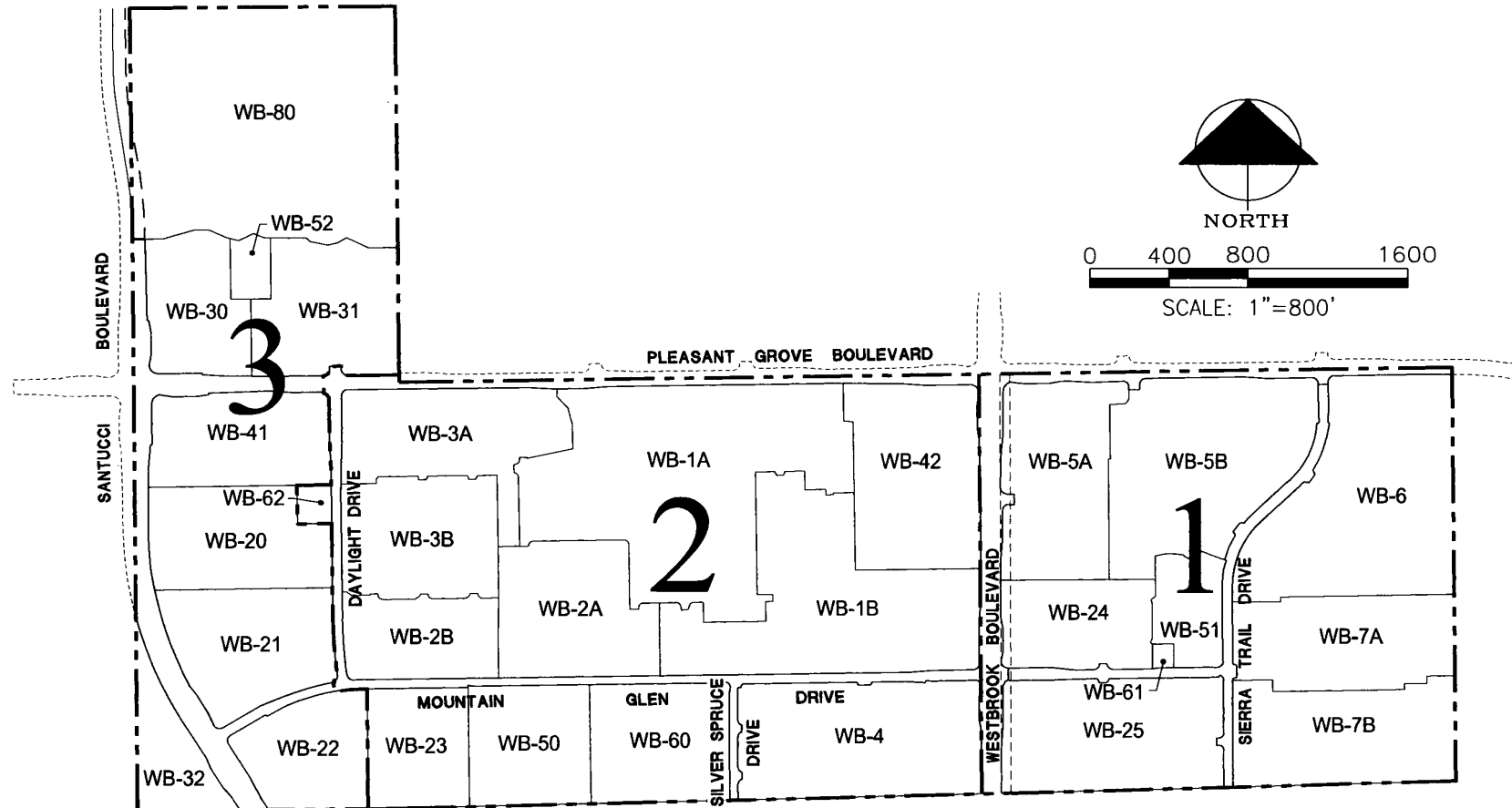
[1] The Maximum Annual Special Tax increases by the Tax Escalator as defined in Section 2 of this RMA.

[2] This parcel is taxed per acre.

[3] WB-30 and WB-32 are updated based on transfer of 162 affordable units from Westpark to Westbrook.

MAP 1

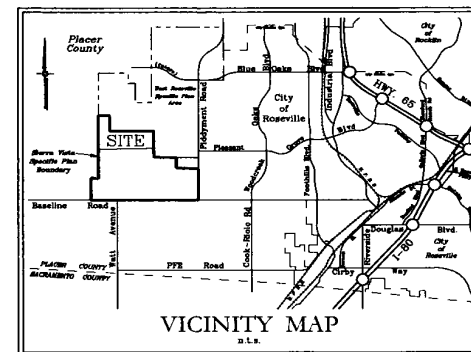
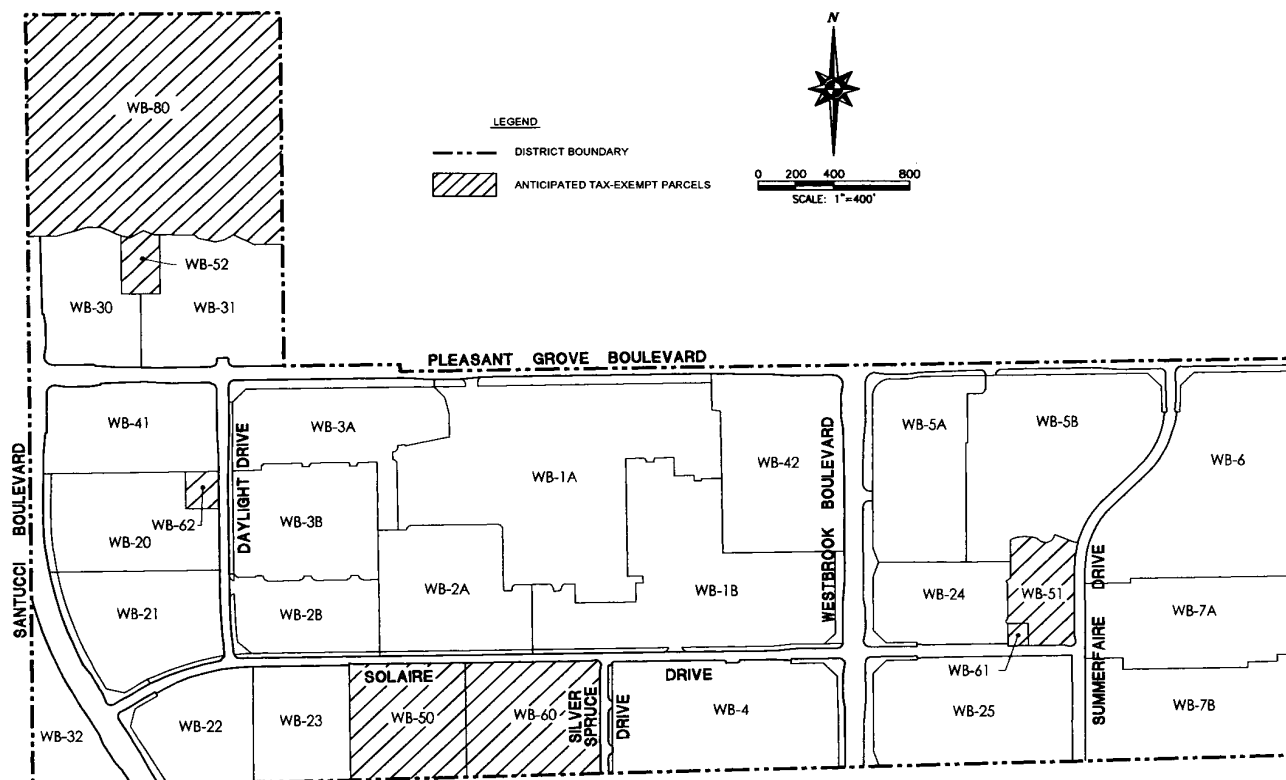
WESTBROOK CFD ZONES



MAP 2

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

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



CITY CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE THIS ____ DAY OF ____ 2014.

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

CITY CLERK'S MAP STATEMENT

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

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

RECORDER'S STATEMENT

FILED THIS ____ DAY OF ____, 2014, AT THE HOUR OF ____ O'CLOCK ____, M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOCUMENT NO. ____

FEE: ____

BY: JIM McCAULEY
COUNTY RECORDER
COUNTY OF PLACER

MACKEY & SOMPS
ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 100, Roseville, CA 95678 (916) 773-1191

FEBRUARY 2018
SHEET 1 OF 1

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APPENDIX B

THE APPRAISAL AND UPDATE TO THE APPRAISAL

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Appraisal of Real Property

Westbrook CFD 1

South and North of Pleasant Grove Blvd
East and West of Westbrook Blvd
Roseville, Placer County, California 95747

Prepared For:

Mr. Jay Panzica, City of Roseville

Effective Date of the Appraisal:

June 15, 2018

Report Format:

Appraisal Report – Bring Forward Letter

IRR – Sacramento

File Number: 193-2018-0037





June 22, 2018

Mr. Jay Panzica
City of Roseville
311 Vernon Street
Roseville, CA 95678

SUBJECT: City of Roseville Community Facilities
District No. 1 (Westbrook)
Roseville, California 95661

Dear Mr. Panzica:

At your request and authorization, Integra Realty Resources – Sacramento has prepared an update to our Appraisal Report of the above-referenced property. The original document, dated May 4, 2018, an Appraisal Report prepared conforming to the requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP), provides the market value (*fee simple estate*) of the appraised property, by ownership, subject to the hypothetical condition, which assumes that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed, as of the effective date of the appraisal, April 11, 2018. This update appraisal may only be used in conjunction with the original Appraisal Report.

As an Update Appraisal Report, this document does not present complete discussion of the data, reasoning and analyses used in the appraisal process to develop the appraiser's opinions of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's work file. The intended use of this Update Appraisal Report, dated June 22, 2018, is to ascertain whether the current estimate of cumulative, or aggregate, value of the District derived in the original Appraisal Report, dated May 4, 2018, is not-less-than that derived in the original Appraisal Report as of the date of inspection (value), April 11, 2018.

The appraised properties encompass Phases 1, 2 and 3 of the Westbrook master planned community within the city of Roseville, Placer County, which contains 1,490 single-family residential lots, 255 HDR units and one commercial lot. Of the 1,490 single family lots, 1,342 are appraised herein, of which there are 192 lots with completed single-family homes currently not assessed for an improvement value by the Placer County Assessor; as such, a "not-less-than" estimate of market value for the smallest floor



plan constructed within each subdivision was appraised and assigned to each respective Assessor's parcel. With the exception of 192 completed single-family homes (none of which have been assigned an assessed value; thus, they are included in the scope of our analysis herein), the 134 lots under construction/foundations poured are appraised herein as a finished single-family residential lot. The subject property is generally located north and south (substantially south) of Pleasant Grove Boulevard, west and east of Westbrook Boulevard, within the city of Roseville, Placer County, California.

We have been requested to provide a market value of the appraised properties by ownership and Assessor's parcel, as well as a cumulative, or aggregate, value of the properties, as of the date of value. The market value of the appraised properties, by ownership, as well as the cumulative, or aggregate, value of the appraised properties in the CFD account for the impact of the Lien of the Special Tax securing the City of Roseville CFD No. 1 (Westbrook) Bond.

As a result of our analysis, it is our opinion the not-less-than value opinion, in accordance with the assumptions and conditions set forth in the attached document, as of June 15, 2018, are as follows:

Value by Ownership		
Individual Homeowners	Lots/Parcels	Market Value
Finished Homes without AVs		
Solis	47	\$19,364,000
Hillingdon	18	\$7,920,000
Bromley	8	\$3,960,000
Manchester	63	\$27,720,000
Wexford	32	\$14,240,000
Total	168	\$73,204,000
Woodside Homes		
Unimproved Lots	100	\$9,160,900
Finished Lots	26	\$3,681,500
Homes under Construction	37	\$5,195,500
Finished Homes without AVs		
Solis	3	\$1,236,000
Hillingdon	3	\$1,320,000
Bromley	1	\$495,000
Total	170	\$21,088,900
D.R. Horton		
Finished Lots	45	\$5,798,500
Homes under Construction	46	\$5,836,500
Finished Homes without AVs		
Manchester	5	\$2,200,000
Wexford	12	\$5,340,000
Total	108	\$19,175,000
Taylor Morrison		
Finished Lots	122	\$17,273,000
Homes under Construction	23	\$3,242,000
Total	145	\$20,515,000
Lennar Homes of CA		
Finished Lots	231	\$33,264,000
Homes under Construction	28	\$4,032,000
Total	259	\$37,296,000
TOTAL		\$171,278,900
Westpark SV 400		\$19,330,000
Aggregate Value of Appraised Properties		\$190,608,900
Aggregate Retail Value of Existing Homes based on Assessed Value		\$29,499,616
Total Aggregate Value of Appraised and Assessed Properties in the District		\$220,108,516

The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis.” It is a hypothetical condition of the Appraisal that that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

This estimate of value above represents a “not-less-than” value due to the fact we were requested to provide a market value of the smallest floor plan (by project) on each single-family residential lot improved with a completed home without a complete assessed improvement value assigned.

Any properties within CFD No. 1 (Westbrook) not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites), in addition to those lots with completed improvements with an assigned complete assessed value for both land and improvements, are not a part of this appraisal.

Please note the aggregate values noted above ***are not*** the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the “total of multiple market value conclusions.” For purposes of this report, market value is estimated by ownership.

The estimates of market value provided assume a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimates are also premised on an assumed sale after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with buyer and seller acting prudently, knowledgeably, for their own self-interest and assuming neither is under duress. Further, the estimates of market value, by ownership, estimated herein specifically assume the appraised properties within the boundaries of CFD No. 1 (Westbrook) are not marketed concurrently, which would suggest a market under duress.

Presented below is a summary of pertinent information pertaining to the subject properties:

Property Rights Appraised:	Fee simple estate
Property Name:	Property within the boundaries of the City of Roseville Community Facilities District No. 1 (Westbrook).
Assessor’s Parcel Number(s)/ Owner(s) of Record:	The appraised parcels are owned by multiple ownership groups, which are described in more detail in the <i>Property Legal Data</i> section of the original appraisal report dated May 15, 2018. Most of the completed single-family homes without an assessed value for vertical improvements appraised herein are owned by individual homeowners.
Zoning & Entitlements:	RS/DS – Small lot residential with development standard overlay R3 – Attached housing CC – Community Commercial
Earthquake Zone:	Zone 3 – Moderate seismic activity (not located in a Fault-Rupture Hazard Zone)
Highest and Best Use:	



Low Density Residential (LDR)
 Medium Density Residential (MDR)
 Multifamily Residential R3 (Market)
 Commercial (CC)

Near term single-family residential
 Near term single-family residential
 Near term multifamily residential
 Hold for future commercial development

Highest and Best Use as Improved:

Continuation of single-family residential development

Type and Definition of Value:

The purpose of this appraisal is to estimate the market value (*fee simple estate*), by ownership and Assessor's parcel, and the cumulative, or aggregate, value of the appraised properties comprising a portion of the City of Rpserville Community Facilities Districts (CFD) No. 1 (Westbrook), subject to the hypothetical condition that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

Scope of Work:

In preparing this Update Appraisal Report, we analyzed market data presented in our original Appraisal Report dated May 4, 2018 (as of the April 11, 2018 date of value/inspection). In addition, we analyzed current market conditions. This Update Appraisal Report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's work file. The purpose of this Update Appraisal Report, dated June 22, 2018, is to ascertain whether the current estimate market value of the appraised property, by ownership, derived in the original Appraisal Report, dated May 4, 2018, is not-less-than that derived in the original Appraisal Report as of the date of inspection (value), April 11, 2018.

Date of Inspection:

The subject was not re-inspected.

Date of Report:

June 22, 2018

Date of Value:

June 15, 2018

Conclusion of Cumulative, or Aggregate, Value of the District:

As a result of our analysis, it is our opinion the not-less-than value, in accordance with the assumptions and conditions set forth in the attached document, as of June 15, 2018, is not less than:

Final Value Conclusions

Value Premise	Concluded Value
Aggregate Value of Appraised Properties	\$ 190,608,900
Aggregate Retail Value of Existing Homes based on Assessed Value	\$ 29,499,616
Total Aggregate Value of Appraised and Assessed Properties in the District	\$ 220,108,516

The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis.” It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

Any properties within the CFD not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites), in addition to those lots/parcels with completed improvements with an assigned complete assessed value for both land and improvements, are not a part of this appraisal.

Please note the aggregate value noted above ***is not*** the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the “total of multiple market value conclusions.” For purposes of this report, market value is estimated by ownership.

The estimates of market value provided assume a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimates are also premised on an assumed sale after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with buyer and seller acting prudently, knowledgeably, for their own self-interest and assuming neither is under duress. Further, the estimates of market value, by ownership, estimated herein specifically assume the appraised properties within the boundaries of the CFD are not marketed concurrently, which would suggest a market under duress.

We hereby certify the properties have been inspected and have impartially considered all data collected in the investigation as part of furnishing this Appraisal Report. Further, we have no past, present or anticipated future interest in the properties. This Update Appraisal Report dated June 22, 2018, which contains 11 pages, must remain attached to the original appraisal dated May 4, 2018, which contains 149 pages, plus related exhibits and Addenda, in order for the value opinions set forth herein to be considered valid.

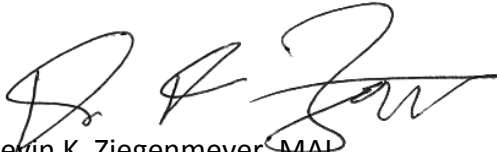
The appraised properties do not have any significant natural, cultural, recreational or scientific value. The appraisers certify this appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

This Update Appraisal Report has been performed in accordance with the requirements of USPAP, the Code of Professional Ethics and the Standard of Professional Practice of the Appraisal Institute.

Certification

We certify that, to the best of our knowledge and belief:

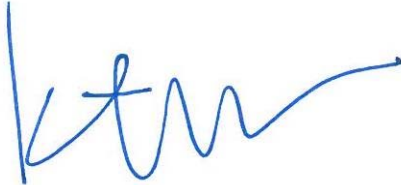
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed appraisal services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Kevin Ziegenmeyer, MAI, Eric Segal, MAI and Kari Tatton have all made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Kevin Ziegenmeyer, MAI and Eric Segal, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.



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Certified General Real Estate Appraiser
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Telephone: 916-435-3883, ext. 224
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Eric Segal, MAI
Certified General Real Estate Appraiser
California Certificate # AG026558
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Kari Tatton
Certified General Real Estate Appraiser
California Certificate # 3002218
Telephone: 916-435-3883, ext. 229
Email: ktatton@irr.com

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical

characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates, other participating financial institutions, government or non-government agencies, legal counsel or other transaction participants. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Sacramento, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – Sacramento is not a building or environmental inspector. Integra Sacramento does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – Sacramento, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

Addendum A

Appraiser Qualifications

Kevin Ziegenmeyer, MAI

Experience

Mr. Ziegenmeyer is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, residential income and subdivisions throughout the Central Valley area of California, Northern Nevada, and within the Sacramento Metropolitan Area. Over the past several years, Mr. Ziegenmeyer has handled many of the firm's master-planned property appraisals and has developed expertise in the valuation of Community Facilities Districts and Assessment Districts. In early 2015, Mr. Ziegenmeyer obtained the Appraisal Institute's MAI designation. Kevin is currently Senior Managing Director of the Integra-San Francisco office and Managing Director of the Integra-Sacramento office.

Licenses

California, Certified General Real Estate Appraiser, AG013567, Expires June 2019

Education

Academic:

Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A, B & C

Basic Valuation Procedures

Real Estate Appraisal Principles

Capitalization Theory and Techniques, Part A

Advanced Income Capitalization

Report Writing and Valuation Analysis

Advanced Applications

IRS Valuation Summit I & II

2008, 2009, 2010 & 2011 Economic Forecast

Business Practices and Ethics

Contemporary Appraisal Issues with Small Business Administration Financing

General Demonstration Appraisal Report Writing Seminar

7-Hour National USPAP Update Course

Valuation of Easements and Other Partial Interests

2009 Summer Conference

Uniform Appraisal Standards for Federal Land Acquisitions

2008 Economic Update

Valuation of Conservation Easements

Subdivision Valuation

2005 Annual Fall Conference

General Comprehensive Exam Module I, II, III & IV

Advanced Income Capitalization

Advanced Sales Comparison & Cost Approaches

2004 Central CA Market Update

Computer-Enhanced Cash Flow Modeling

Forecast 2000, 2001, 2002, 2003 & 2004

Land Valuation Assignments

Integra Realty Resources
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Kevin Ziegenmeyer, MAI

Education (Cont'd)

Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

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

Kevin K. Ziegenmeyer

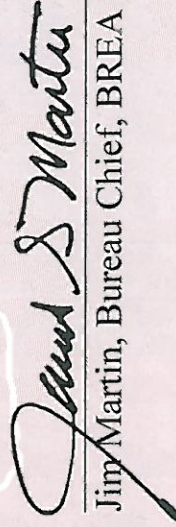
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 013567

Effective Date: June 5, 2017
Date Expires: June 4, 2019


Jim Martin, Bureau Chief, BREa

3034684

Eric Segal, MAI

Experience

Mr. Segal is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1998, Mr. Segal began his career in real estate as a research analyst/appraiser trainee for Richard Seevers and Associates. By 1999, he began writing narrative appraisal reports covering a variety of commercial properties, with an emphasis on residential master planned communities and subdivisions. Today, Mr. Segal is a partner in the firm and is involved in appraisal assignments covering a wide variety of properties including office, retail, industrial, multifamily housing, master planned communities, and specializes in the appraisal of Mello-Roos Community Facilities Districts and Assessment Districts for land-secured municipal financings, as well as multifamily developments under the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (MAP) Guide. He has developed the experience and background necessary to deal with complex assignments covering an array of property types, with a particular focus on urban redevelopment in the cities of San Francisco, Monterey, Alameda and San Mateo. He has developed the experience and background necessary to deal with complex assignments covering an array of property types. Eric is currently Managing Director of the Integra-San Francisco office and Senior Managing Director of the Integra-Sacramento office.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute, January 2016

Licenses

California, Certified General, AG026558, Expires February 2019

Nevada, Certified General, A.0207666-CG, Expires January 2019

Education

Academic:

Bachelor of Science in Business Administration (Concentrations in Finance and Real Estate & Land Use Affairs), California State University, Sacramento

Appraisal and Real Estate Courses:

Uniform Standards of Professional Appraisal Practice

Appraisal Principles

Basic Income Capitalization

Highest & Best Use and Market Analysis

Advanced Income Capitalization

Report Writing and Valuation Analysis

Self-Storage Economics and Appraisal Seminar

Appraisal Litigation Practice and Courtroom Management

Hotel Valuations: New Techniques for today's Uncertain Times

Computer Enhanced Cash Flow Modeling

Advanced Sales Comparison & Cost Approaches

Advanced Applications

Supervisor-Trainee Course for California

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BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Eric A. Segal

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 026558

Effective Date: February 19, 2017
Date Expires: February 18, 2019


Jim Martin, Bureau Chief, BREA

Kari Tatton

Experience

Ms. Tatton is a Certified General real estate appraiser. After completing her bachelor's degree at California State University, Sacramento, Ms. Tatton began her career in real estate in March 2011, and has been writing narrative appraisal reports for a variety of properties. Today, she is involved in appraisal assignments covering office, retail, industrial, multifamily housing, land and mixed-use properties; as well as special-purpose properties including self-storage facilities, religious facilities, schools and auto dealerships. Ms. Tatton has developed the experience and background necessary to deal with complex assignments covering an array of property types, including subdivisions, as well as Mello-Roos and Assessment Districts.

Licenses

California, Certified General Real Estate, 3002218, Expires June 2018

Education

Academic:

Bachelor of Arts in Interior Design (Concentration in Interior Architecture)
California State University, Sacramento

Appraisal and Real Estate Courses:

Basic Appraisal Principles
Basic Appraisal Procedures
Site Valuation & Cost Approach
General Market Analysis & Highest and Best Use
Sales Comparison Approach
Income Capitalization Approach Part I
Income Capitalization Approach Part II
General Appraiser Report Writing and Case Studies

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

Kari M. Tatton

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3002218

Effective Date: June 2, 2018
Date Expires: June 1, 2020


Jim Martin, Bureau Chief, BREA

3040303

Appraisal of Real Property

Westbrook CFD 1

South and North of Pleasant Grove Blvd
East and West of Westbrook Blvd
Roseville, Placer County, California 95747

Prepared For:

Mr. Jay Panzica, City of Roseville

Effective Date of the Appraisal:

April 11, 2018

Report Format:

Appraisal Report – Comprehensive Format

IRR - Sacramento

File Number: 193-2018-0037



May 4, 2018

Mr. Jay Panzica, Chief Financial Officer
City of Roseville
311 Vernon Street
Roseville, CA 95678

SUBJECT: City of Roseville Community Facilities
District No. 1 (Westbrook)
Roseville, California 95661

Dear Mr. Panzica:

At your request and authorization, Integra Realty Resources – Sacramento has prepared an appraisal report for the purpose of estimating the market value (*fee simple estate*) of certain developed and undeveloped properties within the boundaries of the City of Roseville Community Facilities Districts No. 1, under the assumptions and limiting conditions contained in this report.

The appraisal report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (2004). This document is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP.

The subject property represents Phases 1, 2 and 3 of the Westbrook master planned community, which is located north and south (substantially south) of Pleasant Grove Boulevard, west and east of Westbrook Boulevard, within the city of Roseville, Placer County, California. The subject consists of a variety of land use designations, including low density residential (LDR), medium density residential (MDR), high density residential (HDR) and community commercial (CC), as well as public use land areas designated for park areas and open space.

We have been requested to provide a market value of the appraised properties by ownership and Assessor's parcel, as well as a cumulative, or aggregate, value of the properties, as of the date of inspection (value). The market value of the appraised properties, by ownership, as well as the cumulative, or aggregate, value of the appraised properties in the CFD account for the impact of the Lien of the Special Tax securing the City of Roseville CFD No. 1 (Westbrook) Bond.

As a result of our analysis, it is our opinion the cumulative, or aggregate, values, in accordance with the assumptions and conditions set forth in the attached document, as well as the Assessed Values of the 61 completed single-family residences not appraised, as of April 11, 2018, are presented on the following page.



Final Value Conclusions	
Value Premise	Concluded Value
Aggregate Value of Appraised Properties	\$ 190,608,900
Aggregate Retail Value of Existing Homes based on Assessed Value	\$ 29,499,616
Total Aggregate Value of Appraised and Assessed Properties in the District	\$ 220,108,516

The market values estimated herein are based on a **hypothetical condition**. USPAP defines a hypothetical condition as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis.” It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

This estimate of value above represents a “not-less-than” value due to the fact we were requested to provide a market value of the smallest floor plan (by project) on each single-family residential lot improved with a completed home with a complete assessed improvement value assigned.

Any properties within the CFD not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites), in addition to those lots/parcels with completed improvements with an assigned complete assessed value for both land and improvements, are not a part of this appraisal.

Please note the aggregate value noted above **is not** the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the “total of multiple market value conclusions.” For purposes of this report, market value is estimated by ownership. The estimates of market value account for the impact of the Lien of the Special Taxes securing the Bonds.

The estimates of market value provided assume a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimates are also premised on an assumed sale after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with buyer and seller acting prudently, knowledgeably, for their own self-interest and assuming neither is under duress. Further, the estimates of market value, by ownership, estimated herein specifically assume the appraised properties within the boundaries of the CFD are not marketed concurrently, which would suggest a market under duress.

We hereby certify the properties have been inspected and have impartially considered all data collected in the investigation. Further, we have no past, present or anticipated future interest in the properties. This letter must remain attached to the report, which contains 152 pages, plus related exhibits and Addenda, for the value opinions set forth herein to be considered valid.

The appraised properties do not have any significant natural, cultural, recreational or scientific value. The appraisers certify this appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

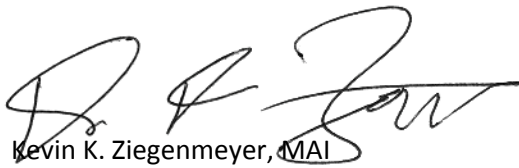


Mr. Jay Panzica
May 4, 2018
Page 3

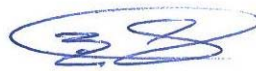
This appraisal has been performed in accordance with the requirements of USPAP, the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Appraisal Standards for Land Secured Financing, published by the California Debt and Investment Advisory Commission (2004). Additionally, this valuation is offered in accordance with the limiting conditions and assumptions set forth in this report.

Thank you for the opportunity to work with your office on this assignment.

Respectfully submitted,



Kevin K. Ziegenmeyer, MAI
State Certification No.: AG013567
Expires: June 4, 2019



Eric A. Segal, MAI
State Certification No.: AG026558
Expiration Date: February 18, 2019



Kari M. Tatton, Appraiser
State Certification No.: 3002218
Expires: June 1, 2018

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Addenda

- A. Appraiser Qualifications
- B. Value by Assessor's Parcel

Summary of Salient Facts and Conclusions

Property:	Property within the boundaries of the City of Roseville Community Facilities District No. 1 (Westbrook).
Location:	North and south of Pleasant Grove Boulevard, west and east of Westbrook Boulevards within the city of Roseville, Placer County, California.
Assessor Parcel Numbers/ Owners of Record:	The appraised parcels are owned by multiple ownership groups, which are described in more detail in the <i>Property Legal Data</i> section. Most of the completed single-family homes without an assessed value for vertical improvements appraised herein are owned by individual homeowners.
Zoning:	RS/DS – Small lot residential with development standard overlay R3 – Attached housing CC – Community Commercial P/QP – Public/Quasi-Public P/R – Park and Recreation OS – Open Space
Flood Zone:	Zone X – areas determined to be outside of the 500-year flood plain. The appraised properties are not subject to the Central Valley Flood Protection Plan.
Earthquake Zone:	Zone 3 – Moderate seismic activity (not located in a Fault-Rupture Hazard Zone)
Entitlements:	The single-family residential parcels have tentative map approvals. The multifamily and commercial parcels have zoning in place for development, but no additional entitlements/maps. Please consult the <i>Property Ownership and History</i> section later in this report for a complete summary of larger parcels/land uses/entitlements in place.
Lot Sizing:	
Low Density Residential (LDR)	Parcels (lots) range from about 4,500 to 6,000 square feet
Medium Density Residential (MDR)	Parcels (lots) range from about 3,150 to 4,500 square feet
Highest and Best Use:	
Low Density Residential (LDR)	Near term single-family residential
Medium Density Residential (MDR)	Near term single-family residential
Multifamily Residential R3 (Market)	Near term multifamily residential
Commercial (CC)	Hold for future commercial development
Highest and Best Use, as Improved:	Continuation of single-family residential use

Property Rights Appraised:	Fee simple interest
Date of Inspection:	April 11, 2018
Effective Date of Value:	April 11, 2018
Date of Report:	May 4, 2018
Exposure Time/Marketing Time:	12 months

Conclusion of Cumulative, or Aggregate, Value of the District:

Final Value Conclusions	
Value Premise	Concluded Value
Aggregate Value of Appraised Properties	\$ 190,608,900
Aggregate Retail Value of Existing Homes based on Assessed Value	\$ 29,499,616
Total Aggregate Value of Appraised and Assessed Properties in the District	\$ 220,108,516

This estimate of value above represents a “not-less-than” value due to the fact we were requested to provide a market value of the smallest floor plan (by project) on each single-family residential lot improved with a completed home without an assessed improvement value assigned.

The market value of the appraised properties by Assessor’s parcel can be found in the Addenda of this Appraisal Report. Any properties within the CFD not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites), in addition to those lots/parcels with completed improvements with an incomplete assigned assessed value for both land and improvements, are not a part of this appraisal.

Please note the aggregate value noted above ***is not*** the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the “total of multiple market value conclusions.” For purposes of this report, market value is estimated by ownership. The estimates of market value account for the impact of the Lien of the Special Taxes securing the Bonds.

The estimates of market value, by ownership, estimated herein specifically assume the appraised properties within the boundaries of the CFD are not marketed concurrently, which would suggest a market under duress.

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

General Information

Identification of Subject

The subject property represents Phases 1, 2 and 3 of the Westbrook master planned community, which is located north and south (substantially south) of Pleasant Grove Boulevard, west and east of Westbrook Boulevard, within the city of Roseville, Placer County, California. The subject consists of a variety of land use designations, including low density residential (LDR), medium density residential (MDR), high density residential (HDR) and community commercial (CC), as well as public use land areas designated for park areas, open space and a school site.

A summary of the larger parcels with CFD No. 1 is shown in the following table.

Land Use Parcel Summary

Larger Parcel Designation	Land Use	No. of Lots/Units	Lot Sizes (SF)	Net Land Area (Acres)
Phase 1				
WB-5A, WB-5B, WB-6, WB-7A, WB-7B	LDR	405	4,500 - 6,000	77.20
WB-24, WB-25	MDR	153	3,850 - 4,500	21.80
WB-51	Park	--	--	4.40
WB-61	Public/Quasi Public	--	--	0.30
Phase 2				
WB-A1, WB-1B, WB-1C, WB-2A, WB-3A, WB-3B, WB-4	LDR	593	4,920 - 6,000	107.60
WB-23	MDR	59	5,000	7.20
WB-42	Community Commercial	1	--	14.50
WB-50	Park	--	--	8.70
WB-60	Public/Quasi Public	--	--	10.00
WB-62	Public/Quasi Public	--	--	0.08
Phase 3				
WB-20, WB-21, WB-22	MDR	199	3,825	27.40
WB-31	HDR (Market)	255	--	11.10
WB-52	Park	--	--	1.50
WB-80	Open Space	--	--	36.60
TOTAL		1,665		328.38

According to the "Owner's Annual Report for the Fiscal Year Ending December 31, 2017" that was provided for use in this appraisal (and is still considered generally accurate as it pertains to the current status of Westbrook), a total of 816 single-family detached lots have sold/closed within Westbrook to merchant builders. Current merchant builders active in Westbrook include Lennar Homes, Taylor Morrison, Woodside Homes and D.R. Horton.

Subject Property – Strengths, Weaknesses, Opportunities, Threats

- Strengths:**
- Desirable regional location (south Placer County, Roseville)
 - The housing market is in a state of expansion
 - Appeal to both first time and move-up buyers
 - Good condition of surrounding homes and immediate path of growth
 - Good transportation linkages with proximity to State Highway 65 and Interstate 80
- Weaknesses:**
- With a large number of lots, sell-off is anticipated to take several years
 - Significant backbone and in-tract work remains to be completed
 - The increase in the number of competing, active subdivisions in West Roseville could impact overall absorption and pricing in the market in the near term
- Opportunities:**
- Housing shortage in the region may lead buyers to consider purchasing in the development
 - Current shortage of developable lots within the region
- Threats:**
- Macroeconomic factors, and the possibility the economy becomes stagnant and the residential sector loses steam
 - Unforeseen delays

Sale History

The appraisal report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP) for Mass Appraisals, inasmuch this appraisal report does not provide a discussion of the sales history for each parcel appraised herein during the past three years. The scope of work outlined in this report is based on the specific intended use of this appraisal report. As will be shown and detailed herein, the appraised properties have been the subject of previous, recent and pending transactions as either unimproved or improved single-family residential lots, completed single-family homes currently being marketed for sale by merchant builders within the CFD, and commercial or multifamily parcels.

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value (*fee simple estate*), by ownership and Assessor's parcel, and the cumulative, or aggregate value of the appraised properties comprising a portion of the City of Roseville Community Facilities Districts (CFD) No. 1 (Westbrook), subject to the hypothetical condition that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed, as of the effective date of the appraisal, April 11, 2018. The date of the report is May 4, 2018. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

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

- Buyer and seller are typically motivated;

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

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

Definition of Property Rights Appraised

Fee simple estate is defined as, “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.”

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015))

Intended Use and User

The client and intended user of the report is the City of Roseville and the associated Finance Team. The appraisal report is intended for use in bond underwriting and will be included in the Preliminary Official Statement and the Official Statement used to market the bonds.

Applicable Requirements

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

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;

Report Format

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

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management,



brokerage, or any other services. We have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

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

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

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

In this appraisal we determined the highest and best use of the subject property as though vacant based on the four standard tests (legal permissibility, physical possibility, financial feasibility and maximum productivity). As will be shown in the *Highest and Best Use Analysis* section, the highest and best use of the subject property is for near term single-family residential development (production homes), as well as near-term multifamily residential development on the parcel approved for market rate units (Parcel WB-31).

The valuation began by employing the sales comparison approach and extraction technique to estimate the market value of a benchmark lot category of the low density residential (LDR) lots. In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value for this benchmark lot category was concluded. Then, as a support of reasonableness, an extraction analysis was utilized, which was reconciled with the sales comparison approach conclusion. For the subject’s medium density lots, the extraction technique was used as the sole basis of valuation. Next, adjustments were applied to determine values for each residential larger parcel, based upon lot size differences that exist from the benchmark larger parcels.

The sales comparison approach was also utilized to determine the value of the subject’s commercial site. Additionally, the sales comparison approach, as well as an extraction technique, was utilized to estimate the value of Parcel WB-31, which is designated for multifamily residential development. In the extraction method, the market value of an apartment complex at completion of construction and stabilized occupancy was first estimated via an income capitalization approach. Within this approach, a typical market rent was applied for the Roseville area. Estimates of vacancy/collection loss, operating expense ratios and overall capitalization rates were also inputted utilizing typical market parameters. Next, all estimated direct costs required to construct the project (via estimated from the Residential Cost Handbook published by Marshall and Swift), as well as indirect costs (including lease-up costs), were subtracted from this stabilized value to arrive at an underlying land value. The values derived via each approach were reconciled into a final opinion of value for this parcel.

The market value estimates for the various taxable land use components described above were then assigned to the various Assessor's parcels comprising the Appraised Properties in order to derive the values, by ownership. As the majority of the undeveloped land within the District is held by a single owner, the master developer, Westpark SV 400 LLC, the market value of this ownership interest involved the subdivision development method (a type of discounted cash flow analysis), which takes into consideration the revenue and expenses (including the completion of backbone infrastructure) associated with selling off the individual larger parcels over an estimated absorption period (also incorporating an appropriate discount rate to the cash flows).

The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis." It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

An inspection of the subject was completed on April 11, 2018, which represents the effective date of market value. This appraisal report was completed and assembled on May 4, 2018.

Extraordinary Assumptions and Hypothetical Conditions

It is noted the use of an extraordinary assumption or hypothetical condition may have affected the results of the appraisal.

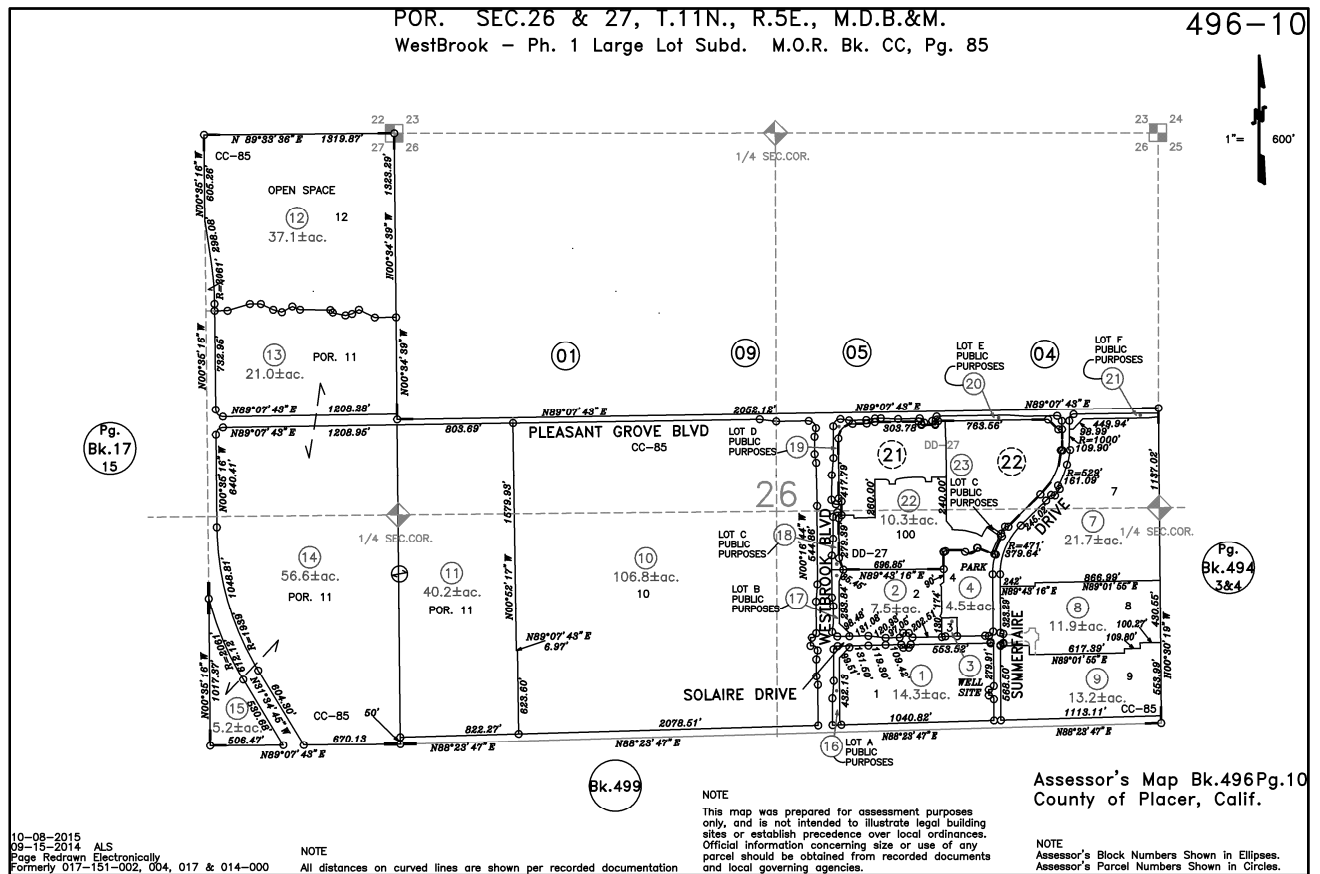
Extraordinary Assumptions

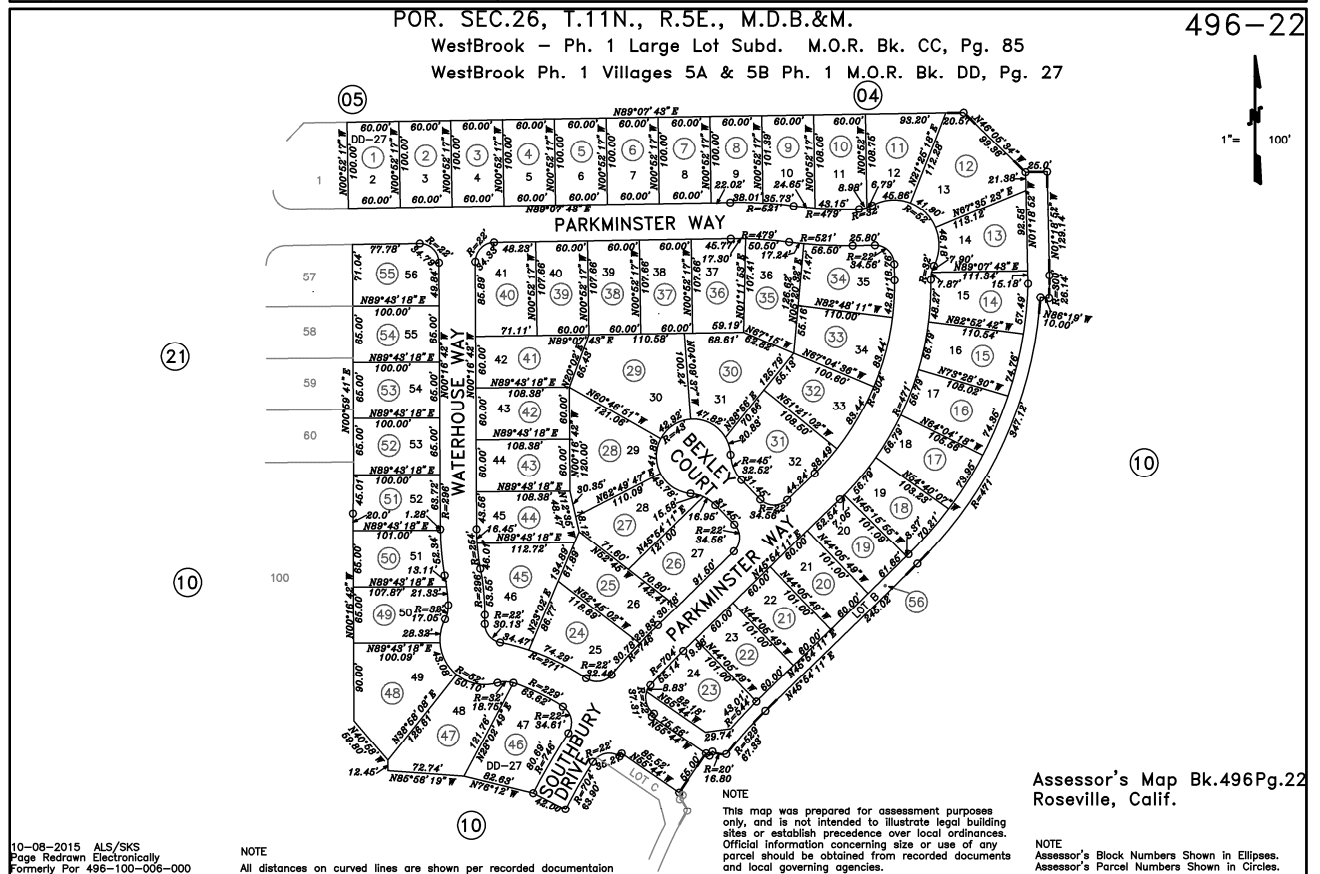
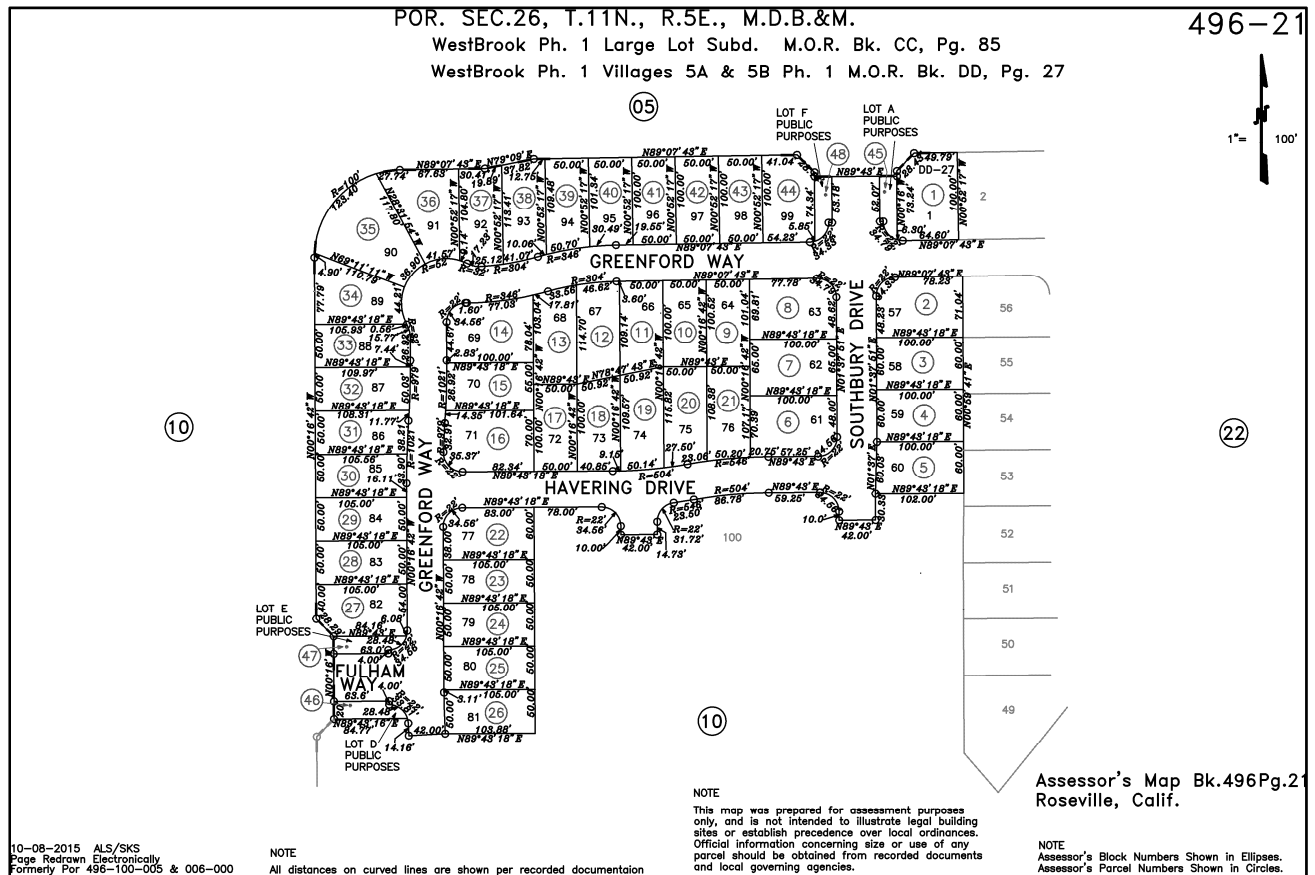
1. It is presumed there are no adverse soil conditions, toxic substances or other environmental hazards that may interfere or inhibit development of the appraised properties. If, at some future date, items are discovered that are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion of value stated herein.

Hypothetical Conditions

1. The market values estimated herein is based on a ***hypothetical condition***. USPAP defines a hypothetical condition as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis.” It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed. The estimates of market value account for the impact of the Lien of the Special Taxes securing the Bonds.

Property Legal Data





Assessor's Parcel Number(s)

The appraised properties consist of 592 unimproved residential lots, 424 finished residential lots, 134 partially completed homes, one commercial parcel and one multifamily (high density residential) parcel, which are identified within the 2017/18 Tax Roll appended hereto.

Additionally, there are also 192 completed single-family homes within the boundaries of the CFD not currently assessed for a complete improvement value by the Placer County Assessor; as such, a not-less-than estimate of market value for the smallest floor plan constructed within each subdivision was appraised and assigned to each respective Assessor's parcel within the CFD.

Location

The appraised properties are located within the Westbrook Development of the Sierra Vista Specific Plan in the city of Roseville.

Owner(s) of Record

A summary of the various ownership group holdings is provided in the following table.

Owners of Record							
Owner	Commercial Parcels	Multifamily Units	Finished Lots	Partially Completed Homes	Completed Homes*	Unimproved Residential lots	Totals
Individual Homeowners	--	--	--	--	168	--	168
Woodside 05 LP	--	--	26	37	7	100	170
DR Horton CA 2 Inc.	--	--	45	46	17	--	108
Taylor Morrison	--	--	122	23	--	--	145
Westpark SV 400 LLC	1	255	--	--	--	492	748
Lennar Homes of California LLC	--	--	231	28	--	--	259
Totals	1	255	424	134	192	592	1,598

*Completed homes without a complete assessment for structural improvements by County Assessor

It should be noted the Assessor's Office records are not current as to ownership and most of the completed homes appraised herein, with the exception of model homes, are actually currently owned by individual homeowners.

Legal Description

A complete legal description, which would typically be included in a preliminary title report, was not provided to the appraiser.

Property Taxes

The property tax system in California was amended in 1978 by Article XIII to the State Constitution, commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value, which is then modified annually to reflect inflation (if any). Annual inflationary increases cannot exceed 2% per year. The base year was set at 1975-76 or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occurs, the property is to be re-appraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and supplemental assessments. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the political jurisdiction in which the property is located, can be added to the 1% tax rate.

Ad Valorem Taxes

The existing ad valorem taxes are of nominal consequence in this appraisal, primarily due to the fact these taxes will be adjusted substantially as the remaining property improvements are completed and in consideration of the definition of market value employed in this appraisal, which assumes a sale of the appraised properties. According to the Placer County Treasurer-Tax Collector's Office, the appraised properties have a cumulative annual tax rate of 1.097218% based on assessed value.

Special Assessments

All of the appraised properties are encumbered by the Westbrook Community Facilities District (CFD) No. 1 as well as the CFD #2 Services tax and CFD #3. With respect to special taxes, we have relied upon information provided by Willdan Financial Services, the Bond administrator, for the annual special tax levy on the appraised properties, which are shown as follows:

Westbrook CFD No. 1

Proposed Land Use	Special Tax Per Lot/Unit/Acre
LDR	\$1,682
MDR	\$1,380
HDR	\$324
Commercial	\$584

Westbrook CFD No. 2 (Services)

Proposed Land Use	Special Tax Per Lot/Unit/Acre
LDR	\$362 to \$399
MDR	\$362 to \$399
HDR	\$283
Commercial	\$1,532

CFD No. 3, Municipal Services

Proposed Land Use	Special Tax Per Lot/Unit/Acre
LDR	\$422
MDR	\$247
HDR	\$123
Commercial	\$1,151

Conditions of Title

A preliminary title report was not provided for this analysis. It is assumed there are no adverse conditions on title. The appraiser assumes no negative title restrictions and accepts no responsibility for matters pertaining to title.

Zoning and Entitlements

Zoning information for the appraised properties is presented below:

Zoning: **CC– Community Commercial**

Purpose: This land use designation provides for a broad range of retail goods and services, which can accommodate developments including conventional neighborhood shopping centers (typically anchored by a grocer) and larger-scale commercial centers (sometimes referred to as ‘Power Centers’).

Zoning: **R3/DS – Attached Housing/Development Standards**

Purpose: The Attached Housing district is intended for multiple-family housing. The types of land use intended for the R3 zoning district include apartments, condominiums, town homes and similar or related compatible uses. The development standard (DS) district is an overlay district which allows modification of the specified development standards in general zone districts including any or all of the following development standards: 1) minimum lot size, 2) minimum lot depth, 3) maximum lot depth, 4) minimum yard setbacks, 5) maximum coverage, 6) minimum usable open space, 7) maximum building height, 8) principal building types, 9) minimum landscaping setbacks and 10) minimum parking ratios.

Zoning: **RS/DS – Small Lot Residential/Development Standards**

Purpose: The small lot residential district is intended to allow either attached or detached single-family dwellings, and similar and related compatible uses.

Zoning: **PR – Parks and Recreation**

Purpose: This land use designation is applied to parcels where formal, developed park facilities are planned.

Zoning: **OS – Open Space**

Purpose: This land use designation is generally applied to lands that are environmentally sensitive or otherwise significant due to habitat and where preservation is required by federal permit. Land identified with the OS designation can contain hazards, natural features, or man-made features. For Sierra Vista, the OS land use designation is also applied to the Plan Area’s paseo parcels, which are widened corridors along key roadways that provide pedestrian/ bikeway linkages throughout the Plan Area. Open space areas provide for passive recreation opportunities, pedestrian/ bike paths, preservation of significant resources, view sheds, flood water conveyance and retention, storm water quality treatment/ filtration, aesthetic enhancement (within paseos), water conserving landscapes, whenever possible, and resource mitigation.

Zoning: **P/QP – Public/Quasi Public**

Purpose: This land use designation accommodates a variety of public-serving uses and facilities. These sites will provide for public schools (one middle school and three elementary schools), a church, and a fire station. In addition, sites for the construction of various essential service facilities are provided throughout the Plan Area, in accordance with requirements of the City's utility departments. These include facilities for an electric substation, groundwater wells, water treatment, water storage tanks, and solid waste recycling.

Entitlements

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

Entitlements	
Description	No. Homes/Units/Lots
Completed Single-Family Home without Assessed Values	192
Partially Completed Single Family Homes (Under Construction)	134
Finished Single-Family Lots	424
Unimproved Residential Lots	<u>592</u>
Subtotal	1,342
Multi-family Residential Units	255
Community Commercial Parcels	1
Total	1,598

All improved single-family residential homes and lots (816 in total, including 67 homes not appraised herein) have final maps in place. 592 unimproved residential lots, the one commercial parcel (WB-42), as well as the one multifamily residential parcel (WB-31), have zoning in place for development, but no further entitlements.

Flood Zone

According to the Federal Emergency Management Agency (FEMA) National Flood Insurance Program, Flood Insurance Rate Map (FIRM), the subject is located within Zone X (areas outside of the 2% annual chance flood plain), as reflected by FEMA map panel 06061C-0475F (dated June 8, 1998).

Earthquake Zone

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

Easements

Please refer to a preliminary title report for information regarding potential easements, as the appraiser is not a surveyor nor qualified to determine the exact location of any easements. It is assumed that any additional easements noted in a preliminary title report do not have an impact on the opinion of value set forth in this report. If at some future date, any easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion of value contained herein.

Site Description



Source: GoogleMaps; boundary lines are approximate

The subject property represents Phases 1, 2 and 3 of the Westbrook master planned community, which is located north and south (substantially south) of Pleasant Grove Boulevard, west and east of Westbrook Boulevard, within the city of Roseville, Placer County, California. The subject consists of a variety of land use designations, including low density residential (LDR), medium density residential (MDR), high density residential (HDR) and community commercial (CC), as well as public use land areas designated for park areas and open space.

It should also be noted the Westbrook master planned community of which the subject is a part contains a number of other parcels that are NOT included in the valuation contained herein. These “other” parcels include single-family residential homes with complete assessed improvement values, as well as various park sites, and open space areas.

Topography:

Generally level

Shape:

The subject land areas are primarily irregular in shape, yet functional for development under their respective land use and zoning designations.

Access, Frontage, Visibility:

The appraised properties have adequate access/frontage to

the major surface streets in the Westbrook development, most notably, Pleasant Grove Boulevard, Westbrook Boulevard, and Santucci Boulevard (future street). Various interior surface streets provide access to the subject lots. Overall, the accessibility and visibility of the property are considered adequate for residential and commercial use.

Adjacent Uses:

North	Residential development/Undeveloped land
East	Single-family residential development
South	Undeveloped land
West	Undeveloped land

Utilities:

All public utilities (electricity, gas, water, sewer, telephone) are available to each of the subject lots/parcels.

Improved Lots:

The appraised portion of City of Roseville Community Facilities District No. 1 (Westbrook) includes 750 fully improved single-family lots (curbs, gutters, sidewalks, street lighting, utilities stubbed, etc.), which includes 192 completed single-family homes (*without* an assessed value for vertical improvements), 134 partially completed single-family homes (under construction) and 424 finished single-family lots. The balance of the appraised properties comprises 592 unimproved residential lots and one multifamily parcel, all of which require in-tract and off-site improvements. WB-42 (commercial parcel) has all off-site improvements in place for development.

Drainage:

Based on our physical inspection of the appraised properties, it appears drainage is adequate for continued development. Upon further subdivision and development, it is assumed future site improvements would provide adequate drainage for commercial (office and retail) development.

Soils:

The appraiser has not been provided a soils report to determine the load bearing capacity of the appraised properties. Based on the existing and surrounding improvements, no adverse subsoil conditions are apparent. The soils appear to be similar to other local parcels that, to the best of our knowledge, have been improved with no adverse effects.

Environmental Issues:

At the time of inspection, the appraiser did not observe the existence of hazardous material, which may or may not be present, on the appraised properties. The appraiser has no knowledge of the existence of such materials on the property. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous

materials could affect the value of the property. The value estimate is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Mitigation:

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

Offsite Improvements:

As of the date of inspection, a portion of the off-site improvements (streets, curbs, gutters, sidewalks, streetlights) were in place along Pleasant Grove Boulevard and all were in place along Westbrook Boulevard. As the interior access roads are completed, these off-site improvements will be required as part of the site work.

Backbone Infrastructure

A significant level of remaining backbone infrastructure is required to complete the remainder of the Westbrook Development. According to supplied cost budget information, total infrastructure costs are about \$28,200,000 (Phases 2 and 3). Lennar has completed (or will complete) \$6.3 mm of the Phase 2 cost leaving \$21.9 million of infrastructure left to build, which represents the total non-CFD funded infrastructure costs.

Bond proceeds from this sale will reimburse for the infrastructure installed by Lennar in Phase 2; any excess funds will either be applied toward the remaining shortfall from Phase 1, or be applied to Phase 2B once development commences.

In-tract Development Costs:

Specific in-tract cost budgets were not provided. However, Mr. John Tallman of Westpark Communities indicated that in-tract costs are expected to be around \$35,000 per LDR lot and \$34,000 per MDR lot, which is generally consistent with our observations in the market. As will be shown in the analysis that follows, typical site costs in various projects in West Roseville have recently ranged between \$36,000 and \$45,000, with most of the data lying toward the lower end to middle of this range. For the reader's reference, the multifamily and commercial components do not have in-tract costs like the single-family sites.

Permits and Fees:

According to information provided, permits and fees due at building permit range from \$65,816 for an 1,800 square foot home up to \$70,946 for a 2,400 square foot home. These are reportedly net of fee credits.

As such \$71,000 per lot will be utilized in the LDR lot analysis and a lower permits and fees estimate of \$66,000 per lot will be utilized for the MDR lots.

A number of the larger parcels (WB-A1, WB-1B, WB-1C, WB-2A, WB-2B, WB-3A, WB-3B) are being developed as active adult projects which are subject to significantly lower permits and fees. These fees are generally \$35,000 per lot.

Conclusion:

Overall, the appraised properties are deemed functional in terms of size, topography, shape and overall location. There appear to be no unusual or restrictive physical limitations to the appraised properties. The appraised properties are considered physically suitable for residential and commercial development.



Southern end of subject



Southern end of subject



Finished lots (Lennar)



Finished lots (Lennar)



Finished lots (Lennar)



Finished lots (Lennar)



Finshed lots (Lennar)



Finshed lots (Lennar)



Finshed lots (Lennar)



Finshed lots (Lennar)



Finshed lots (Lennar)



Finshed lots (Lennar)



Finished lots (Lennar)



Finished lots (Lennar)



Finished lots (Lennar)



Finished lots (Lennar)



Finished lots (Lennar)



Finished lots (Lennar)



Finished lots (Lennar)



Lennar model homes under construction



Lennar model homes under construction



Lennar model homes under construction



Lennar model homes under construction



Lennar model homes under construction



Lennar model homes under construction



Northeast corner of WB-3A (LDR lots)



Street view looking east along Pleasant Grove Boulevard



View of Parcels WB-30 and WB-31



View of Parcels WB-30 and WB-31



View of Parcels WB-30 and WB-31



View of Lennar project from Pleasant Grove Boulevard



Lennar project/commercial parcel



Vacant commercial parcel



Vacant commercial parcel



Northwest corner of Solaire master planned community



Looking south along Westbrook Boulevard



Parcel WB-1C (undeveloped SFR land)



Completed Homes in Manchester Development



Completed Homes in Manchester Development



Completed Homes in Manchester Development



Completed homes



Completed homes



Completed homes in Hillingdon Development



Completed homes



Completed homes



Vacant, finished lots



Taylor Morrison models under construction



Taylor Morrison models under construction



Taylor Morrison homes under construction



Taylor Morrison homes under construction



Finished lots/homes under construction



Finished lots/homes under construction



Finished lots/homes under construction



Finished lots/homes under construction



Finished lots/homes under construction



Finished lots/homes under construction



Finished lots/homes under construction

Economic Analysis

Area Analysis – Placer County

Introduction

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

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

Population

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

Following is a table depicting the population change in Placer County and its component cities over the past few years.

Population Trends							
City	2012	2013	2014	2015	2016	2017	%/Yr
Auburn	13,623	13,730	13,962	13,995	14,066	14,096	0.7%
Colfax	2,012	2,036	2,047	2,048	2,054	2,070	0.6%
Lincoln	44,132	44,861	45,843	46,547	47,268	48,165	1.8%
Loomis	6,554	6,590	6,636	6,653	6,715	6,775	0.7%
Rocklin	58,739	59,275	59,839	60,425	61,672	64,417	1.9%
Roseville	123,836	126,864	129,219	130,828	133,618	135,868	1.9%
Unincorporated	<u>109,256</u>	<u>109,195</u>	<u>109,896</u>	<u>110,214</u>	<u>110,810</u>	<u>111,446</u>	<u>0.4%</u>
Total	358,152	362,551	367,442	370,710	376,203	382,837	1.4%

Source: California Department of Finance

As indicated in the previous table, Placer County has experienced a strong average rate of annual growth of 1.4% over the past five years. The cities of Roseville, Rocklin and Lincoln are the fastest growing parts of the region. Loomis and the unincorporated areas have had relatively little growth.

Over the past decade, Placer County has been the fastest-growing county within the four-county Sacramento MSA (which also includes Sacramento, El Dorado and Yolo Counties). It is projected this trend will continue for the near future.

Transportation

Interstate 80, State Highway 65 and State Highway 193 are the major routes traversing the region. Major urban arterials in the southern part of the county include Douglas Boulevard, Sierra College Boulevard, Roseville Parkway, Pleasant Grove Boulevard, Sunrise Avenue, Auburn-Folsom Road and Foothills Boulevard. In 2005, a major public improvement project was completed at the Douglas Boulevard/ Sunrise Avenue/ Interstate 80 intersection. The project added new lanes, new on/off ramps and a tunnel that have greatly improved traffic flow in the area.

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

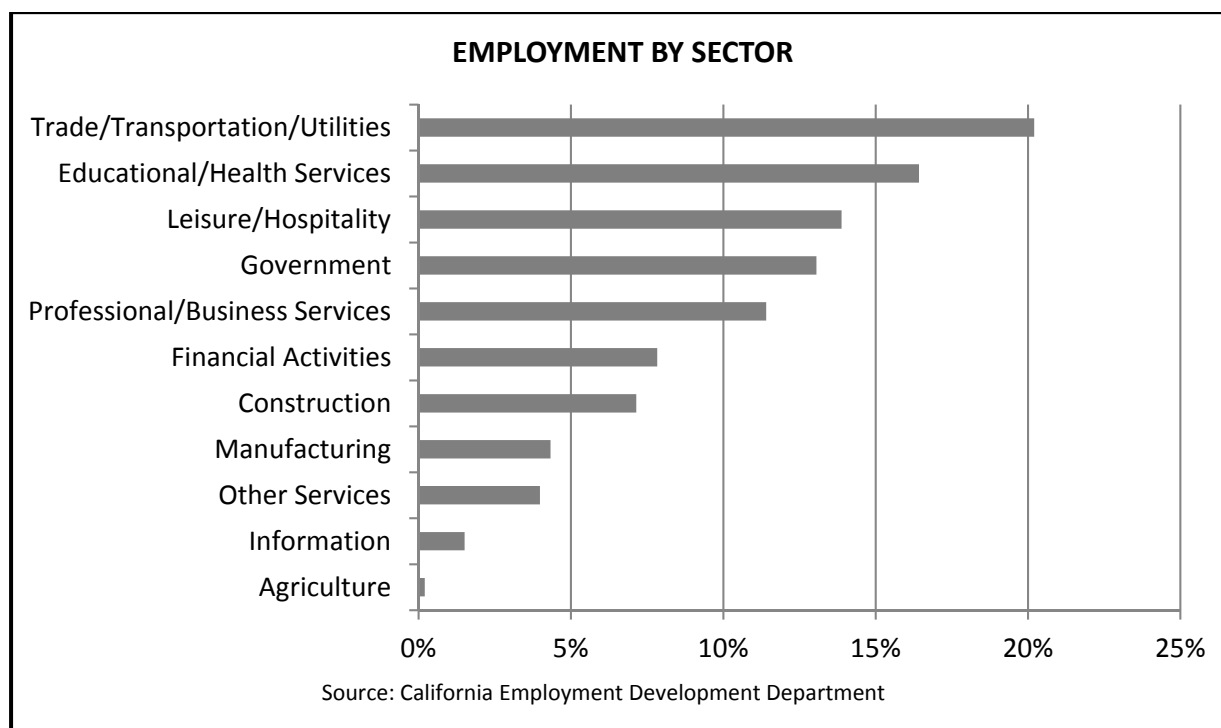
Employment & Economy

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

Employment Trends					
	2013	2014	2015	2016	2017
Labor Force	176,300	176,500	178,200	179,800	182,000
Employment	162,700	165,500	169,200	171,800	176,200
Job Growth	-	2,800	3,700	2,600	4,400
Unemployment Rate	7.7%	6.2%	5.1%	4.4%	3.2%

Source: California Employment Development Department

Most areas within the state and nation, including Placer County, saw declining unemployment rates in 2004 through 2006, increases from 2007 to 2010, and declines during 2011-2016. Placer County has a diverse economy, with no one sector accounting for a majority of the employment in the region. The following chart indicates the percentage of total employment for each sector within the county.



As can be seen in the chart above, the area's largest employment sectors are Trade/Transportation/ Utilities, which includes retail and wholesale trade (20.2% of total employment); Educational and Health Services (16.4%); Leisure and Hospitality (13.9%); and Government (13.1%).

Although many residents commute to employment centers in Sacramento, Placer County offers thousands of jobs and attracts workers from the local area as well as "reverse commuters" from Sacramento and residents of outlying areas such as Marysville/Yuba City to the north. The largest employers in the county, according to the Sacramento Business Journal Book of Lists, are Sutter Health (5,435 employees in the county), Kaiser Permanente (5,361), Placer County (2,700), Squaw Valley Alpine Meadows (2,500, seasonal), Hewlett Packard Enterprise and HP Inc. (2,100), Sierra Joint Community College District (1,940), and Thunder Valley Casino Resort (1,915).

Household Income

Median household income represents a broad statistical measure of well-being or standard of living in a community. The median income level divides households into two equal segments with one half of households earning less than the median and the other half earning more. The median income is considered to be a better indicator than the average household income as it is not dramatically affected by unusually high or low values. In the year 2017 (most recent data available from the U.S. Census Bureau), Placer County's median household income was \$85,326, which was higher than the state of California's median income of \$67,715.

Recreation & Community Services

Placer County has ample community services and recreational opportunities. The County, cities and various park districts operate numerous public parks, golf courses, aquatic centers, libraries and community centers. Many private golf courses are located in the region, and several ski resorts are

located in the mountains. Within the county lies a portion of the Folsom Lake State Recreation Area, a boating, fishing, and swimming retreat.

In terms of higher education, Placer County is home to Sierra College in Rocklin, a two-year community college offering a wide range of day and evening classes serving over 25,000 students. Heald College, a business and technology vocational school, is located in Roseville, as is an extension campus for Sierra College, located at the old Sutter Hospital on Sunrise Avenue. In 2004, William Jessup University, a private Christian college, moved from San Jose to a new facility in Rocklin.

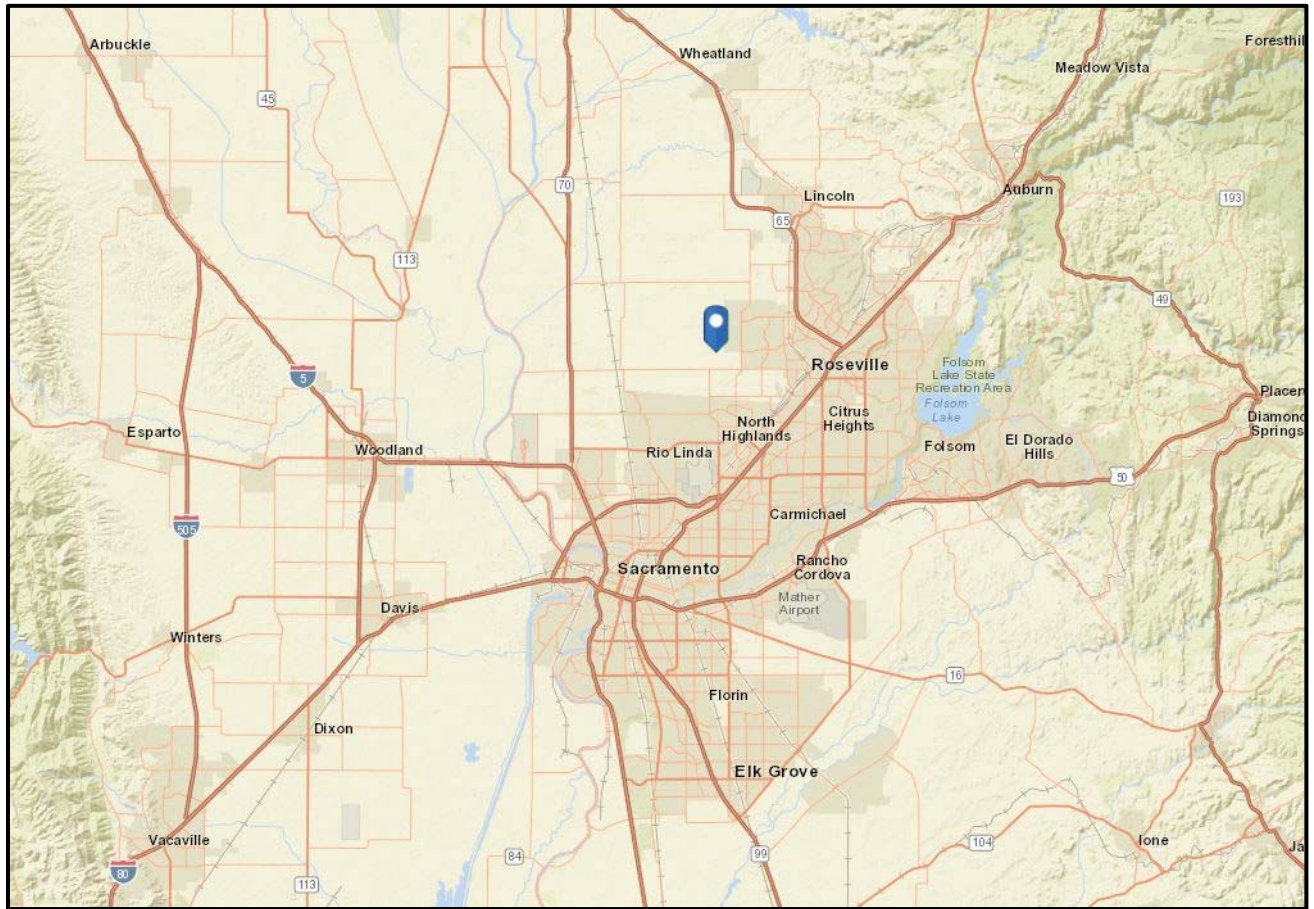
The region offers good health services, including hospitals and medical office facilities. Two hospitals are located in Roseville – the Sutter Roseville Medical Center and Kaiser Permanente, both of which have recent or current expansion projects. The city of Auburn is home to Sutter Auburn Faith Hospital, Sutter Medical Center-Auburn, UC Davis Medical Center, Foundation Medical Clinic and Heritage Medical Center Complex. The city of Lincoln contains medical offices/clinics operated by Sutter, UC Davis, Kaiser and Catholic Healthcare West. In addition to these institutional health care facilities, the county is home to a large and growing number of private physicians, dentists, clinics and other medical specialists.

The city of Roseville is south Placer's hub for fine dining and entertainment. Several upscale restaurants are situated along Eureka Road, Roseville Parkway and Galleria Boulevard. Roseville contains two multi-screen movie theatres on Eureka Road. Another theatre recently opened in Rocklin. Shopping centers are widespread, the largest of which is the Galleria at Roseville, a regional shopping mall that opened in 2000 and was expanded in 2008-2009. The mall is anchored by Nordstrom, Macy's, Sears and JC Penney.

Conclusion

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

Area Map



Surrounding Area Analysis

Location

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

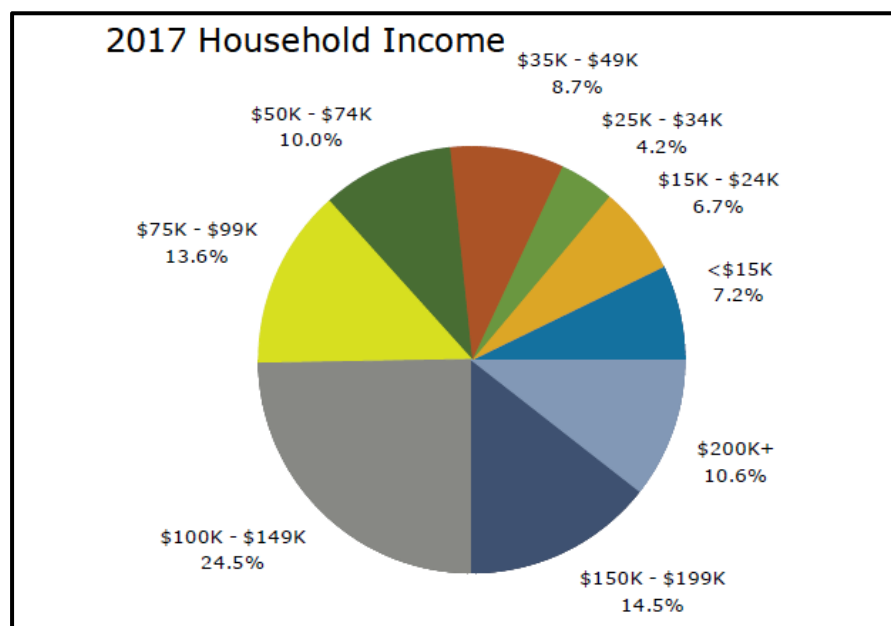
The subject property is located in the western part of the city of Roseville within the Sierra Vista Specific Plan. The Plan Area is bounded on the north by Pleasant Grove Boulevard, Baseline Road to the south, the Roseville City limits to the west, and Fiddymont Road to the east. The larger neighborhood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

Demographics

The population of the subject's neighborhood, which includes all persons within a two mile radius of the subject, was estimated at 16,936 persons in 2017, with a projected increase to 19,703 by 2022. The median age is 37.3 years and the average household size is 2.67 persons. There are an estimated 6,326 occupied housing units in the neighborhood, of which 78% are owner occupied and 22% are renter-occupied; the median income for the neighborhood is \$99,065. As reported by CoreLogic, the median resale home price in the city of Roseville, as of December 2017, was \$450,000, which marks an increase of 5.4% from the same period the previous year.

According to the California Employment Development Department, Placer County has an unemployment rate of 3.1% as of December 2017; additionally, with a workforce of approximately 65,800 persons, the city of Roseville has an unemployment rate of 3.0%. The area's unemployment rate is lower than the unemployment rate of the State of California as a whole (4.9%).

The following chart summarizes the 2017 household incomes in the subject's neighborhood area.



Transportation

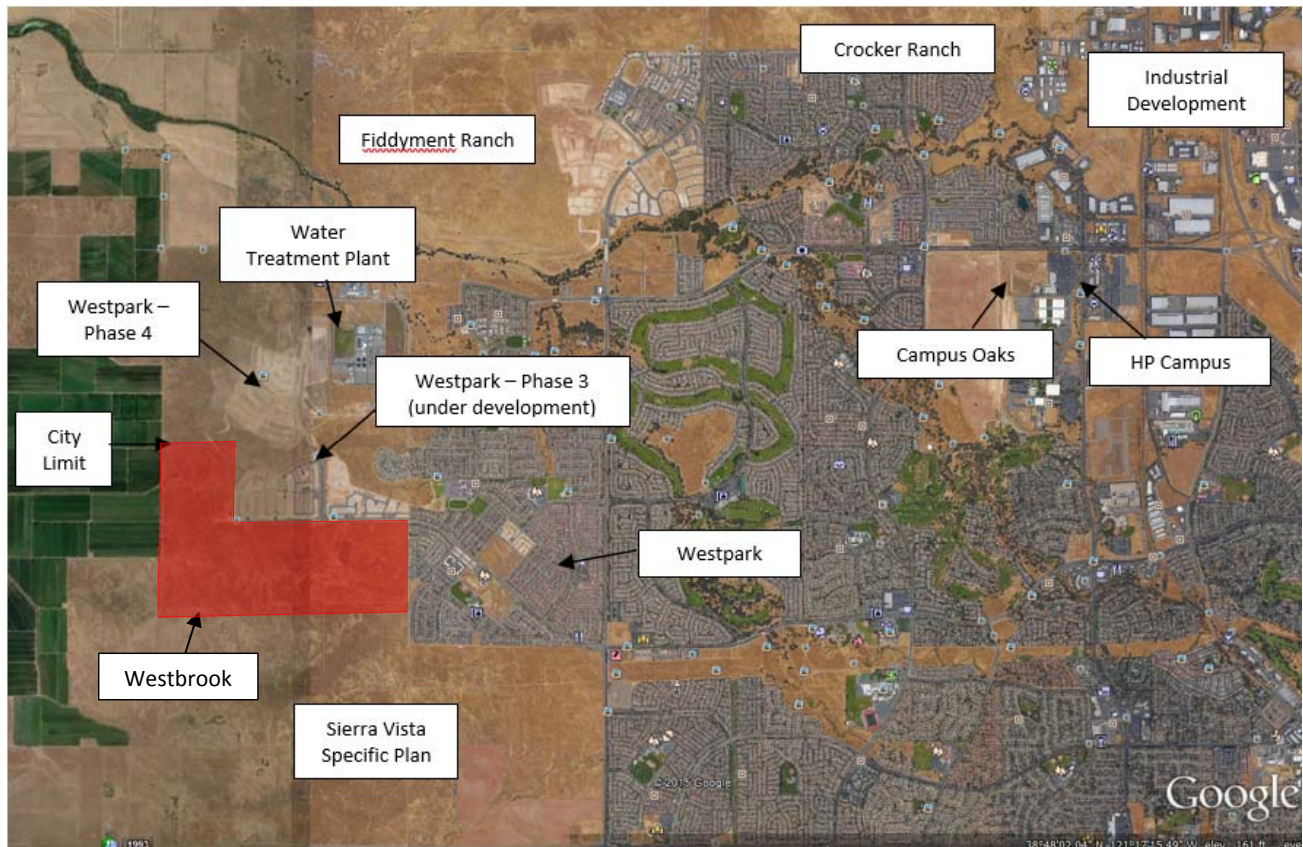
The main surface streets in the neighborhood that provide access to subject are Pleasant Grove Boulevard and Westbrook Boulevard. In an easterly direction, Pleasant Grove Boulevard provides access to the additional areas in the city of Roseville as well as the city of Rocklin (when it becomes Park Drive);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

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

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

Land Uses

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



Community Uses

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

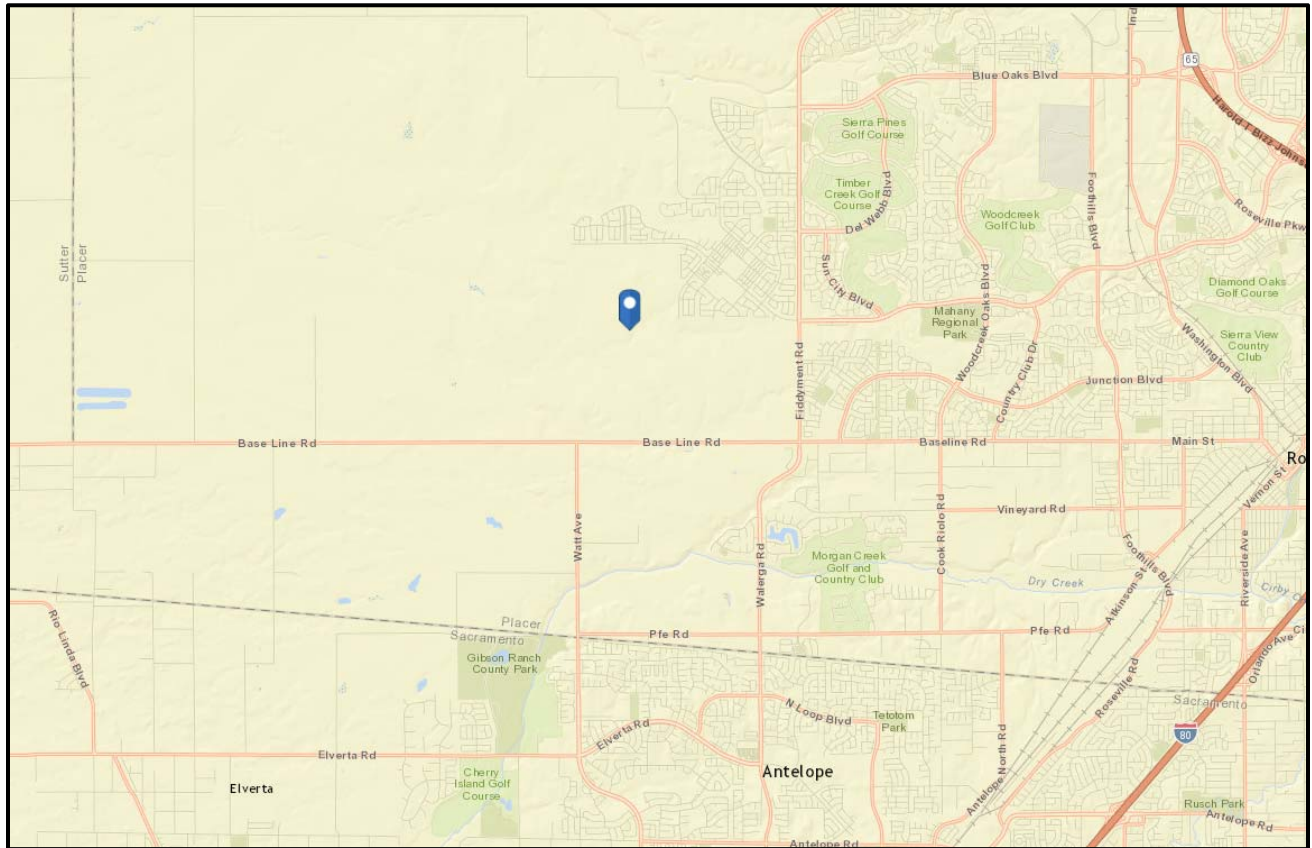
Woodcreek High School is located on the west line of Woodcreek Oaks Boulevard, south of Pleasant Grove Boulevard. The Placer County Fairgrounds is located at the intersection of Junction Boulevard and Washington Boulevard.

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

Conclusion

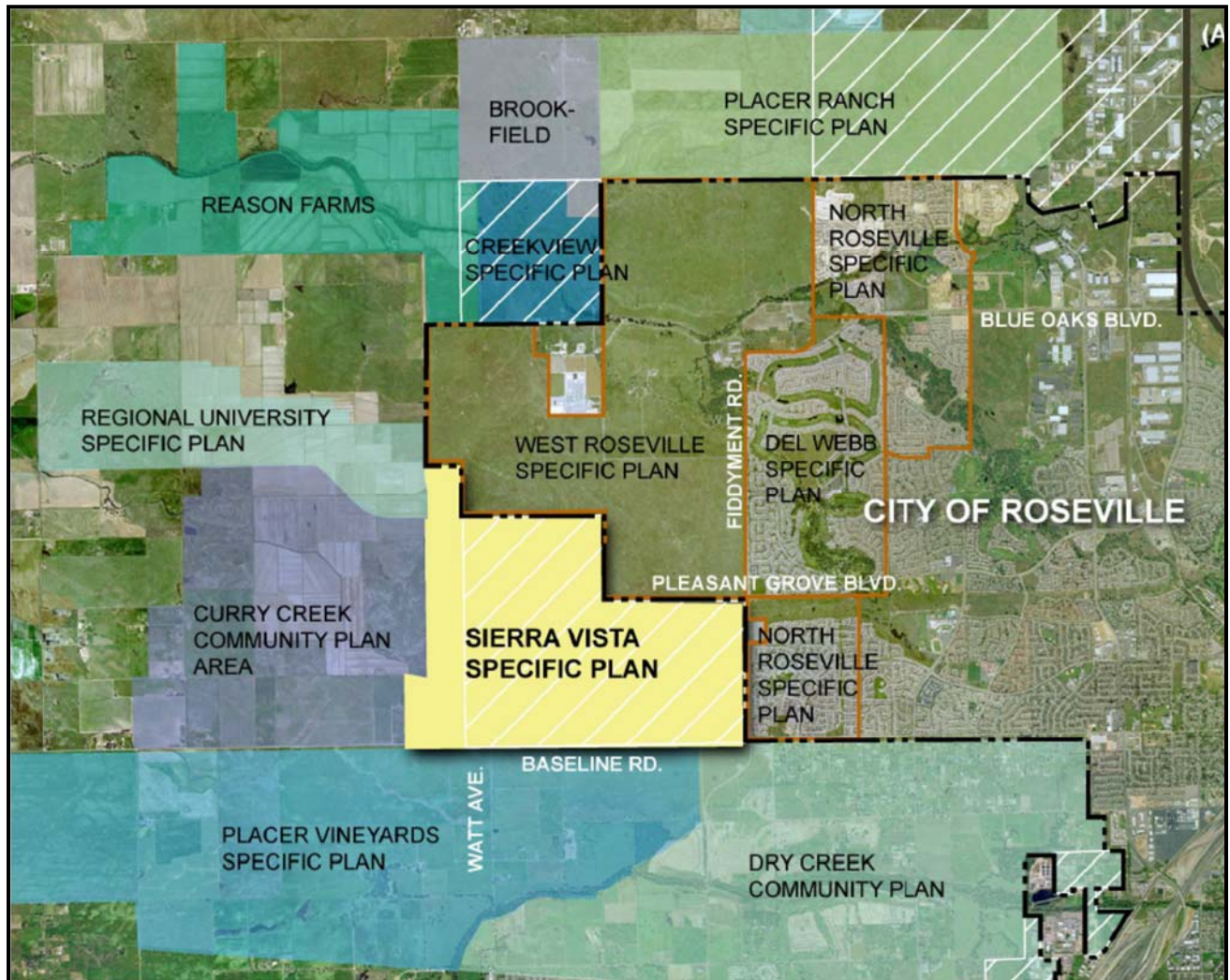
In conclusion, the subject is located in an expanding suburban area that should continue to experience adequate demand for various urban property uses. While the subject is located on the edge of its neighborhood, and within an expanding area, overall the neighborhood will offer a balanced mix of land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

Surrounding Area Map



Major Projects in the Area

A map and discussion of the projects proximate to the appraised properties are provided beginning on the following page. It is noted the discussion of the various projects and Specific Plans is provided by the Planning Department website for the City of Roseville.



Source: City of Roseville Planning Department

West Roseville Specific Plan

This plan area contains approximately 3,100 acres. Two major master planned projects within this Specific Plan are under development: Westpark and Fiddymment Ranch. Both of these projects are under development with active projects by merchant builders. Active projects in these competing projects are discussed in the next section of this report.

In total, the Westpark master planned community will eventually contain 3,566 single-family residential lots (including 704 age-restricted and 85 affordable housing units), three multifamily residential components, commercial and industrial sites, as well as three schools (elementary, middle and high school), a church and numerous neighborhood parks and open space.

Sierra Vista Specific Plan

This plan area includes the subject and contains 2,076± acres planned for 1,115 residential units, 259± commercial acres and 535± acres of open space and public/quasi-public uses. The Solaire project represents the first component of the Sierra Vista Specific Plan to be developed.

Placer Vineyards Specific Plan

This 5,230-acre plan area is located immediately south of the Sierra Vista Specific Plan and is under the jurisdiction of the County of Placer, which approved the Specific Plan in 2007. No development has yet occurred in this area. The prior period of residential decline led to a fractured development group and numerous ownerships. This fact, coupled with a lack of infrastructure and a County location (as opposed to a more favorable Roseville location) have limited near term demand in this area. Market participants expect the first phases of this project may come online in five to 10 years.

Campus Oaks

The City of Roseville HP Campus Oaks Community Facilities District No. 1 is located within the Hewlett-Packard Campus Oaks Master Plan area. Specifically, the boundaries of the CFD include 189.04 acres of the Campus Oaks area, of which 129.16 acres are planned for taxable parcels. Two large lot Tech/Business Park parcels are included in the Master Plan but are exempt portions of the District. Professional office/tech, community commercial and residential uses, as well as public (park) uses, are planned for this area. Site development is currently underway.

Regional University Specific Plan

This plan area is located northwest of the subject and is under the jurisdiction of the County of Placer, which approved the project in 2007. The project will be accessed by an extension of Pleasant Grove Boulevard. A university from England (University of Warwick) agreed in February 2015 to build a 6,000-student campus in this plan area. A timeline has yet to be set for completion.

Curry Creek Community Plan

West of the Sierra Vista Specific Plan and south of the Regional University Specific Plan, this plan area is under the jurisdiction of the County of Placer. The project contains 4,189 acres and has been identified as a future growth area. This plan area has not yet been planned for suburban development and there are no plans to develop this property in the near term.

Creekview Specific Plan

Just north of the West Roseville Specific Plan is an area identified as the Creekview Specific Plan. This area encompasses approximately 501 acres within an unincorporated area of Placer County, just outside of existing Roseville city limits. Proposed uses include 2,011 residential units, 19.3 acres of commercial land and business professional uses, 9.5 acres of public/quasi-public uses, 136.2 acres of open space and 15.7 acres of parks. This area is within the Sphere of Influence for the City of Roseville. Development is likely several years away.

Placer Ranch Specific Plan

Placer Ranch makes up approximately one third of the undeveloped Sunset Area, which is located in south Placer County, surrounded by the cities of Lincoln, Rocklin and Roseville. Placer Ranch would host a 300-acre satellite campus for California State University - Sacramento as the anchor of a future education and technology district. This Specific Plan is under the jurisdiction of Placer County, rather than the City of Roseville.

County staff provided an update on the planning effort at the April 5, 2016 board of supervisors meeting. While the board took no formal action on the project, members showed strong support for County staff pursuing a unique approach and processing the Placer Ranch plan without a developer identified.

The project's former developer withdrew its application from the City of Roseville in 2015. Absent a developer to carry the project forward, Placer County will process the project on its own to continue the forward momentum for the Sunset Area overall. The County has received the technical studies prepared for the project by the former developer.

The Placer Ranch concept could serve as the anchor for development of the rest of the Sunset Area. Investment in infrastructure like utilities and the Placer Parkway are essential to Placer Ranch, but would also serve development throughout the rest of Sunset. Incorporating Placer Ranch into the Sunset Area Master Plan could also secure the parkway's right-of-way sooner, speeding its construction. Placer Parkway is a planned alternate to Interstate 80 for traffic to Sacramento, connecting Highways 65 and 99, eventually, with the first phase nearly ready for construction.

Combining planning for the Placer Ranch project and the broader Sunset Area offers several other benefits, including efficiency in ensuring better coordination of future land uses at the site.

The Placer Ranch action came as part of a presentation that included an update on the County's efforts to refresh the Sunset Area Master Plan. Planners are identifying appropriate land uses and infrastructure needs to achieve the County's long-term vision of transforming that area into a hub of economic growth and job creation for the hundreds of thousands of residents who live in South Placer. The next step in the master plan update will be to present a series of land-use alternatives to the board of supervisors by this summer, with a draft plan ready for public review by the end of the year.

Amoruso Ranch Specific Plan

On May 2, 2011, Brookfield Residential submitted an application to process the Amoruso Ranch Specific Plan (ARSP) Annexation Sphere of Influence Amendment, General Plan Amendment, Specific Plan, Rezone (Pre-Zone), and Development Agreements for the 694-acre Specific Plan project located northwest of the current city limits, south of West Sunset Boulevard, approximately 1.5 miles west of Fiddymont Road. The proposed ARSP project would result in the development of a mix of uses, including 337 acres of low, medium and high density residential land developed with 2,827 dwelling units. The land use plan also includes three commercial parcels totaling 51 acres, a 9.6-acre elementary school site, seven neighborhood parks, and a 3-acre fire station/public facilities site. Approximately 135 acres of the site would be set aside as open space preserve. On June 15, 2016, the City Council held a Public Hearing on the ARSP project and Final Environmental Impact Report, which was approved.

Residential Market Analysis

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

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

Single-Family Residential Building Permits – Placer County Areas

Single-family building permits for the city of Roseville as well as Placer County are shown in the following table. As shown, permit activity was at a high in 2007, generally declined through 2011, but has been increasing since as the residential market has recovered.

Building Permits		
Year	City of Roseville	Placer County
2007	1,050	2,188
2008	676	1,393
2009	602	1,130
2010	635	1,087
2011	411	812
2012	663	1,189
2013	535	1,268
2014	645	1,636
2015	967	1,996
2016	862	2,107
2017	1,191	2,500
2018 (Feb.)	100	304

Source: SOCDs Building Permits Database

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

A generally similar pattern is observed for permit activity in the city of Roseville. Activity generally fell from 2007 into 2011, then increased into 2012, was generally stable/flat for a few years, and resumed an upward climb from 2013 into 2015, with a slight decline in 2016. Permit activity has not surpassed the previous high experienced in 2007.

New Home Pricing and Sales

The Gregory Group surveys active new home projects in California and Nevada. The following table depicts average sale prices for active single-family residential projects in South Placer County, which includes Roseville, Rocklin, Lincoln and Granite Bay for the past three years. The data represents all detached projects.

New Home Sales History

Time Period	Average price	% Change Average	Average Home Size (SF)	Average Price/Avg SF	% Change Price/SF	Quarter Sold	Number of Projects	Sold Per Proj. Per Month
2Q 2014	\$459,472	--	2,508	\$183.20	--	303	39	2.59
3Q 2014	\$451,003	-1.8%	2,558	\$176.31	-3.8%	263	41	2.14
4Q 2014	\$434,420	-3.7%	2,495	\$174.12	-1.2%	244	40	2.03
1Q 2015	\$466,467	7.4%	2,597	\$179.62	3.2%	396	46	2.87
2Q 2015	\$477,351	2.3%	2,656	\$179.73	0.1%	436	46	3.16
3Q 2015	\$479,019	0.3%	2,682	\$178.61	-0.6%	328	46	2.38
4Q 2015	\$485,446	1.3%	2,667	\$182.02	1.9%	343	44	2.60
1Q 2016	\$490,226	1.0%	2,675	\$183.26	0.7%	428	49	2.91
2Q 2016	\$500,866	2.2%	2,700	\$185.51	1.2%	462	53	2.91
3Q 2016	\$512,573	2.3%	2,735	\$187.41	1.0%	352	53	2.21
4Q 2016	\$519,126	1.3%	2,737	\$189.67	1.2%	401	55	2.43
1Q 2017	\$520,325	0.2%	2,698	\$192.86	1.7%	493	59	2.79
2Q 2017	\$526,062	1.1%	2,688	\$195.71	1.5%	700	59	3.95
3Q 2017	\$513,858	-2.3%	2,610	\$196.88	0.6%	341	55	2.07
4Q 2017	\$519,636	1.1%	2,606	\$199.40	1.3%	332	56	1.98

As shown by the table, new home pricing in Placer County has generally been in an upward trend over the past three years, albeit with some fluctuations in 2014 and 2015. The highest sale price (net of incentives) in the data set - \$526,062 - was observed in the Second Quarter 2017 time period. The average price per square foot over the last three years was at a low point in Fourth Quarter 2014 and has been on a gradual upward trend since then.

With regard to absorption of product, the range of the number of home sales per project per month over the last three years is 1.98 (Fourth Quarter 2017) to 3.95 (Second Quarter 2017), with no particular noticeable pattern in the data set. Over the past year, absorption rates have ranged from 1.98 to 3.95 sales per month, with most of the data lying toward the middle of this range, and the average absorption over the past year has been 2.70 sales per month, or approximately 8.09 sales per quarter.

Active Projects – Roseville

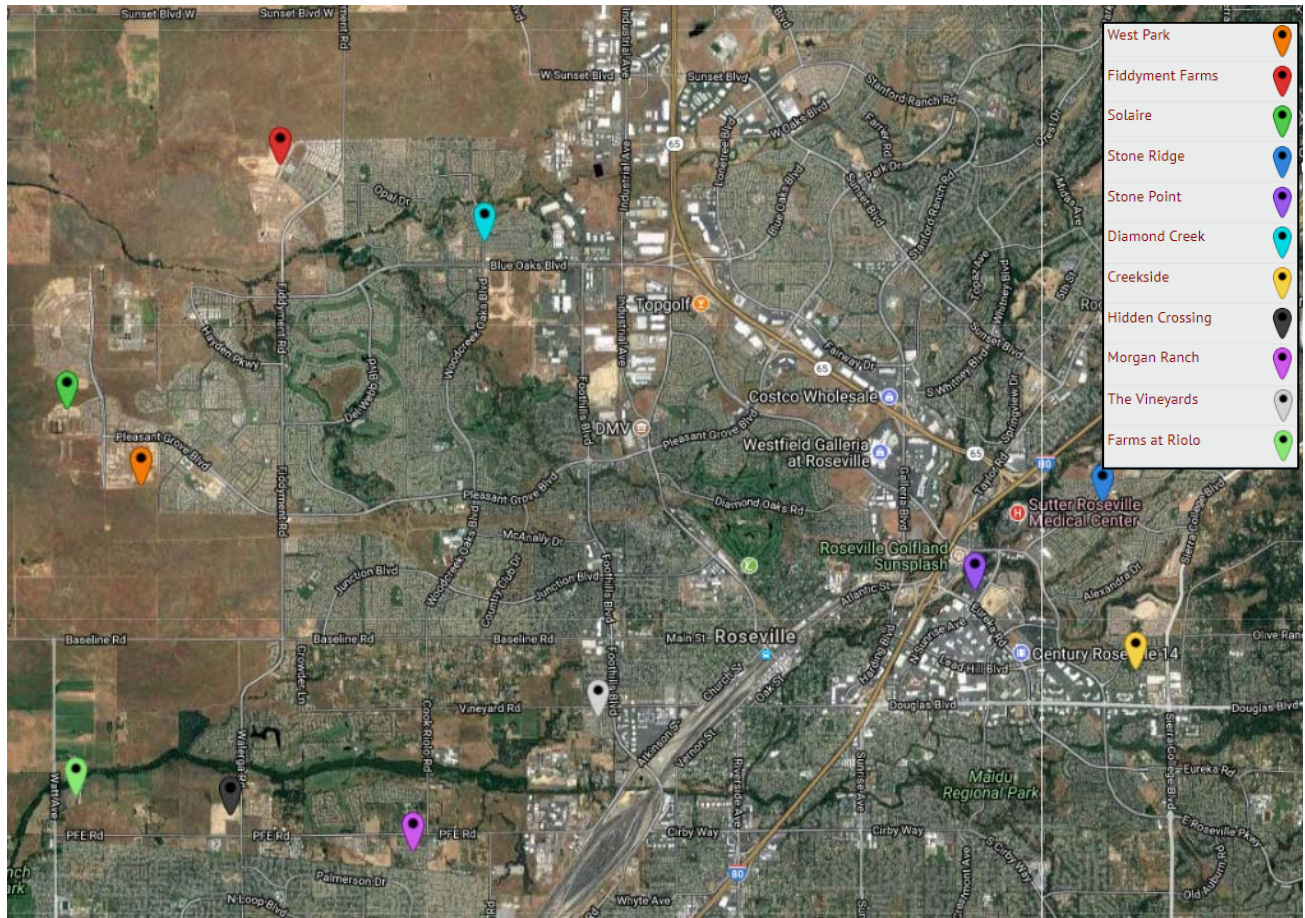
According to the Gregory Group, there are currently 31 active projects in Roseville, all of which are detached product. The projects are summarized in the following table.

Active Projects

Project	Master Plan	Community	Developer	Average Price	Avg. Home Size (SF)	Average Price/SF	Typical Lot Size	Units Planned	Units Offered	Units Sold	Units Unsold
Addison	Fiddymont	Roseville	Taylor Morrison Homes	\$439,667	2,314	\$190.00	5,775	71	54	46	8
Bromley	Solaire	Roseville	Woodside Homes	\$513,490	2,764	\$185.78	6,000	72	45	45	0
Carrington	WestPark	Roseville	Lennar Homes	\$511,490	2,673	\$191.35	5,775	150	107	98	9
Creekside	--	Roseville	Tim Lewis Communities	\$505,150	2,182	\$231.51	5,500	32	32	25	7
Hadley	Fiddymont	Roseville	Taylor Morrison Homes	\$464,333	2,468	\$188.14	6,300	61	61	49	12
Hidden Crossing	--	Roseville	CalAtlantic Homes	\$592,400	3,359	\$176.36	11,200	78	73	71	2
Hillingdon	Solaire	Roseville	Woodside Homes	\$472,990	2,551	\$185.41	5,250	71	50	42	8
La Maison	Diamond Creek	Roseville	Lennar Homes	\$397,490	1,893	\$209.98	2,700	81	44	35	9
Legato	WestPark	Roseville	KB Home	\$548,400	3,580	\$153.18	7,150	138	102	98	4
Manchester	Solaire	Roseville	D.R. Horton	\$412,375	2,206	\$186.93	4,500	100	52	48	4
Mariposa	Farms at Riolo	Roseville	Homes by Towne	\$465,000	2,449	\$189.87	8,100	107	9	1	8
Marisol	Fiddymont	Roseville	Lennar Homes	\$527,561	2,932	\$179.93	6,300	149	141	137	4
Molly's Walk	Diamond Creek	Roseville	Black Pine Communities	\$376,790	1,785	\$211.09	2,700	84	84	77	7
Montecito Walk	WestPark	Roseville	Lennar Homes	\$371,490	1,583	\$234.67	2,400	122	49	45	4
Morgan Ranch	--	Roseville	Homes by Towne	\$535,500	2,876	\$186.20	10,000	62	42	39	3
Northwood	Fiddymont	Roseville	JMC Homes	\$389,990	1,360	\$286.76	5,600	10	10	9	1
Oakbriar	Fiddymont	Roseville	Signature Homes	\$412,067	1,832	\$224.93	3,000	96	70	63	7
Parker	Fiddymont	Roseville	Taylor Morrison Homes	\$521,500	3,149	\$165.61	6,825	57	57	45	12
Primrose	WestPark	Roseville	Pulte Homes	\$516,615	2,828	\$182.68	4,500	448	418	391	27
Ridgefield	WestPark	Roseville	Lennar Homes	\$567,323	3,317	\$171.03	7,350	112	102	101	1
Sierra Commons	WestPark	Roseville	Meritage Homes	\$482,783	2,695	\$179.14	6,050	83	83	79	4
Sierra Crossings	WestPark	Roseville	Meritage Homes	\$478,950	2,366	\$202.43	6,000	94	93	88	5
Solis	Solaire	Roseville	Woodside Homes	\$400,990	1,705	\$235.18	3,150	53	45	40	5
Summerwood	Fiddymont	Roseville	JMC Homes	\$448,490	1,811	\$247.65	6,050	79	61	56	5
Terra Vista	Stone Ridge	Roseville	Elliot Homes	\$633,075	2,230	\$283.89	6,175	84	80	76	4
The Reserve	Fiddymont	Roseville	JMC Homes	\$593,990	3,355	\$177.05	6,300	100	82	79	3
The Summit	--	Roseville	Meritage Homes	\$540,950	2,966	\$182.38	6,500	56	17	6	11
The Vineyard	--	Roseville	JMC Homes	\$428,561	1,810	\$236.77	3,150	139	134	128	6
Wexford	--	Roseville	D.R. Horton	\$431,490	2,255	\$191.35	5,500	103	24	20	4
Wildwood	Fiddymont	Roseville	JMC Homes	\$554,990	2,677	\$207.32	6,600	86	29	26	3
Woodbridge	Fiddymont	Roseville	Signature Homes	\$518,400	2,648	\$195.77	5,500	116	8	3	5
Minimum				\$371,490	1,360	\$153.18	2,400				
Maximum				\$633,075	3,580	\$286.76	11,200				
Average				\$485,622	2,472	\$202.27	5,739				

Source: The Gregory Group

The locations of the master planned communities are shown on the following map. Note that Creekside, Hidden Crossing, Morgan Ranch and The Vineyard are not located within master planned communities.



Active Projects – West Roseville

Directly competing areas to the subject would include all communities within West Roseville, including: Fiddymnt Farm and WestPark.

Absorption information for projects specifically within West Roseville over the last few years is shown in the following table.

Absorption

Project	Master Plan	Builder	Avg. Home Price (4Q 17)	Avg. Home Size (4Q 17)	Lot Size (SF)	4Q 2017	3Q 2017	2Q 2017	1Q 2017	12-Month Total	Average Per Quarter	Average Per Month
Addison	Fiddymment Farm	Taylor Morrison Homes	\$450,667	2,314	5,775	6	12	13	9	40	10.0	3.3
Bromley	Solaire	Woodside Homes	\$513,490	2,764	6,000	6	5	10	5	26	6.5	2.2
Carrington	WestPark	Lennar Homes	\$511,490	2,673	5,775	3	15	0	27	45	11.3	3.8
Hadley	Fiddymment Farm	Taylor Morrison Homes	\$464,333	2,468	6,300	8	4	14	18	44	11.0	3.7
Hillingdon	Solaire	Woodside Homes	\$472,990	2,551	5,250	2	5	11	2	20	5.0	1.7
Legato	WestPark	KB Home	\$548,400	3,580	7,150	-3	8	20	8	33	8.3	2.8
Manchester	Solaire	D.R. Horton	\$412,375	2,206	4,500	8	14	28	6	56	14.0	4.7
Marisol	Fiddymment Farm	Lennar Homes	\$527,561	2,932	6,300	10	4	22	6	42	10.5	3.5
Montecito Walk	WestPark	Lennar Homes	\$371,490	1,583	2,400	6	3	17	25	51	12.8	4.3
Northwood	Fiddymment Farm	JMC Homes	\$389,990	1,360	5,600	13	4	5	--	22	7.3	2.4
Oakbriar	Fiddymment Farm	Signature Homes	\$412,067	1,832	3,000	9	9	14	14	46	11.5	3.8
Parker	Fiddymment Farm	Taylor Morrison Homes	\$521,500	3,149	6,825	8	13	9	0	30	7.5	2.5
Primrose	WestPark	Pulte Homes	\$516,615	2,828	4,500	12	21	62	28	123	30.8	10.3
Ridgefield	WestPark	Lennar Homes	\$567,323	3,317	7,350	3	7	14	15	39	9.8	3.3
Sierra Commons	WestPark	Meritage Homes	\$482,783	2,695	6,050	2	4	5	12	23	5.8	1.9
Sierra Crossings	WestPark	Meritage Homes	\$478,950	2,366	6,000	2	3	16	2	23	5.8	1.9
Solis	Solaire	Woodside Homes	\$400,990	1,705	3,150	7	14	28	--	49	16.3	5.4
Summerwood	Fiddymment Farm	JMC Homes	\$448,490	1,811	6,050	7	5	15	10	37	9.3	3.1
The Reserve	Fiddymment Farm	JMC Homes	\$593,990	3,355	6,300	3	4	9	4	20	5.0	1.7
The Summit	Fiddymment Farm	Meritage Homes	\$540,950	2,966	6,500	6	--	--	--	6	6.0	2.0
Wildwood	Fiddymment Farm	JMC Homes	\$554,990	2,677	6,600	4	3	14	9	30	7.5	2.5
Woodbridge	Fiddymment Farm	Signature Homes	\$518,400	2,648	5,500	3	--	--	--			
Total						122	157	326	200			
No. of Active Projects						21	20	20	18			
Quarterly Pro-Rata						5.8	7.9	16.3	11.1			
Monthly Pro-Rata						1.9	2.6	5.4	3.7			
									3.4	Average Monthly Pro-Rata		

As shown by the data, absorption rates for new homes in West Roseville have ranged from 1.9 to 5.4 sales per month over past year, with an average of 3.4 sales per month.

Resale Market

The following table shows recent resale data for more recently built homes (2008 and newer) in West Roseville. We restricted our search to lot sizes with less than 6,000 square feet.

Resales

Address	Sale Date	Living Area (SF)	Sale Price	Last List Price	Sale Price /SF	Sale/List	Year Built	Days on Market	Lot Size
1200 Mandy Pl	4/11/2018	2,284	\$425,000	\$429,950	\$186	98.85%	2014	9	3,489
2312 Trimstone Way	4/10/2018	2,002	\$455,000	\$440,000	\$227	103.41%	2009	10	5,685
1417 Blue Squirrel St	4/6/2018	1,688	\$410,000	\$399,990	\$243	102.50%	2009	6	3,054
2025 Brixham Dr	4/5/2018	1,795	\$489,900	\$489,900	\$273	100.00%	2011	15	5,024
4201 Bob Doyle Dr	4/5/2018	1,963	\$405,000	\$410,000	\$206	98.78%	2016	13	2,971
1602 Bushy Tail	4/5/2018	1,053	\$348,000	\$349,900	\$330	99.46%	2009	6	3,060
117 Adrienne Ct	4/4/2018	2,592	\$505,000	\$515,000	\$195	98.06%	2011	25	5,915
1608 Black Bear	4/4/2018	1,962	\$423,500	\$415,900	\$216	101.83%	2012	1	3,263
2190 Goodstone Way	3/30/2018	2,755	\$510,000	\$517,500	\$185	98.55%	2008	19	5,506
2444 Kinsella Way	3/29/2018	1,673	\$435,000	\$435,000	\$260	100.00%	2008	3	4,831
316 Trimstone Ct	3/27/2018	2,002	\$431,000	\$431,000	\$215	100.00%	2009	7	5,611
1773 Camino Real Way	3/22/2018	2,271	\$355,875	\$375,000	\$157	94.90%	2008	53	1,458
2016 Mannington Pl	3/20/2018	1,210	\$355,000	\$355,000	\$293	100.00%	2016	30	2,330
2036 Camino Real Way	3/20/2018	2,123	\$425,000	\$425,000	\$200	100.00%	2015	1	2,461
424 Arlington Ct	3/19/2018	1,645	\$450,000	\$453,000	\$274	99.34%	2011	10	5,223
2057 Arlington	3/16/2018	1,645	\$439,900	\$439,900	\$267	100.00%	2011	7	4,617
1168 Rothbury Ln	3/16/2018	1,658	\$386,000	\$381,900	\$233	101.07%	2015	5	2,326
4329 Bob Doyle Dr	3/14/2018	2,218	\$414,500	\$418,500	\$187	99.04%	2015	34	2,705
2024 Devonport Loop	3/13/2018	1,645	\$448,000	\$450,000	\$272	99.56%	2008	4	5,441
2161 Trimstone Way	3/12/2018	2,157	\$465,000	\$460,000	\$216	101.09%	2009	2	5,804
1900 Camino Real Way	3/7/2018	1,811	\$385,000	\$385,000	\$213	100.00%	2014	28	2,370
1416 Monicas Garden Pl	3/7/2018	1,598	\$414,000	\$410,000	\$259	100.98%	2013	5	2,178
2325 Castle Pines Way	3/6/2018	2,444	\$520,800	\$517,900	\$213	100.56%	2015	25	5,232
1872 Rezzano Way	3/6/2018	1,486	\$434,000	\$429,800	\$292	100.98%	2012	5	4,064
1017 Venice Ln	3/5/2018	1,643	\$431,900	\$431,900	\$263	100.00%	2009	93	3,629
2064 Coryton Ln	3/2/2018	2,385	\$530,000	\$549,900	\$222	96.38%	2014	7	5,663
3065 Village Center Dr	2/28/2018	1,210	\$355,000	\$349,000	\$293	101.72%	2013	3	2,827
1677 Quails Nest St	2/26/2018	1,915	\$465,000	\$465,000	\$243	100.00%	2009	7	5,998
1876 Camino Real Way	2/23/2018	2,712	\$439,900	\$439,900	\$162	100.00%	2015	30	2,492
1748 Vignolia Loop	2/23/2018	2,338	\$540,000	\$514,900	\$231	104.87%	2013	7	5,249
1032 Provence Village Dr	2/23/2018	1,601	\$405,000	\$405,000	\$253	100.00%	2016	5	2,272
1980 Vignolia Loop	2/21/2018	2,427	\$509,800	\$509,800	\$210	100.00%	2014	10	4,330
1057 Volonne Dr	2/21/2018	2,171	\$499,000	\$499,000	\$230	100.00%	2014	2	4,995
2304 Trimstone Way	2/20/2018	2,157	\$455,000	\$455,000	\$211	100.00%	2009	124	5,689
3041 Market St	2/20/2018	1,318	\$355,000	\$365,000	\$269	97.26%	2013	13	3,180
1603 Grey Bunny Dr	2/20/2018	1,688	\$408,000	\$405,000	\$242	100.74%	2008	5	3,062
2641 Heirloom Way	2/14/2018	1,986	\$415,000	\$420,000	\$209	98.81%	2008	46	4,726
1845 Vignolia Loop	2/13/2018	1,583	\$435,000	\$425,000	\$275	102.35%	2015	3	4,160
1889 Rezzano Way	2/10/2018	2,338	\$480,000	\$485,000	\$205	98.97%	2012	39	4,757
1641 Marseille Ln	2/5/2018	1,385	\$390,000	\$399,995	\$282	97.50%	2012	34	3,546
1101 Paris Dr	1/30/2018	1,848	\$432,000	\$437,990	\$234	98.63%	2013	117	2,688
1064 Provence Village Dr	1/30/2018	1,601	\$414,900	\$414,990	\$259	99.98%	2013	141	2,261
1529 Marseille Ln	1/30/2018	1,577	\$425,000	\$428,500	\$269	99.18%	2011	84	4,129
1594 Grey Bunny Dr	1/26/2018	1,053	\$345,000	\$340,000	\$328	101.47%	2008	4	3,062
3033 Market St	1/25/2018	1,210	\$347,500	\$365,000	\$287	95.21%	2013	57	2,474
1837 Camino Real Way	1/25/2018	1,811	\$385,000	\$396,000	\$213	97.22%	2014	25	2,291
2193 Ellesmere Loop	1/25/2018	1,266	\$365,000	\$360,000	\$288	101.39%	2012	10	4,535
825 Macon Pl	1/23/2018	2,282	\$398,000	\$399,900	\$174	99.52%	2013	76	2,744
5017 Maestro Way	1/11/2018	2,891	\$507,500	\$519,900	\$176	97.61%	2014	39	5,959
2453 Kinsella Way	1/5/2018	1,673	\$425,000	\$434,999	\$254	97.70%	2008	27	5,354
1554 Bushy Tail St	1/4/2018	1,884	\$420,000	\$419,900	\$223	100.02%	2009	4	3,062
Total Sales	51	1,875 (avg.)	\$429,588 (avg.)	\$430,818 (avg.)	\$238 (avg.)	99.72% (avg.)	2012 (avg.)	26 (avg.)	3,917 (avg.)

As shown by the data, MLS reports that there have been 51 re-sales in West Roseville since January 2018. Most homes have closed at or near the asking price (some above asking), and the time on the market has averaged slightly under a month. These statistics point to a generally healthy re-sale market.

Ability to Pay

According to the Gregory Group, of the five projects currently selling in Westbrook, new home price points are generally between \$385,000 (1,423 square foot plan within the Solis project) to \$470,000 (2,166 square foot plan within the Bromley project). In this section, we will examine the ability to pay among prospective buyers for representative price points of \$385,000 and \$470,000. First, we will estimate the required annual household income based on typical mortgage parameters in the subject's market area. Specifically, we will employ a loan-to-value ratio of 80% (down payment of 20%), mortgage interest rates of 4.50%, 360 monthly payments, and a 40% ratio for the housing costs as a percent of monthly income (inclusive of principal, interest, all taxes and insurance). As alluded to above, property tax payments are accounted for in the analysis. Ad valorem taxes are 1.082438% of assessed value.

The most significant direct levy payments are related to the CFD bonds in the area: City of Roseville CFD Nos. 1, 2 and 3. Annual special tax levy payments for a typical lot in CFD No. 1 are \$1,682 per home/year (or \$140 per home/month) for LDR lots and \$1,380 per home/year (or \$115 per home/month) for MDR lots. Additional special taxes associated with CFD No. 2 (typical monthly payment of \$30 to \$33) and CFD No. 3 (typical monthly payment of \$21 to \$35) are also considered.

Given the discussion above, the following tables show the estimate of the annual household income that would be required to afford homes priced between \$385,000 and \$470,000:

Income Required	
Home Price	\$385,000
Loan % of Price (Loan to Value)	80%
Loan Amount	\$308,000
Interest Rate	4.50%
Mortgage Payment	\$1,561
Ad Valorem Taxes	\$347
Bond Payments	
CFD No. 1	\$140
CFD No. 2	\$30
CFD No. 3	\$21
Property Insurance	\$80
Total Monthly Obligation	\$2,179
Mortgage Payment % of Income	40%
Monthly Income	\$5,448
Annual Income	\$65,372

Income Required

Home Price	\$470,000
Loan % of Price (Loan to Value)	80%
Loan Amount	\$376,000
Interest Rate	4.50%
Mortgage Payment	\$1,905
Ad Valorem Tax	\$424
Bond Payments	
CFD No. 1	\$140
CFD No. 2	\$33
CFD No. 3	\$35
Property Insurance	\$98
Total Monthly Obligation	\$2,635
Mortgage Payment % of Income	40%
Monthly Income	\$6,588
Annual Income	\$79,050

Conclusions

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

- Building permit activity for single-family residences in Roseville reached a peak about nine years ago, then fell precipitously during the recessionary period, but has been increasing in more recent years and has recently surpassed the previous high point experienced in 2007.
- New home pricing in Roseville has been in a general increasing pattern over the last four years, albeit with a few quarterly dips. The most recent period indicates the highest new home pricing observed over the last four years.
- New home pricing per square foot of living area in Roseville has been generally flat over the last three to four years.
- There are currently 31 active new home projects in Roseville. This is among the highest levels of active projects observed since the past expansionary period.
- Absorption rates within new home projects in West Roseville have ranged from 1.9 to 5.4 sales per month over the past year, with an average of 3.4 sales per month.
- Re-sale homes in West Roseville are transferring at or near the asking price, and the exposure period has averaged about one month, both indicators of a healthy market.
- Overall, demand for new homes in the subject's market area remains strong. The housing market is considered to be in a stage of expansion.

Retail Market Analysis

The retail market in Sacramento has been on a path of stabilization and improvement over the past few years. Although typically the slowest quarter of the year, the fourth quarter of 2017 experienced significant activity. Several existing big box spaces were leased this quarter, accounting for a large portion of the 309,694 square feet of space absorbed this quarter. The year closed with nearly 1.1 million square feet of positive net absorption, which is a record high for the region.

Vacancy has been trending consistently downward since the first quarter of 2010, except for a couple of small upticks in individual quarters. As of fourth quarter 2017, the region's vacancy rate was estimated at 8.5%, compared to 8.9% in the previous quarter and 9.3% a year earlier.

New construction in the region has increased over the past 2-3 years and several large projects were recently finished or are nearing completion. Among these is Delta Shores, a 741,200 square foot power center and the largest new retail development in the Sacramento region in over a decade. However, despite the improving fundamentals denoting a near-fully recovered market, market participants continue to be concerned about the structural changes to retail. While there was relatively strong retail spending growth in the Sacramento area during 2017, the increase in e-commerce continues to have an impact on brick-and-mortar projects. Sacramento will not be immune to the structural changes occurring. Landlords and tenants alike have the tricky job of trying to predict what the future holds for in-store sales and how to stay relevant and maintain foot-traffic going-forward.

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

Economic Overview

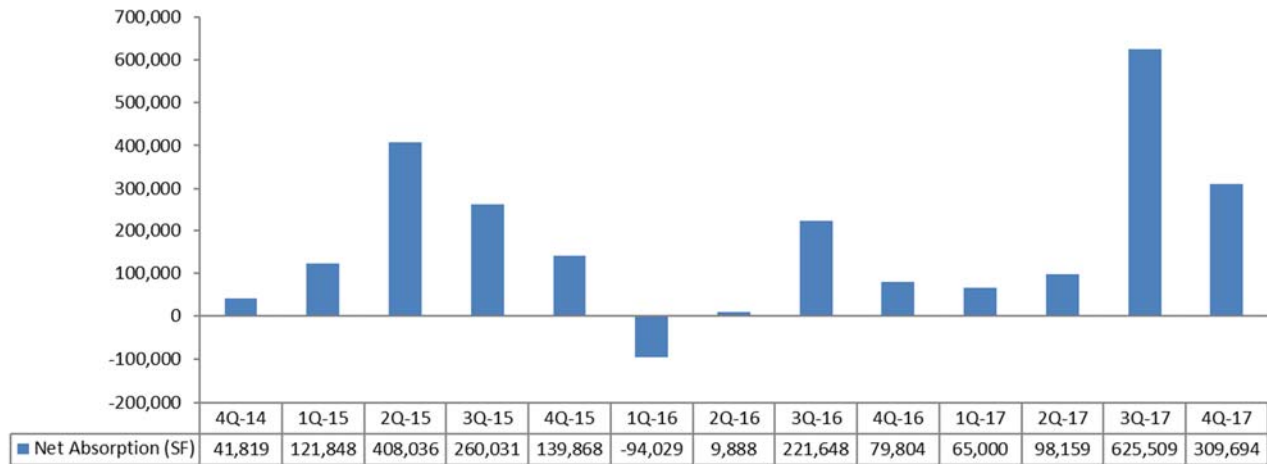
2017 marked a year of economic growth in the United States. Job growth continued to rise, although the pace of growth slowed as it nears full employment. Wages increased for the third consecutive year and continue trending upward. Consumer spending and confidence both increased; consumer confidence hit a 17-year high in November 2017 and is expected to remain at historic high levels through 2018. Retail sales increased 4.2% in 2017 from the previous year, hitting a record of \$5.7 trillion.

In the Sacramento region, unemployment was 3.8% in December 2017, down from 4.8% December 2016. This compares favorably to the unemployment rate of 4.2% for California and 3.9% for the nation. The Sacramento region added 22,600 new jobs (up 2.3%) since December 2016, with total nonfarm employment growing to 985,000 jobs at the end of 2017. The Sacramento area is becoming an increasingly popular alternative to the costly Bay Area markets. The continued in-migration to the area is expected to fuel population and workforce growth, which will drive demand for the commercial and retail sector.

Absorption & Vacancy

The following chart highlights the region's net absorption over the past several quarters.

Sacramento Retail Market Net Absorption



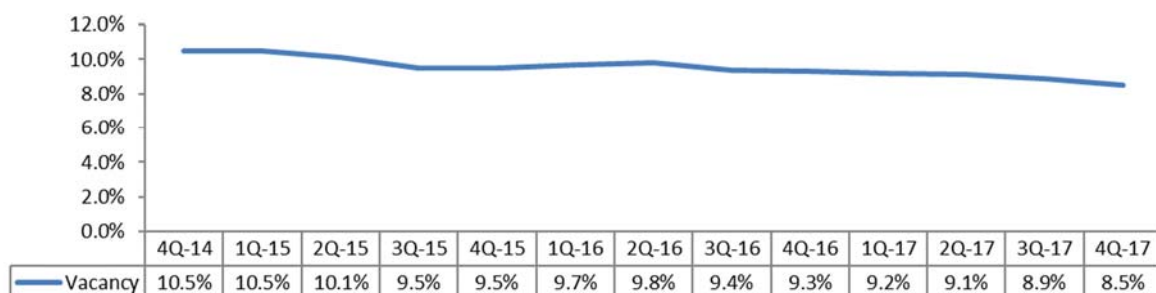
Source: CBRE MarketView Reports

The Sacramento retail market has experienced a significant range of highs and lows over the last economic cycle. The retail market was very strong in the year 2007 with about 3 million square feet of positive net absorption. In 2008, net absorption was still positive but dropped significantly to about 600,000 square feet. The region's net absorption was negative for the year 2009, with various brokerages estimating over 1 million square feet of negative net absorption. The annual net absorption turned positive in 2010 with about 170,000 square feet. During the four-year period of years 2011 through 2014, annual net absorption was fairly consistent, exhibiting between 530,000 and 600,000 square feet per year. Net absorption increased in the year 2015 to about 930,000 square feet. Most of this activity was due to big box leasing. For the year 2016, the region experienced net absorption of 217,311 square feet. In the first half of the year, leasing activity was strong among smaller tenants, but the overall market was impacted by the closing of five larger stores, including two Save Mart stores, two Sport Chalet locations and a clothing store. In the second half of the year, several larger leases were executed, which helped close the year with positive net absorption despite the closing of several Sports Authority stores.

In 2017, the region experienced an annual net absorption of 1,099,674 square feet. This significant increase over the previous year was due primarily to completions of new retail projects. As mentioned, the Delta Shores project is the largest new retail development in the area in over a decade and 180,906 square feet of space was delivered during the fourth quarter 2017.

The following chart summarizes the recent history of retail vacancy in the Sacramento region.

Sacramento Retail Market Vacancy



Source: CBRE MarketView Reports

The average retail vacancy in the Sacramento area has been consistently declining since 2010, decreasing 150 basis points (bps) over fourth quarter 2016 to finish out 2017 at 8.5%. The year-end vacancy rate has reached the previous cycle levels of nearly a decade ago and is the lowest the region has experienced since then. Vacancy rates are expected to continue their gradual decline and may soon return to pre-recession levels of 7-8%. Highly desirable submarkets, such as Elk Grove and Roseville, exhibited the lowest vacancy rates at 4.5% and 4.6%, respectively. Vacant space remains scarce in prime submarkets as tenants focus their demand there, while less desirable submarkets are finding it difficult to sustain demand.

The table below summarizes recent vacancy rates and net absorption by submarket. The submarkets achieving the highest absorption levels for the fourth quarter of 2017 were Laguna/Elk Grove and Citrus Heights/Fair Oaks with 140,226 and 72,869 square feet, respectively. Several new big box leases were executed, driving a majority of the leasing activity. Sprouts signed a lease for 35,515 square feet in the Town and Country Village; Big Lots signed a new lease for 34,300 square feet in the K-mart Plaza in Citrus Heights; and Michael's signed 23,452 square feet in Promenade at Sacramento Gateway. Rebounderz, an indoor trampoline park from Florida, replaced Sport Chalet in Country Club Plaza (40,600 square feet). Also noteworthy are that significant remodels of existing centers, such as the Howe 'bout Arden project, also contributed to leasing activities throughout much of the year.

The highest annual net absorption was led by Laguna/Elk Grove (711,835 square feet), Highway 50/Rancho Cordova (160,044 square feet) and Arden/Watt/Howe (91,954 square feet), followed by Roseville at 76,041 square feet.

Among the most significant sale transactions in the fourth quarter 2017 are Madison Marketplace (259,000 square feet) in Fair Oaks, Parkway Plaza (205,000 square feet) in Lincoln, Center Pointe Shopping Center (116,058 square feet) in Roseville, and former Macy's (167,000 square feet) at 3500 El Camino Avenue.

Sacramento Retail Market Summary				
Submarket	Total SF (millions)	Vacancy 4Q 2017	Net Absorption 4Q 2017	Net Absorption YTD
Arden/Watt/Howe	3.7	12.8%	55,266	91,954
Auburn/Loomis	1.2	4.7%	5,835	(13,539)
Carmichael	1.3	17.4%	(1,074)	(18,262)
Citrus Heights/Fair Oaks	4.5	12.1%	72,869	(38,587)
Folsom/El Dorado Hills	5.6	6.5%	22,622	26,953
Greenhaven/Pocket	0.4	9.9%	(977)	4,958
Hwy 50/Rancho Cordova	2.9	14.4%	(37,102)	160,044
Laguna/Elk Grove	5.7	4.5%	140,226	711,835
Lincoln	1.2	2.2%	22,173	55,858
North Highlands	2.6	9.8%	(5,475)	(1,329)
North Natomas	2.4	7.8%	36,386	52,308
Rocklin	2.7	9.8%	13,451	2,175
Roseville	6.6	4.6%	(24,797)	76,041
South Natomas	0.6	9.9%	0	(5,664)
South Sacramento	4.7	12.0%	(10,502)	8,305
West Sacramento/Davis	2.6	3.0%	20,792	(13,376)
Total	48.7	8.5%	309,693	1,099,674

Source: CBRE MarketView Reports

Rental Rates

Asking rental rates for space in newly constructed, prime retail centers are \$3.50 psf/month (triple net), while less desirable locations marketed at \$1.00. According to CBRE, the average asking rental rate for retail space in the Sacramento region was \$1.51 psf/month, triple net, in the fourth quarter of 2017. This average was up \$0.02 from the previous quarter, but has remained stable over the past three years, hovering between \$1.48 and \$1.52 psf/month. With only minimal new construction projected to deliver additional space in 2018, demand for retail space will keep average asking rents from decreasing much in the near future. Rental rates are projected to increase in the 1% to 2% range, similar to last year, for most property types and locations.

New Construction

Construction activity was limited in the region during the period of roughly 2008-2013 in response to market conditions; however, new construction has increased in the region since 2014 as feasibility has improved. In the year 2014, new completions totaled about 390,000 square feet. In 2015, completions totaled about 370,000 square feet and included a 120,000 square foot Lifetime Fitness athletic club in Roseville, two buildings in the Rocklin Crossings shopping center (one of which is occupied by Bass Pro Shops), and a big box store in South Sacramento. The only completion in the first quarter of 2016 was an Applebee's restaurant in Rocklin. In the second quarter of 2016, there were two completions totaling about 34,000 square feet, including a Nordstrom Rack expansion in Folsom and three shop buildings in the Rocklin Crossing center in Rocklin. In the third quarter of 2016, completions totaled about 49,000 square feet – a Home Goods store in the Arden/Watt/Howe submarket and a Smart & Final store in Citrus Heights. Over 254,000 square feet was completed in the fourth quarter, including a Lifetime fitness center in Folsom; and a Raley's grocery store, Nordstrom Rack and Cinemark Theater in the Arden/Watt/Howe submarket. In

Downtown Sacramento, the new Golden 1 Center arena was completed for the Sacramento Kings NBA basketball team in 2016, and also hosts concerts and other events. Several restaurants and shops have opened or are planned in and around the new arena.

In 2017 two new major projects have come on-line. It should be noted the majority of new construction has either been build-to-suit or was otherwise pre-leased before development began.

Delta Shores, located in the South Sacramento submarket adjacent to Interstate 5, is an approximate 750,000 square foot retail center and is the largest new retail development in the region in over a decade. In the fourth quarter 2017, Wal-Mart Supercenter opened its 300,000 square foot store in the center, and space was also completed for RC Willey (170,000 square feet) and Regal Cinemas (14 screens) and Xfinity (5,000 square feet). Other major tenants already open for business include Dick's Sporting Goods, Hobby Lobby, Ross, ULTA, Old Navy, and PetSmart.

In the Downtown submarket, completion of Ice Blocks and Downtown Commons (DOCO) developments will further drive net absorption through 2018. Ice Blocks is a mixed-use development in the historic R Street Corridor in Midtown. At completion, it will feature three city blocks of ground floor retail with boutiques, cafes and restaurants, as well as office space and 142 loft-style apartment units. The last of the three blocks came on line in the fourth quarter 2017, with West Elm leasing the largest 10,992 square feet space and scheduled to open mid-2018. Existing tenants include Bounty & Beast, Philz Coffee, Button Up boutique, Pure Barre, and several others. Downtown Commons is a 630,000-square foot lifestyle center anchored by Macy's, Cinemark, 24 Hour Fitness and Urban Outfitters. The Sawyer Hotel mixed-use development, located in the DOCO project, delivered 53,000 SF of retail/restaurant space, in addition to 32,000 SF of office space leased to the Sacramento Kings NBA franchise. In addition to the larger anchor tenants, several restaurants have already opened (Haagen-Dazs, Punch Bowl Social, Sauced) & several others are scheduled to open in 2018 (Echo & Rig Steakhouse, Burger Lounge, State Fare, Yardhouse, Pressed Juicery, Estelle Bakery and Patisserie).

The majority of new construction moving into 2018 represents build-to-suit expansions of existing retail centers. Rocklin Commons has 42,000 square feet under construction, which has been leased to TJ Maxx and HomeGoods. With no new, large construction projects on the horizon, construction totals are expected to decline in 2018.

Looking Ahead

The retail market finished the year strong, with net absorption keeping pace with the significant amount of new construction delivered in 2017. Overall vacancy declined slightly, remaining 150 basis points below 10%. The market continues to be characterized by scarce availability and high demand for the best quality projects in prime submarkets, whereas many older centers, some with functional issues, continue to struggle, having never fully recovered from the recession. The coming year is expected to be one of continued moderate improvement for the Sacramento retail market, but activity is expected to slow as available space in the prime submarkets becomes more scarce. With no major construction planned, no significant increase in the supply of retail space is expected. Population and job growth are expected to continue to rise moderately, in large due to in-migration from the more costly Bay Area. Over the next 12 months, rental rates are projected to increase for most property types and locations, especially anchored centers in good locations. We should continue seeing some landlord concessions for available space, including free rent and/or improvement allowances. Vacancy rates should continue to trend slightly downward due to sustained net absorption. Demand for local services in the region is expected to be sustained, however, competition from internet retailers will continue to put pressure on the retail consumer goods industry.

Multifamily Market Analysis

The Sacramento multifamily market continues to exhibit some of the strongest fundamentals in the Western United States. Rental growth, which hit double digits last year, slowed somewhat in 2017, but remains about 5% year-over-year as of the fourth quarter 2017. Vacancy continues to be at about 3%, as delivery of new units is scarcely keeping pace with demand. With occupancy above equilibrium, it is anticipated that rental growth will continue, albeit at a diminishing rate. Job growth and household income gains continue to improve, particularly in the leisure/hospitality and healthcare sectors, which bodes well for all residential real estate. As such, home prices continue to rise at rates similar to multifamily rental growth, thereby keeping home ownership competition at bay.

The following excerpt is from Marcus & Millichap's Multifamily Research 2018 Investment Forecast for the Sacramento Metro Area:

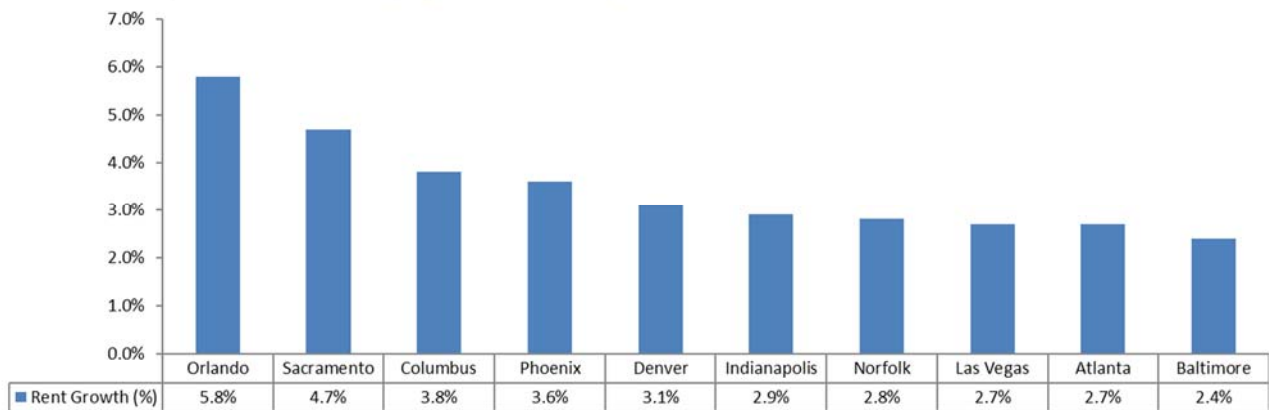
"Sacramento remains one of California's tightest markets. A cycle-high volume of apartments will be delivered in 2018, yet the metro's vacancy rate will adjust nominally, hovering around 3 percent. Diversified job creation led by a growing health industry will encourage a strong rate of household formations and attract more millennials to the area, fueling consistent renter demand. The more than \$500 gap between the average rent and a monthly mortgage payment also bodes well for the multifamily sector during a span of increased construction. Central Sacramento is slated to welcome the most rentals this year at nearly 500 units. Outside the core, completions are spread throughout the metro, with 200-unit-plus projects slated for delivery in South Sacramento, Natomas and Rocklin. The distribution of new properties combined with steady renter demand will keep many suburbs' vacancy below the metro average, allowing a fourth consecutive year of stout overall rent growth."

Another brokerage, Colliers International, offered the following statements about the Sacramento apartment market in its market report for the fourth quarter of 2017:

"As 2017 came to a close, the Sacramento multifamily residential market seems ready for another monumental year of growth. Investors see the potential for continued rent growth, driving sales to exceed the volume we saw in 2016. The average cap rate for 2017 fell below pre-recession levels, and the average price per unit reached an all-time high in Q4. In 2018, the Sacramento apartment market will receive a boost of new housing stock, nearly twice as many new units as the total for 2017, which will push top-of-market rents further than we've seen so far. Though rents dipped slightly in Q4 from the record high in Q3, we expect Sacramento will maintain its position as a leading rent-growth market."

Information extracted from the Q4 2017 U.S. Multifamily Figures report by CBRE indicates the Sacramento metro area was second in the nation for annual rent growth in 2017. Only the Orlando area reported a higher growth, which, in addition to a robust economy, experienced an increase in multifamily demand from an influx of Puerto Rican residents who were displaced by Hurricane Maria.

Rent Growth, Year over Year (by Metro Area)

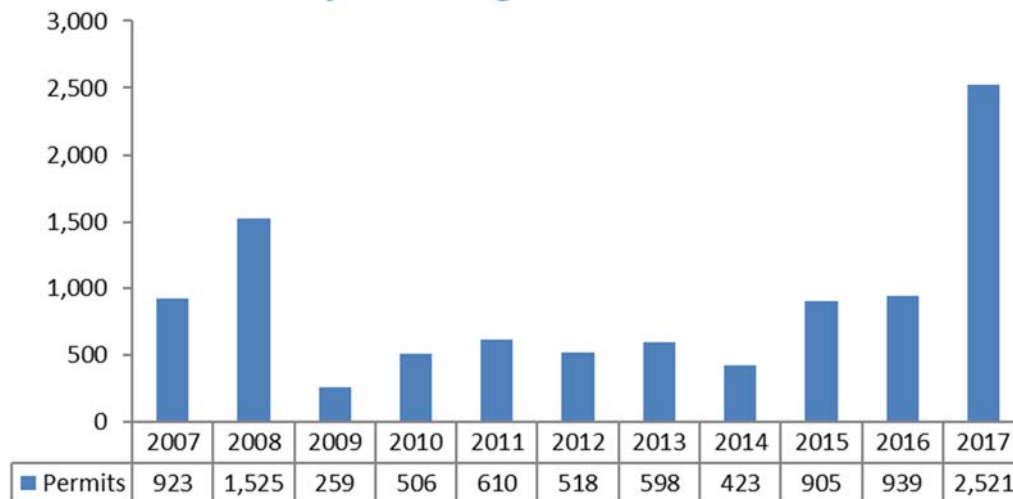


Source: CBRE Q4 2017 U.S. Multifamily Figures

New Construction

The following chart indicates the number of multifamily building permits issued over the recent past in the four-county Sacramento MSA (Sacramento, El Dorado, Placer and Yolo Counties). It is noted these figures include for-rent apartments and for-sale condominiums within projects containing at least five units.

MSA Multifamily Building Permits



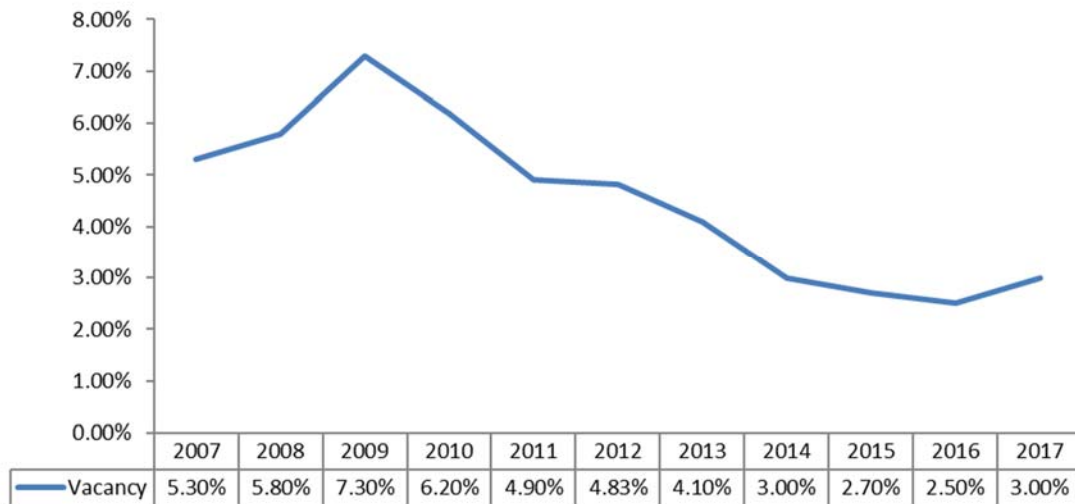
Source: U.S. Census SOCDS Building Permits Database

Permit activity for multifamily projects was low during the recovery years of 2010 through 2014. A significant increase was seen in 2015, 2016 and 2017 as developers began responding to improving market conditions, which included very low vacancy. Marcus & Millichap reported that 1,200 new apartment units were completed in the Sacramento region in the first half of 2017. Although there were no new properties delivered in fourth quarter 2017, an additional 788 permits were issued. Metro wide, as of the end of 2017, there are 25 projects at various stages of construction, totaling 3,808 units, of which 1,571 units are expected to be completed in 2018. There are nine projects underway in the Central Sacramento submarket, accounting for nearly 500 rental units. Specifically, Ice House is expected to deliver 142 units in the Downtown area in first quarter 2018. Additional 200-unit-plus projects are slated for delivery in South Sacramento, Natomas and Rocklin in 2018.

Vacancy

Historically speaking, the regional apartment market has typically maintained relatively low vacancy. Over the last decade, after peaking in the 7% range in 2009, the region's average vacancy rate has steadily declined as noted in the table below. Four submarkets showed an increase in occupancy last quarter (Central Sacramento, Carmichael, Woodland/West Sacramento and Davis). Vacancy is expected to remain steady near 3.0% in 2018, despite a high volume of new apartments to be completed. The following chart shows the region's average annual apartment vacancy rate.

Sacramento Multifamily Market Vacancy

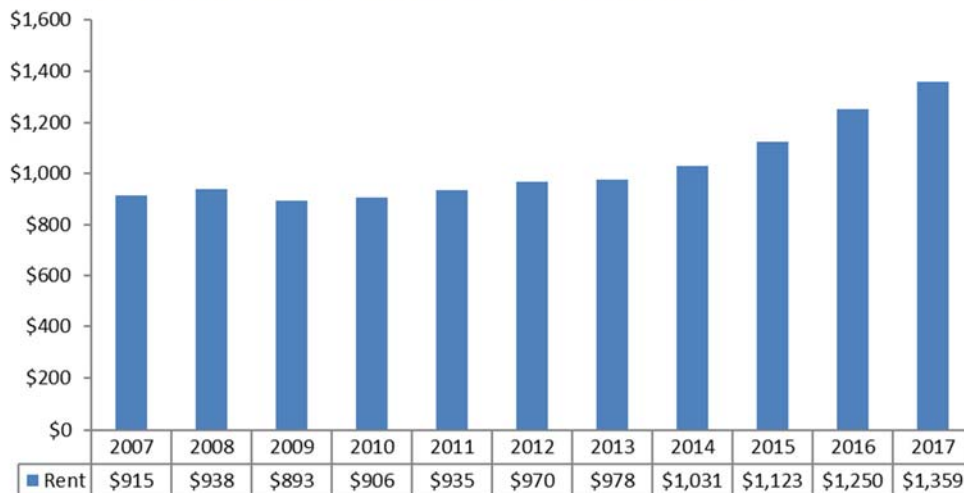


Source: Marcus & Millichap (2007-2016); Colliers International (2017)

Rental Rates

The following chart shows recent trends in Sacramento's average apartment rental rate (effective rent after discounts and incentives).

Sacramento Multifamily Average Monthly Rent



Source: Marcus & Millichap (2007-2016); Colliers International (2017)

Submarket Data

The following table shows recent rental rates and average occupancy for some of the local submarkets, all of which have continued to record strong occupancy and rent levels.

Sacramento Multifamily Market Summary			
Submarket	Average Rent	Average Occupancy	Average Vacancy
Central Sacramento	\$1,793	96.3%	3.7%
South Sacramento	\$1,336	97.7%	2.3%
Natomas	\$1,376	96.9%	3.1%
N Sacramento/North Highlands	\$1,260	96.0%	4.0%
Arden/Arcade	\$1,165	98.2%	1.8%
Carmichael	\$1,100	98.7%	1.3%
Rancho Cordova/East Sacramento	\$1,232	96.8%	3.2%
Citrus Heights	\$1,214	97.6%	2.4%
Orangevale/Fair Oaks/Folsom	\$1,556	96.0%	4.0%
Roseville/Rocklin	\$1,525	95.6%	4.4%
Woodland/West Sacramento	\$1,196	98.1%	1.9%
Davis	\$1,688	98.8%	1.2%

Source: Colliers International

Downtown

Consistent demand from young professionals desiring to live in Sacramento's urban core continues to have developers looking to capitalize. In the third quarter 2017, Sequoia Equities purchased Eviva Midtown for a record \$53 million. Eviva was essentially the first large-scale, modern, urban mixed-use project developed in Sacramento. This sale set a new record with a per unit price of nearly \$450,000. One-bedroom units rent above \$2,100 per month at Eviva. Also in the downtown area, the mixed-use Ice Blocks project is nearing completion. The 142-unit apartment component known as Ice House will come on-line in the first quarter 2018, featuring studio, one and two-bedroom luxury apartment homes. A one-bedroom unit is projected to lease for as much as \$2,000 per month.

Sales Activity

Colliers International reports that sale activity for Sacramento apartments continues to be active, noting there were five transactions in the seven-county region that broke the \$20-million mark, the largest of which was for The Element student housing complex, which sold for \$81.9 million (\$284,322 per unit). The Element is located within a mile of California State University, Sacramento.

Additional notable sale transactions included

- The Eleven Hundred Apartment Homes: 565 units sold for \$69 million (\$122,123 / unit) in Arden/Arcade
- Landing at College Square Apartments: 270 units sold for \$59 million (\$218,518 / unit) in Laguna
- Sycamore Terrace: 244 units sold for \$57.4 million (\$235,245 / unit) in Pocket/Greenhaven
- The Artisan: 264 units sold for \$53,277,500 (\$201,808 / unit) in Elk Grove

During the fourth quarter 2017, transactions totaled \$475.5 million, bringing the annual 2017 total to \$1.65 billion. The median cap rate for all sales in 2017 was 5.50 percent, which is slightly lower than the previous low reported in 2007. Overall, apartment capitalization rates have trended downward over the past few years, although rates appear to be stabilizing in recent months.

Conclusion

The Sacramento apartment market continues to expand with strong rent increases and very low vacancy rates. Demand for apartments is strong and the addition of new supply has been relatively limited in past years. However, construction activity as of the end of 2017 is the highest experienced since 2003. Market vacancy has remained tight for the past several years, with a slight increase to 3% as of the end of 2017. Demand continues to keep pace with supply and vacancy levels are expected to remain steady into 2018. While vacancy increased slightly, the region's average rental rate and sale price per unit have increased over the past couple of years, and both are expected to increase over the next 12 months. Rental growth will likely moderate to a more sustainable level in the 3 to 5% range. Overall, the region is poised for sustained growth and strong market conditions in the multifamily sector in 2018.

Highest and Best Use

Process

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

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

As Vacant

Legal Permissibility

The legal factors influencing the highest and best use of the appraised properties are primarily government regulations, such as zoning and building codes. The appraised properties are zoned and approved for single- and multi-family residential development and commercial uses. Overall, the legally permissible uses are to develop the appraised properties in accordance with the existing entitlements and land use designations, which have undergone extensive planning and review. A re-zone to any other land use is highly unlikely. Additionally, the above land uses are consistent with the City of Roseville General Plan and the East Roseville Specific Plan.

Physical Possibility

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

The physical characteristics of the appraised properties support development. The Westbrook project has good access and project roadways connect the various lots within the development. Public utilities are also in place to support development. The subject is not located in an adverse earthquake or flood zone. Surrounding land uses are compatible and/or similar to the legally permissible use. Existing development in Westbrook provides support that soils are adequate for development.

In summary, both residential and commercial uses are considered physically possible.

Financial Feasibility

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of single-family residential development, in recent months merchant builders have acquired unimproved lots in South Placer County for near term construction, and there are multiple active projects in the area that demonstrate demand for new homes. Finished lots are transferring for prices that exceed the sum of unimproved lots and site development costs, which indicates completion of site development is financially feasible.

Regarding development of the commercial site, it is our opinion that construction on the commercial land may not be financially feasible at this time. Many developers that hold title to commercial land are holding for development until the market further stabilizes. Overall, the timing of future retail development depends on the continued appreciation in market rent to support new construction, unless in build-to-suit situations.

Maximum Productivity

Legal, physical and market conditions have been analyzed to evaluate the highest and best use of the appraised properties as vacant. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the property. Based on the factors previously discussed, the maximally productive use of the appraised properties, and its highest and best use as vacant, is for near term single-family residential development. The highest and best use as vacant for the retail land sites, is for an interim hold until demand warrants construction. The probable buyer of the subject (as vacant) is a land developer.

Highest and Best Use as Improved

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

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

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

Probable Buyers

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

- Commercial parcel: Land speculator or developer
- Completed homes: Individual homeowners

Valuation

Valuation Methodology

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

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

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

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

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 appraiser/analyst specifies the quantity, variability, timing and duration of the revenue streams and discounts each to its present value at a specified yield rate.

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

Market Valuation – Completed Single-Family Homes

We begin the valuation by analyzing the market values of the smallest floor plan within each community for which there are completed homes without assessed improvement values. This analysis is a not-less-than estimate of market value, as the analysis is based on the smallest marketed floor plan within each active subdivision. To do so, we will employ the sales comparison approach to value.

The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace. In the sales comparison approach, the market value of the subject lots will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract.

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

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

As requested, we will estimate the market value of the smallest floor plan offered within each subdivision in the CFD, as of the date of value, April 11, 2018, to apply to those lots with completed single-family homes *without* a complete assigned assessed improvement value. The objective of the analyses is to estimate the base price of the smallest floor plan, net of incentives, upgrades and lot premiums. Base price pertains to the typical (median) lot size within the subject. The sales comparison approach to value is employed in order to establish the market values for each floor plan.

A summary of the active projects within the boundaries of the City of Roseville CFD No. 1 (Westbrook) is provided on the following page.

Bromley by Woodside Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Asking Price
1	2,166	1	3-4	2.5-3	2 + tandem	\$480,990
2	2,530	1	3-4	3	2 + tandem	\$504,990
3	2,889	2	4-5	3.5-4.5	2 + tandem	\$534,990
4	3,473	2	4-6	3.5-4.5	3	\$570,990

Hillingdon by Woodside Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Asking Price
1	1,738	1	2-3	2	2	\$415,990
2	2,464	2	3-4	3	2	\$462,990
3	2,561	2	3-5	3-4	2 + tandem	\$476,990
4	2,618	2	3-5	3-4	2 + tandem	\$479,990
5	2,813	2	4-6	3-4	2 + tandem	\$490,990
6	3,113	2	4-6	3-4	2 + tandem	\$510,990

Solis by Woodside Homes

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Asking Price
1	1,423	1	3	2	2	\$384,990
2	1,754	2	3	2.5	2	\$405,990
3	1,939	2	3-4	2.5	2	\$421,990

Manchester by Express Homes (D.R. Horton)

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Asking Price
1	1,974	2	3	2.5	2	\$411,520
2	2,328	2	4	2.5	2	\$441,405
3	2,318	2	4	3	2	\$445,520

Wexford by Express Homes (D.R. Horton)

Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Asking Price
1	1,898	1	3	2	2	\$416,990
2	2,277	2	4	3	2	\$427,990
3	2,317	1	4	2	2	\$438,990
4	2,527	2	4	2	2	\$444,990

New Home Sale Summary

No.	Location	Sale Date	Sale Price	Living Area (SF)	Sale Price Per SF	Lot Size	Floor Plan	Year Built	Stories	Garage
1	9233 Hourglass Circle Roseville	Pending	\$411,695	1,423	\$289	3,825	3/2	Under Con.	1	2
2	1108 Paris Dr. Roseville	Feb-18	\$375,453	1,332	\$282	2,600	3/2.5	2017	1	1
3	3089 Quincy Avenue Roseville	Jan-18	\$432,000	2,018	\$214	5,751	3/2	Under Con.	1	2
4	1360 Oakbriar Cir Roseville	Jan-18	\$434,793	1,941	\$224	3,880	4/3	Under Con.	2	2
5	509 Glory Court Roseville	Jan-18	\$414,845	1,974	\$210	5,211	3/2.5	Under Con.	2	2
6	5073 Southbury Dr Roseville	Dec-17	\$493,336	2,166	\$228	6,060	3/2.5	2017	1	2 + tandem
7	9012 Carneros Street Roseville	Dec-17	\$429,990	1,731	\$248	5,195	3/2.5	2017	1	2
8	7741 Mt. Evans Way Roseville	Nov-17	\$485,000	2,169	\$224	6,765	4/2	2017	1	2
9	7176 Corvus Cir Roseville	Nov-17	\$414,105	1,974	\$210	4,500	3/2.5	2017	2	2
10	3048 Ivy Creek Lane Roseville	Nov-17	\$410,269	1,845	\$222	2,800	3/2.5	2017	2	2
11	7208 Corvus Cir Roseville	Sep-17	\$410,000	1,974	\$208	4,500	3/2.5	2017	2	2
12	3008 Ivy Creek Lane Roseville	Sep-17	\$375,721	1,601	\$235	2,800	3/2.5	2017	2	2

Discussion of Adjustments

In order to estimate the market values for the subjects' smallest floor plans, the comparable transactions were adjusted to reflect the subject with regard to categories that affect market value. If a comparable has an attribute considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories that are considered inferior to the subject and are adjusted upward. In order to isolate and quantify the adjustments on the comparable sales data, percentage or dollar adjustments are considered appropriate. At a minimum, the appraiser considers the need to make adjustments for the following items:

- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Market conditions
- Location
- Physical features

A paired sales analysis is performed in a meaningful way when the quantity and quality of data are available. Even so, many of the adjustments require the appraiser's experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. A detailed analysis involving each of these factors and the value conclusion for each unit follows.

Total Consideration

The appraised properties are analyzed based on the total consideration of home price and the assumption of bonds, if any. Bond debt has a direct impact on the amount for which the end product will sell. In an effort to account for the impact of bond indebtedness on the sales price, we establish a present value amount for the bond encumbrance based on the annual assessment, and the remaining term from the date of sale. All of the comparables are encumbered by bonds; thus, the present value of the bonds is considered in this analysis to determine the total consideration with each sale.

Upgrades and Incentives

The objective of the analysis is to estimate the base price per floor plan, net of incentives. Incentives can take the form of direct price reductions or non-price incentives such as upgrades or non-recurring closing costs. Incentives and upgrades provided by the sales offices have been considered and adjusted for in this analysis.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. As previously noted, the opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants and restrictions (CC&Rs). All of the comparables represent fee simple estate transactions. Therefore, adjustments for this factor are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. If the seller provides incentives in the form of paying for closing costs or an interest rate buy down, a discount has been obtained by the buyer for financing terms. This discount price must then be adjusted to a cash equivalent basis. Also, any incentives applicable toward closing costs would have been reflected in the incentives adjustments previously considered. No adjustments were required for this factor.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding

The comparables did not involve any non-market or atypical conditions of sale. Adjustments for this factor do not apply.

Market Conditions (Date of Sale, Phase Adjustment)

The market conditions vary over time, but the date of this appraisal is for a specific point in time. In a dynamic economy – one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline – extra attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a neighborhood, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

According to information published by The Gregory Group, and as shown previously within the *Housing Market Overview* section of this appraisal, new home pricing has been relatively stable in the West Roseville area during the past quarter. However, a 1% and 3% upward adjustment was made to the comparables that transferred in November and September 2017, respectively.

Location

Location is a very important factor to consider when making comparisons. The comparables need not be in the same neighborhood but should be in neighborhoods that offer the same advantage and have, in general, the same overall desirability to the most probable buyer or user. Most comparables are all located within similar areas of West Roseville and do not warrant adjustments. However, Sale 7 is located within an infill subdivision located amongst older development and receives an upward adjustment for inferior location.

Community Appeal

In addition to market location adjustments, we consider community appeal adjustments. Even within a specific market location, often specific neighborhood site characteristics influence sale prices. Often, prices on one street may be significantly higher or lower than the next, despite similar home characteristics. Site characteristics that may influence sale prices include a gated amenity or the condition of surrounding development. The subject and most comparables possess average community appeal. Sales 4, 10 and 12 are located within gated communities, which is considered a desirable feature and receive slight downward adjustments to account for their superior community appeal.

Lot Size

The lot size adjustment pertains to the differences between the subjects' typical lot sizes for each community, and comparables with either larger or smaller lots. It does not include any lot premium adjustments, which are adjusted for separately. The amount of the adjustment used in the comparison of the base lot sizes comes from a survey of premiums paid for larger lots. Considering the average lot size adjustments factors indicated by the comparable sales utilized in this analysis, a lot size adjustment factor of \$8.00/SF is considered reasonable for the subjects' residential lots. This figure is supported by our observations of sales in the subject's market area. It is noted adjustments are not necessary when lot premiums are identified.

Lot Premiums

Properties sometimes achieve premiums for corner or cul-de-sac positioning, or proximity to open space or views. Adjustments for lot position premiums would be in addition to lot size adjustments previously considered. Appropriate adjustments are applied based upon information provided by the on-site sales agents with regard to lot premiums on specific sales.

Design and Appeal/Quality of Construction

Design and appeal of a floor plan is consumer specific. One exterior may appeal to one buyer, while another appeal to a different buyer. These types of features for new homes with similar functional utility are not typically noted in the base sales prices. The comparables are similar to the subject in regard to design and appeal.

Construction quality can differ from slightly to substantially between projects and is noted in the exterior and interior materials and design features of a standard unit. In terms of quality of construction, the subject represents good construction quality. Most of the comparable sales feature similar construction quality and do not require adjustments. However, slight downward adjustments have been applied to Sales 1, 6, 7, 8, and 10 as they represented units with upgraded finishes.

Age/Condition

All of the comparables represent sales of new homes; therefore, an adjustment for age/condition is not warranted.

Functional Utility

The appraised properties and comparables represent traditional detached single-family residential construction on standard lots for the area. Adjustments for this factor do not apply.

Room Count

For similar size units the differences between room count is a buyer preference. One buyer might prefer two bedrooms and a den versus a three-bedroom unit. Extra rooms typically result in additional building area and are accounted for in the size adjustment. Therefore, no adjustments are made for number of total rooms or bedrooms. Because bathrooms are a functional item for each floor plan and add substantial cost due to the number of plumbing fixtures, an adjustment is made for the difference in the number of fixtures between the subject and the comparable sales. The adjustment is based on an amount of \$5,000 per fixture (or half-bath) and is supported by cost estimates for a good quality home in the Residential Cost Handbook, published by the Marshall and Swift Corporation. Considering the fact that plumbing upgrades for existing bathrooms generally range from \$5,000 to over \$25,000 for the various fixtures, the \$5,000 per fixture, or half-bath, is supported. Consequently, a factor of \$10,000 per full bath is also applied in our analysis.

Unit Size/Living Area

Units similar (in the same development), except for size, were compared to derive the applicable adjustment for unit size. Those used for comparison purposes, are units within similar projects. Units within the same project were used since they have a high degree of similarity in quality, workmanship, design and appeal. Other items such as a single level or two-story designs, number of bathrooms and number of garage spaces were generally similar in these comparisons, in order to avoid other influences in price per square foot. Where differences exist, they are minor and do not impact the overall range or average concluded.

The typical range indicated by the paired units in this analysis generally demonstrated a value range from approximately \$50 to upwards of \$100 per square foot. Considering the information cited above, a factor of \$70 per square foot is concluded to be appropriate and reasonable for the difference in living area between the subject and the comparables, given the quality of the product.

Number of Stories

For similar size units, the differences between the number of stories is a buyer preference. Typically, more stories result in additional building area and are accounted for in the size adjustment. However, the current market does recognize a slight premium for one story floor plans; as such, a 3% adjustment has been made to the comparables that differ in stories than the subject.

Parking/Garage

The subject floor plans all feature two car garages. Our survey of local real estate professionals indicates a premium value of approximately \$10,000 for a full garage space. As such, we have made a slightly smaller adjustment of \$7,500 to the floor plans that feature 3 car tandem garages.

Landscaping

The subject and all of comparable sales included only front yard landscaping; thus, no adjustments are necessary.

Adjustment Grids

The following pages include grids reflecting the adjustments discussed herein. It is noted the conclusions of value place most emphasis on the sales within each respective community in which the floor plan is located.

Adjustment Grid - Solis by Woodside Homes

Project Information:		Subject Property		Comparable 1		Comparable 2		Comparable 12	
Project Name		Solis		Solis		Molly's Walk		Oakbriar	
Plan		Plan 1		Plan 1		Residence 1		Residence 1	
Address/Lot Number		Base Plan		9233 Hourglass Circle		1108 Paris Dr.		3008 Ivy Creek Lane	
City/Area		Roseville		Roseville		Roseville		Roseville	
Price		N/Ap		\$411,695		\$375,453		\$375,721	
Price Per SF		N/Ap		\$289.31		\$281.87		\$234.68	
Special Taxes (PV at 4.5% over remaining term)		\$21,440		\$1,300		\$1,667		\$2,009	
Total Consideration				\$21,440		\$27,492		\$33,133	
Data Source				\$433,135		\$402,945		\$408,854	
Incentives		N/Ap		MLS		MLS		MLS	
Upgrades		Base		No		No		No	
				Upgrades		Upgrades		Upgrades	
Effective (Base) Total Consideration				\$433,135		\$402,945		\$408,854	
Adjustments:	Factor	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)
Property Rights		Fee Simple		Similar		Similar		Similar	
Financing Terms		Cash Equivalent		Similar		Similar		Similar	
Conditions of Sale		Market		Market		Market		Market	
Market Conditions									
Date of Sale (Contract Date)		MV 4/18		Pending		2/7/2018		9/13/2017	\$12,266
Phase Adjustment		N/Ap							
New Incentive Adjustment		N/Ap							
Project Location		Roseville		Roseville		Roseville		Roseville	
Community Appeal		Average		Similar		Similar		Sl. Superior (3%)	(\$12,266)
Lot Size	\$8.00	3,850	\$200	3,825	\$10,000	2,600	\$8,400	2,800	\$8,400
Lot Premium		None		Similar		Similar		Similar	
Design and Appeal		Average		Similar		Similar		Similar	
Quality of Construction		Good		Sl. Superior (5%)	(\$21,657)	Similar		Similar	
Age (Total/Effective)		New		Similar		Similar		Similar	
Condition		Good/New		Similar		Similar		Similar	
Functional Utility		Average		Similar		Similar		Similar	
Room Count									
Bedrooms		3		3		3		3	
Baths	\$10,000	2	\$0	2	(\$5,000)	2.5	(\$5,000)	2.5	(\$5,000)
Living Area (SF)	\$70.00	1,423	\$0	1,423	\$6,370	1,332	\$12,460	1,601	(\$12,460)
Number of Stories		One		One		One		Two	\$12,266
Heating/Cooling		Central/Forced		Similar		Similar		Similar	
Garage	\$10,000	2 Car		2 Car		2 Car		2 Car	
Landscaping		Front		Similar		Similar		Similar	
Pool/Spa		None		Similar		Similar		Similar	
Patios/Decks		Patio		Similar		Similar		Similar	
Fencing		Rear		Similar		Similar		Similar	
Fireplace(s)		None		Similar		Similar		Similar	
Kitchen Equipment		Average		Similar		Similar		Similar	
Other				None		None		None	
Gross Adjustments			\$21,857		\$21,370		\$62,657		\$62,657
Net Adjustments			(\$21,457)		\$11,370		\$3,206		\$3,206
Adjusted Base Retail Value			\$411,678		\$414,315		\$412,059		\$412,059
Concluded Base Retail Value			\$412,000						
Indicated Value Per SF			\$289.53						

Adjustment Grid - Hillingdon by Woodside Homes

Project Information:		Subject Property		Comparable 7		Comparable 10		Comparable 12	
Project Name		Hillingdon		The Vineyard		Oakbriar		Oakbriar	
Plan		Plan 1		Chianti		Residence 2		Residence 1	
Address/Lot Number		Base Plan		9012 Carneros Street		3048 Ivy Creek Lane		3008 Ivy Creek Lane	
City/Area		Roseville		Roseville		Roseville		Roseville	
Price		N/Ap		\$429,990		\$410,269		\$375,721	
Price Per SF		N/Ap		\$248.41		\$222.37		\$234.68	
Special Taxes (PV at 4.5%, over remaining term)		\$26,140		\$0		\$1,782		\$2,009	
Total Consideration				\$429,990		\$439,658		\$408,854	
Data Source				MLS		MLS		MLS	
Incentives		N/Ap		Yes		No		No	
Upgrades		Base		Upgrades		Upgrades		Upgrades	
Effective (Base) Total Consideration				\$439,990		\$439,658		\$408,854	
Adjustments:	Factor		Description	+ / (-)		Description	+ / (-)	Description	+ / (-)
Property Rights		Fee Simple	Similar			Similar		Similar	
Financing Terms		Cash Equivalent	Similar			Similar		Similar	
Conditions of Sale		Market	Market			Market		Market	
Market Conditions									
Date of Sale (Contract Date)		MV 4/18	12/27/2017			11/16/2017	\$4,397	9/13/2017	\$12,266
Phase Adjustment		N/Ap							
New Incentive Adjustment		N/Ap							
Project Location		Roseville	Roseville	\$13,200		Roseville		Roseville	
Community Appeal		Average	Similar			Sl. Superior	(\$13,190)	Sl. Superior	(\$12,266)
Lot Size	\$8.00	5,250	5,195	\$440		2,800	\$19,600	2,800	\$19,600
Lot Premium		None	Similar			Similar		Similar	
Design and Appeal		Average	Similar			Similar		Similar	
Quality of Construction		Good	Sl. Superior (3%)	(\$13,200)		Sl. Superior (3%)	(\$13,190)	Similar	
Age (Total/Effective)		New	Similar			Similar		Similar	
Condition		Good/New	Similar			Similar		Similar	
Functional Utility		Average	Similar			Similar		Similar	
Room Count									
Bedrooms		3	3			3		3	
Baths	\$10,000	2	2.5	(\$5,000)		2.5	(\$5,000)	2.5	(\$5,000)
Living Area (SF)	\$70.00	1,738	1,731	\$490		1,845	(\$7,490)	1,601	\$9,590
Number of Stories		One	One			Two	\$13,190	Two	\$12,266
Heating/Cooling		Central/Forced	Similar			Similar		Similar	
Garage	\$10,000	2 Car	2 Car			2 Car		2 Car	
Landscaping		Front	Similar			Similar		Similar	
Pool/Spa		None	Similar			Similar		Similar	
Patios/Decks		Patio	Similar			Similar		Similar	
Fencing		Rear	Similar			Similar		Similar	
Fireplace(s)		None	Similar			Similar		Similar	
Kitchen Equipment		Average	Similar			Similar		Similar	
Other			None			None		None	
Gross Adjustments				\$32,329		\$76,056		\$70,987	
Net Adjustments				(\$4,070)		(\$1,683)		\$36,456	
Adjusted Base Retail Value				\$435,920		\$437,975		\$445,309	
Concluded Base Retail Value		\$440,000							
Indicated Value Per SF		\$253.16							

Adjustment Grid - Bromley by Woodside Homes

Project Information:		Comparable 9		Comparable 11		Comparable 6		Comparable 8	
Project Name	Bromley	Manchester		Manchester		Bromley		Sierra Pointe	
Plan	Plan 1	Plan 1		Plan 1		Plan 1		Travis	
Address/Lot Number	Base Plan	7176 Corvus Cir		7208 Corvus Cir		5073 Southbury Dr		7741 Mt. Evans Way	
City/Area	Roseville	Roseville		Roseville		Roseville		Roseville	
Price	N/Ap		\$414,105		\$410,000		\$493,336		\$485,000
Price Per SF	N/Ap	\$209.78		\$207.70		\$227.76		\$223.61	
Special Taxes (PV at 4.5% over remaining term)	\$26,140	\$1,300	\$21,440	\$1,300	\$21,440	\$1,585	\$26,140	\$1,681	\$27,723
Total Consideration			\$435,545		\$431,440		\$519,476		\$512,723
Data Source		MLS		MLS		MLS		MLS	
Incentives	N/Ap	No		No		Yes	\$10,000	No	
Upgrades	Base	Upgrades		Upgrades		Upgrades		Upgrades	
Effective (Base) Total Consideration			\$435,545		\$431,440		\$529,476		\$512,723
Adjustments:	Factor	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)
Property Rights	Fee Simple	Similar		Similar		Similar		Similar	
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar	
Conditions of Sale	Market	Market		Market		Market		Market	
Market Conditions									
Date of Sale (Contract Date)	MV 4/18	11/13/2017	\$4,355	9/28/2017	\$12,943	12/20/2017		11/22/2017	\$5,127
Phase Adjustment	N/Ap								
New Incentive Adjustment	N/Ap								
Project Location	Roseville	Roseville		Roseville		Roseville		Roseville	
Community Appeal	Average	Similar		Similar		Similar		Similar	
Lot Size	\$8.00 6,000	4,500	\$12,000	4,500	\$12,000	6,060	(\$480)	6,765	(\$6,120)
Lot Premium	None	Similar		Similar		Similar		Similar	
Design and Appeal	Average	Similar		Similar		Similar		Similar	
Quality of Construction	Good	Similar		Similar		Sl. Superior (5%)	(\$26,474)	Sl. Superior (5%)	(\$25,636)
Age (Total/Effective)	New	Similar		Similar		Similar		Similar	
Condition	Good/New	Similar		Similar		Similar		Similar	
Functional Utility	Average	Similar		Similar		Similar		Similar	
Room Count									
Bedrooms	3	3		3		3		4	
Baths	\$10,000 2.5	2.5	\$0	2.5	\$0	2.5	\$0	2	\$5,000
Living Area (SF)	\$70.00 2,166	1,974	\$13,440	1,974	\$13,440	2,166	\$0	2,169	(\$210)
Number of Stories	One	Two	\$13,066	Two	\$12,943	One		One	
Heating/Cooling	Central/Forced	Similar		Similar		Similar		Similar	
Garage	\$10,000 2 Car + tandem	2 Car	\$7,500	2 Car	\$7,500	Similar		2 Car	\$7,500
Landscaping	Front	Similar		Similar		Similar		Similar	
Pool/Spa	None	Similar		Similar		Similar		Similar	
Patios/Decks	Patio	Similar		Similar		Similar		Similar	
Fencing	Rear	Similar		Similar		Similar		Similar	
Fireplace(s)	None	Similar		Similar		Similar		Similar	
Kitchen Equipment	Average	Similar		Similar		Similar		Similar	
Other		None		None		None		None	
Gross Adjustments			\$50,362		\$58,826		\$26,954		\$49,593
Net Adjustments			\$50,362		\$58,826		(\$26,954)		(\$14,339)
Adjusted Base Retail Value			\$485,907		\$490,266		\$502,522		\$498,384
Concluded Base Retail Value		\$495,000							
Indicated Value Per SF		\$228.53							

Adjustment Grid - Manchester by Express Homes (D.R. Horton)

Project Information:		Comparable 3		Comparable 4		Comparable 5		Comparable 9	
Project Name	Manchester	Addison at Fiddymont Ranch		Oakbriar		Manchester		Manchester	
Plan	Plan 1	Plan 9C		Residence 3		Plan 1		Plan 1	
Address/Lot Number	Base Plan	3089 Quincy Avenue		1360 Oakbriar Cir		509 Glory Court		7176 Corvus Cir	
City/Area	Roseville	Roseville		Roseville		Roseville		Roseville	
Price	N/Ap	\$432,000		\$434,793		\$414,845		\$414,105	
Price Per SF	N/Ap	\$214.07		\$224.00		\$210.15		\$209.78	
Special Taxes (PV at 4.5% over remaining term)	\$21,440	\$2,188		\$1,782		\$1,300		\$1,300	
Total Consideration		\$36,085		\$29,389		\$21,440		\$21,440	
Data Source		MLS		MLS		MLS		MLS	
Incentives	N/Ap	No		No		No		No	
Upgrades	Base	Upgrades		Upgrades		Upgrades		Upgrades	
Effective (Base) Total Consideration		\$468,085		\$464,182		\$436,285		\$435,545	
Adjustments:	Factor	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)
Property Rights	Fee Simple	Similar		Similar		Similar		Similar	
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar	
Conditions of Sale	Market	Market		Market		Market		Market	
Market Conditions									
Date of Sale (Contract Date)	MV 4/18	1/3/2018		1/3/2018		1/26/2018		11/13/2017	\$4,355
Phase Adjustment	N/Ap								
New Incentive Adjustment	N/Ap								
Project Location	Roseville	Roseville		Roseville		Roseville		Roseville	
Community Appeal	Average	Similar		Sl. Superior (5%)	(\$23,209)	Similar		Similar	
Lot Size	\$8.00 4,500	5,751	(\$10,008)	3,880	\$4,960	5,211	(\$5,688)	4,500	\$0
Lot Premium	None	Similar		Similar		Similar		Similar	
Design and Appeal	Average	Similar		Similar		Similar		Similar	
Quality of Construction	Good	Similar		Similar		Similar		Similar	
Age (Total/Effective)	New	Similar		Similar		Similar		Similar	
Condition	Good/New	Similar		Similar		Similar		Similar	
Functional Utility	Average	Similar		Similar		Similar		Similar	
Room Count									
Bedrooms	3	3		4		3		3	
Baths	\$10,000 2.5	2	\$5,000	3	(\$5,000)	2.5	\$0	2.5	\$0
Living Area (SF)	\$70.00 1,974	2,018	(\$3,080)	1,941	\$2,310	1,974	\$0	1,974	\$0
Number of Stories	Two	One	(\$14,043)	Two		Two		Two	
Heating/Cooling	Central/Forced	Similar		Similar		Similar		Similar	
Garage	\$10,000 2 Car	2 Car		2 Car		2 Car		2 Car	
Landscaping	Front	Similar		Similar		Similar		Similar	
Pool/Spa	None	Similar		Similar		Similar		Similar	
Patios/Decks	Patio	Similar		Similar		Similar		Similar	
Fencing	Rear	Similar		Similar		Similar		Similar	
Fireplace(s)	None	Similar		Similar		Similar		Similar	
Kitchen Equipment	Average	Similar		Similar		Similar		Similar	
Other		None		None		None		None	
Gross Adjustments		\$32,131		\$35,479		\$5,688		\$4,355	
Net Adjustments		(\$22,131)		(\$20,939)		(\$5,688)		\$4,355	
Adjusted Base Retail Value		\$445,954		\$443,243		\$430,597		\$439,900	
Concluded Base Retail Value	\$440,000								
Indicated Value Per SF	\$222.90								

Adjustment Grid - Wexford by Express Homes (D.R. Horton)

Project Information:		Subject Property		Comparable 3		Comparable 4		Comparable 5		Comparable 9		Comparable 10	
Project Name		Wexford		Addison at Fiddymont Ranch		Oakbriar		Manchester		Manchester		Oakbriar	
Plan		Plan 1		Plan 9C		Residence 3		Plan 1		Plan 1		Residence 1	
Address/Lot Number		Base Plan		3089 Quincy Avenue		1360 Oakbriar Cir		509 Glory Court		7176 Corvus Cir		3048 Ivy Creek Lane	
City/Area		Roseville		Roseville		Roseville		Roseville		Roseville		Roseville	
Price		N/Ap		\$432,000		\$434,793		\$414,845		\$414,105		\$410,269	
Price Per SF		N/Ap		\$214.07		\$224.00		\$210.15		\$209.78		\$222.37	
Special Taxes (PV at 4.5%, 7 yr. hold)		\$26,140		\$2,188		\$36,085		\$10,598		\$1,300		\$21,440	
Total Consideration				\$468,085		\$445,391		\$436,285		\$435,545		\$436,409	
Data Source				MLS		MLS		MLS		MLS		MLS	
Incentives		N/Ap		No		No		No		No		No	
Upgrades		Base		Upgrades		Upgrades		Upgrades		Upgrades		Upgrades	
Effective (Base) Total Consideration				\$468,085		\$445,391		\$436,285		\$435,545		\$436,409	
Adjustments:	Factor	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)	Description	+ / (-)
Property Rights	Fee Simple	Similar		Similar		Similar		Similar		Similar		Similar	
Financing Terms	Cash Equivalent	Similar		Similar		Similar		Similar		Similar		Similar	
Conditions of Sale	Market	Market		Market		Market		Market		Market		Market	
Market Conditions													
Date of Sale (Contract Date)	MV 4/18	1/3/2018		1/3/2018		1/26/2018		11/13/2017	\$4,355	11/16/2017	\$4,364		
Phase Adjustment	N/Ap												
New Incentive Adjustment	N/Ap												
Project Location	Roseville	Roseville		Roseville		Roseville		Roseville		Roseville		Roseville	
Community Appeal	Average	Similar		Sl. Superior (5%)	(\$22,270)	Similar		Similar		Sl. Superior (5%)	(\$21,820)		
Lot Size	\$8.00 5,500	5,751	(\$2,008)	3,880	\$12,960	5,211	\$2,312	4,500	\$8,000	2,800	\$21,600		
Lot Premium	None	Similar		Similar		Similar		Similar		Similar		Similar	
Design and Appeal	Average	Similar		Similar		Similar		Similar		Similar		Similar	
Quality of Construction	Good	Similar		Similar		Similar		Similar		Sl. Superior (3%)	(\$13,092)		
Age (Total/Effective)	New	Similar		Similar		Similar		Similar		Similar		Similar	
Condition	Good/New	Similar		Similar		Similar		Similar		Similar		Similar	
Functional Utility	Average	Similar		Similar		Similar		Similar		Similar		Similar	
Room Count													
Bedrooms	3	3		4		3		3		3		3	
Baths	\$10,000 2	2	\$0	3	(\$10,000)	2.5	(\$5,000)	2.5	(\$5,000)	2.5	(\$5,000)	2.5	(\$5,000)
Living Area (SF)	\$70.00 1,898	2,018	(\$8,400)	1,941	(\$3,010)	1,974	(\$5,320)	1,974	(\$5,320)	1,845	\$3,710		
Number of Stories	One	One		Two	\$13,362	Two	\$13,089	Two	\$13,066	Two	\$13,092		
Heating/Cooling	Central/Forced	Similar		Similar		Similar		Similar		Similar		Similar	
Garage	\$10,000 2 Car	2 Car		2 Car		2 Car		2 Car		2 Car		2 Car	
Landscaping	Front	Similar		Similar		Similar		Similar		Similar		Similar	
Pool/Spa	None	Similar		Similar		Similar		Similar		Similar		Similar	
Patios/Decks	Patio	Similar		Similar		Similar		Similar		Similar		Similar	
Fencing	Rear	Similar		Similar		Similar		Similar		Similar		Similar	
Fireplace(s)	None	Similar		Similar		Similar		Similar		Similar		Similar	
Kitchen Equipment	Average	Similar		Similar		Similar		Similar		Similar		Similar	
Other		None		None		None		None		None		None	
Gross Adjustments			\$10,408		\$61,601		\$25,721		\$35,742		\$82,679		
Net Adjustments			(\$10,408)		(\$8,958)		\$5,081		\$15,102		\$2,854		
Adjusted Base Retail Value			\$457,677		\$436,433		\$441,365		\$450,647		\$439,263		
Concluded Base Retail Value		\$445,000											
Indicated Value Per SF		\$234.46											

Conclusion of Floor Plan Values

Based on the analysis herein, the not-less-than market value conclusions for the smallest floor plans offered within each of the projects developed in Westbrook are summarized in the table below.

Floor Plan Conclusions				
Project	Builder	Living Area (SF)	Typical Lot (SF)	Conclusion of Base Value
Solis	Woodside Homes	1,423	3,850	\$412,000
Hillingdon	Woodside Homes	1,738	5,250	\$440,000
Bromley	Woodside Homes	2,166	6,000	\$495,000
Manchester	D.R. Horton	1,974	4,500	\$440,000
Wexford	D.R. Horton	1,898	5,500	\$445,000

Using the conclusions of not-less-than value above, the following table reflects the not-less-than aggregate value for each of the subdivisions with completed homes not assessed with a complete improvement value:

Aggregate Value by Subdivision				
Project	Builder	No. of Homes	Conclusion of Base Value	Total Value
Solis	Woodside Homes	42	\$412,000	\$17,304,000
Hillingdon	Woodside Homes	20	\$440,000	\$8,800,000
Bromley	Woodside Homes	7	\$495,000	\$3,465,000
Manchester	D.R. Horton	59	\$440,000	\$25,960,000
Wexford	D.R. Horton	27	\$445,000	\$12,015,000

Market Valuation – Single-Family Lots

Benchmark Lot Valuation

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

The typical lot sizes of the LDR lots range from 4,500 to 6,000 square feet within the various larger parcels. Of these typical lot sizes, the average size is about 5,600 square feet. As such, it appears that a larger parcel with approximately 5,600 square feet is an appropriate benchmark parcel. With regard to lot count, the larger parcels have lot counts that range from 35 to 103 lots, with an average of 77 lots. As such, it is reasonable to select a benchmark parcel with a lot count near 77 lots. Given this discussion, our benchmark LDR lot selection is **Parcel WB-7A**, which contains 73 lots with a typical lot size of 5,500 square feet.

The typical lot sizes of the MDR lots range from 3,825 to 5,000 square feet within the various larger parcels. Of these typical lot sizes, the average size is about 4,100 square feet. With regard to lot count, the larger parcels have lot counts that range from 53 to 100 lots, with an average of 69 lots. Given this discussion, our benchmark MDR lot selection is **Parcel WB-21**, which contains 72 lots with a typical lot size of 3,825 square feet.

LDR Lot Analysis

In this section of the report, we will utilize the sales comparison approach and the extraction technique to estimate the market value of the LDR lot category. The estimate of value assumes the lots would sell on a bulk, or wholesale, basis. That is, a group of lots would transfer in one transaction to a single buyer.

Sales Comparison Approach (LDR)

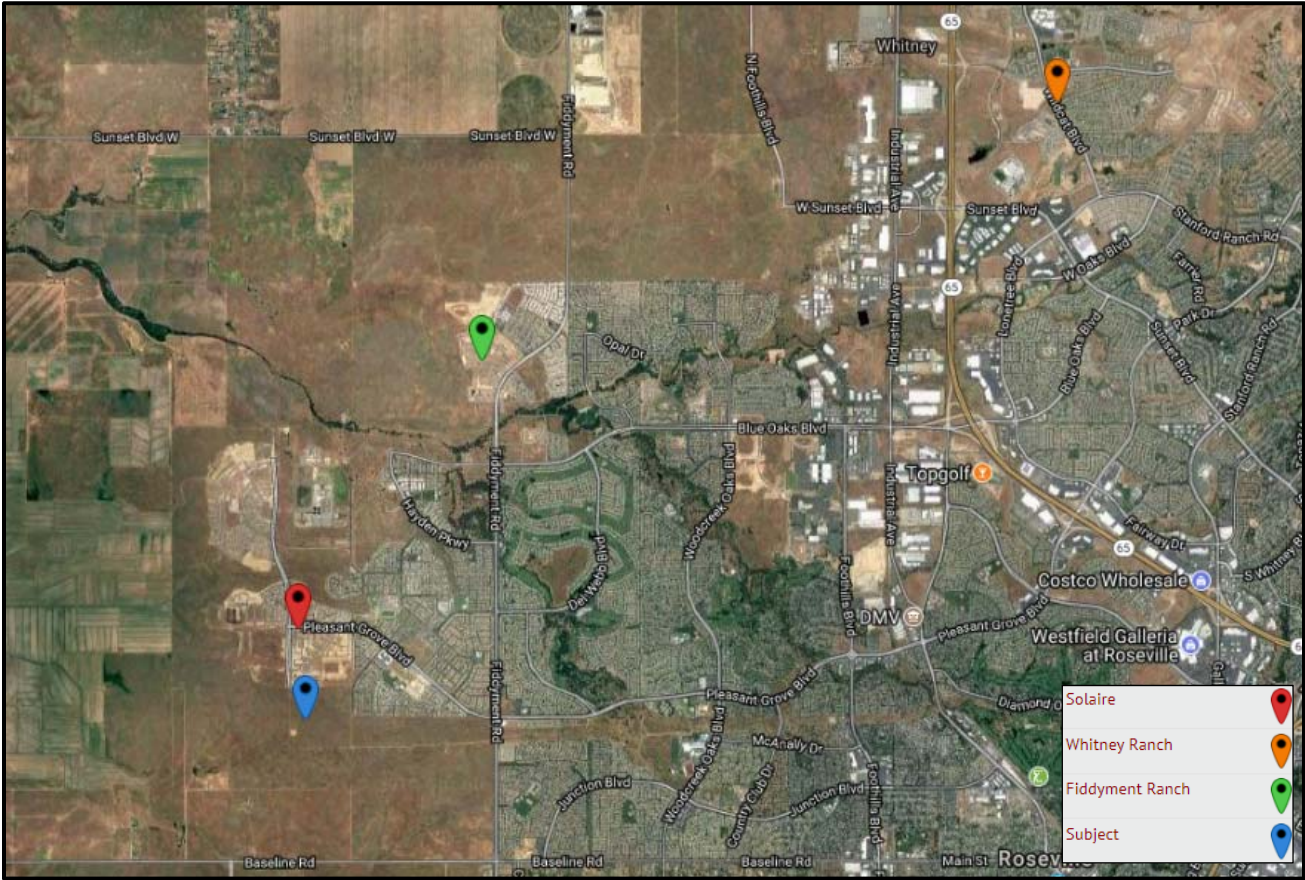
This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013), *“The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property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

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

On the following page, we have arrayed comparable sales that have occurred in South Placer County (Roseville, Rocklin). The summary table is accompanied by a map and followed by details of each comparable. The basis of analysis is price per lot. The comparable data includes finished and unimproved transactions (with adjustments for remaining site costs and profit applied to the unimproved transactions).

Comparable Sale Summary

No.	Location	Buyer	Sale Date	Sale Price	Price Per Lot	No. of Lots	Typical Lot Size	Lot Dev. Status
1	Solaire, Parcel WB-4 SWC of Solaire Dr. and Westbrook Blvd. Roseville, Placer County	Woodside	Feb-18	\$6,150,000	\$61,500	100	4,920	Unimproved Lots
2	Village Center, Parcels W-28 & W-29 E/O Pleasant Grove Blvd., W/O Fiddymnt Rd. Roseville, Placer County	K. Hovnanian Homes	Jan-18	\$3,360,000	\$60,000	56	4,100	Unimproved Lots
3	Solarie 7B E/O Westbrook Boulevard, S/O Pleasant Grove Boulevard Roseville, Placer County	Taylor Morrison	Jun-17	\$5,904,000	\$82,000	72	6,000	Unimproved Lots
4	Solaire 7A E/O Westbrook Boulevard, S/O Pleasant Grove Boulevard Roseville, Placer County	Taylor Morrison	Jun-17	\$5,110,000	\$70,000	73	5,500	Unimproved Lots
5	Wildcat Whitney Ranch W/L of Wildcat Boulevard, S/O Whitney Ranch Parkway Rocklin, Placer County	Meritage Homes	May-17	\$12,200,000	\$100,000	122	3,259	Finished Lots
6	Fiddymnt Ranch, Village F-19 A-1 (portion) N/O Blue Oaks Blvd., W/O Fiddymnt Rd. Roseville, Placer County	JMC Homes	May-17	\$5,500,000	\$125,000	44	5,000	Finished lots
7	Whitney Ranch, Parcel 41A N/O Whitney Ranch Parkway, E/O Wildcat Boulevard Rocklin, Placer County	JMC Homes	Nov-16	\$14,250,000	\$190,000	75	7,500	Finished Lots Gaurenteed
8	Whitney Ranch, Parcels 41B, C N/O Whitney Ranch Parkway, E/O Wildcat Boulevard Rocklin, Placer County	CalAtlantic Homes	2016	\$10,080,000	\$90,811	111	5,000	Unimproved Lots
9	Fiddymnt Ranch, Village F-19A-1 (portion) N/O Blue Oaks Blvd., W/O Fiddymnt Rd. Roseville, Placer County	JMC Homes	May-16	\$5,100,000	\$127,500	40	5,250	Finished lots Gaurenteed
10	Fiddymnt Ranch, Village F-19B-1 NO Blue Okas Boulevard, W/O Fiddymnt Road Roseville, Placer County	JMC Homes	May-16	\$11,825,000	\$137,500	86	6,300	Finished lots Gaurenteed
11	Solaire, Village 25 E/O Westbrook Boulevard, S/O Pleasant Grove Boulevard Roseville, Placer County	D.R Horton	May-16	\$6,000,000	\$60,000	100	4,500	Unimproved Lots



Bulk Lot Sale Profile

Sale No. 1

Property Identification

Project Name	Solaire WB-4A & 4B
Location	SWC of Solaire Dr. and Westbrook Blvd.
APN	496-100-048
City	Roseville
County	Placer

Sale Data

Grantor	Westpark Communities
Grantee	Woodside 05N LP
Sale Date	02/16/2018
Deed Book Page	10329
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$6,150,000
Annual Special Assessments per Lot	\$1,622

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	100
Development Status at Sale	Unimproved lots
Typical Lot Size	4,920 SF (wgt. avg.)

Indicators (per Lot)

Sale Price	\$61,500
Site Development Costs	\$41,591 (wgt. avg.)
Permits and Fees	\$71,221

Remarks

This sale of 100 unimproved lots in Solaire are comprised of 58 lots with a typical size of 4,500 square feet and 42 lots with a typical size of 5,500 square feet for a weighted average of 4,920 square feet. All of the lots are located within the Roseville School District.

Bulk Lot Sale Profile

Sale No. 2

Property Identification

Project Name	Village Center, Parcels W-28 & W-29
Location	E/O Pleasant Grove Blvd., W/O Fiddymment Rd.
APN	017-153-003 thru -005 (ptns of)
City	Roseville
County	Placer

Sale Data

Grantor	VC Roseville, LLC.
Grantee	K. Hovnanian at Village Center, LLC.
Sale Date	1/17/2018
Deed Book Page	2548
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$3,360,000
Annual Special Assessments per Lot	\$1,622

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	56
Development Status at Sale	Unimproved lots
Typical Lot Size	4,100 SF

Indicators (per Lot)

Sale Price	\$60,000
Site Development Costs	\$34,000
Permits and Fees	\$67,000 (est.)

Remarks

This property represents the recent sale of 56 unimproved lots with the Village Center area of the Westpark community.

Bulk Lot Sale Profile

Sale No. 3

Property Identification

Project Name	Solaire, Village 7B
Location	E/O Westbrook Boulevard, S/O Pleasant Grove Boulevard
APN	496-100-061
City	Roseville
County	Placer

Sale Data

Grantor	WP Development Company, LLC.
Grantee	Taylor Morrison
Sale Date	6/9/2017
Deed Book Page	42568
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$5,904,000
Annual Special Assessments per Lot	\$1,622

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	72
Development Status at Sale	Unimproved lots
Typical Lot Size	4,500 SF

Indicators (per Lot)

Sale Price	\$82,000
Site Development Costs	\$35,000
Permits and Fees	\$67,000

Remarks

This property represents the sale of 72 unimproved lots in the Solaire community, just north of the Sierra Vista Specific Plan, in West Roseville. This project, identified as Treo at Solaire will feature four floor plans ranging in size from 2,119 – 3,423 square feet and priced from the mid \$400,000s to mid \$500,000s. Sales began in January 2018.

Bulk Lot Sale Profile

Sale No. 4

Property Identification

Project Name	Solaire, Village 7A
Location	E/O Westbrook Boulevard, S/O Pleasant Grove Boulevard
APN	496-100-060
City	Roseville
County	Placer

Sale Data

Grantor	WP Development Company, LLC
Grantee	Taylor Morrison
Sale Date	6/9/2017
Deed Book Page	42568
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$5,110,000
Annual Special Assessments per Lot	\$1,622

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	73
Development Status at Sale	Unimproved lots
Typical Lot Size	3,825 SF

Indicators (per Lot)

Sale Price	\$70,000
Site Development Costs	\$34,000
Permits and Fees	\$66,000

Remarks

This property represents the sale of 73 unimproved lots in the Solaire community, just north of the Sierra Vista Specific Plan, in West Roseville. This project, identified as Blum at Solaire will feature three floor plans ranging in size from 2,018 – 2,535 square feet and priced from \$430,000 to \$466,000. Sales began in January 2018.

Bulk Lot Sale Profile

Sale No. 5

Property Identification

Project Name	Wildcat Whitney Ranch
Location	West line of Wildcat Boulevard, S/O Whitney Ranch Parkway
APN	017-171-016, -017, -032, -034 and -036
City	Rocklin
County	Placer

Sale Data

Grantor	Wildcat Whitney Ranch 100 LLC
Grantee	Meritage Homes
Sale Date	05/20/2017
Deed Book Page	37479
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$12,200,000
Annual Special Assessments per Lot	\$1,536

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	122
Development Status at Sale	Finished lots guaranteed
Typical Lot Size	3,259 SF

Indicators (per Lot)

Sale Price	\$100,000
Site Development Costs	\$16,485.50 (See remarks)
Permits and Fees	\$64,646

Remarks

This comparable is located in the Whitney Ranch master planned community in Rocklin. It consists of 122 lots ranging in size from 2,722 square feet to 5,855 square feet. Site work commenced November 2016 with an anticipated completion date of May 2017. As part of the purchase, the grantee is responsible for fees due at recordation of the Final Map (\$16,485.50/lot).

Bulk Lot Sale Profile

Sale No. 6

Property Identification

Project Name	Fiddymment Ranch, Village F19A-1 (portion)
Location	North of Blue Oaks Boulevard, west of Fiddymment Road
APN	492-010-052 (por.)
City	Roseville
County	Placer

Sale Data

Grantor	Anthem United
Grantee	JMC Homes
Sale Date	May 2017
Deed Book Page	N/Av
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$5,500,000
Annual Special Assessments per Lot	\$1,688

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	44
Development Status at Sale	Finished lots
Typical Lot Size	5,000 SF

Indicators (per Lot)

Sale Price	\$125,000
Site Development Costs	\$0 (to buyer); \$35,977 to seller
Permits and Fees	\$60,000

Remarks

This property represents the recent sale of 44 improved lots within Village F19A-1 of the Fiddymment master planned community.

Bulk Lot Sale Profile

Sale No. 7

Property Identification

Project Name	Whitney Ranch, Parcel 41A
Location	North of Whitney Ranch Parkway, east of Wildcat Boulevard
APN	017-174-009 (portion)
City	Rocklin
County	Placer

Sale Data

Grantor	Sunset Ranchos Investors LLC
Grantee	JMC Homes
Sale Date	11/30/2016
Deed Book Page	N/Av
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$14,250,000
Annual Special Assessments per Lot	\$1,926

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	75
Development Status at Sale	Finished lots guaranteed
Typical Lot Size	7,500 SF

Indicators (per Lot)

Sale Price	\$190,000
Site Development Costs	\$0 (to buyer); \$60,000 (to seller)
Permits and Fees	\$45,000

Remarks

A representative of JMC Homes indicated that the buyer was guaranteed a finished lot price of \$190,000 per lot, which is the summation of \$130,000 per paper lot plus \$60,000 per lot for site development costs. This comparable is located in the Whitney Ranch master planned community in Rocklin.

Bulk Lot Sale Profile

Sale No. 8

Property Identification

Project Name	Whitney Ranch, Parcels 41B and C
Location	North of Whitney Ranch Parkway, east of Wildcat Boulevard
APN	017-174-009 (portion)
City	Rocklin
County	Placer

Sale Data

Grantor	Sunset Ranchos Investors LLC
Grantee	Cal Atlantic Homes
Sale Date	2016
Deed Book Page	N/Av
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$10,080,000
Annual Special Assessments per Lot	\$1,219

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	111
Development Status at Sale	Unimproved lots
Typical Lot Size	5,000 SF

Indicators (per Lot)

Sale Price	\$90,811
Site Development Costs	\$45,000
Permits and Fees	\$45,000

Remarks

This is the sale of 111 lots located within Villages 41B and 41C, in Whitney Ranch, which is considered a superior location to Fiddymment Ranch. The typical lot measures 50' x 100', or 5,000 square feet.

Bulk Lot Sale Profile

Sale No. 9

Property Identification

Project Name	Fiddymment Ranch, Village 19A-1 (portion)
Location	North of Blue Oaks Boulevard, west of Fiddymment Road
APN	492-010-052 (por.), -070 through -075
City	Roseville
County	Placer

Sale Data

Grantor	GBD Fiddymment Lands LP (doing business as Granite Bay Ventures)
Grantee	JMC Homes
Sale Date	05/31/2016
Deed Book Page	42103
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$5,100,000
Annual Special Assessments per Lot	\$1,688

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	40
Development Status at Sale	Finished lots guaranteed
Typical Lot Size	5,250 SF

Indicators (per Lot)

Sale Price	\$127,500 (inclusive of final map fees paid)
Site Development Costs	\$0 (to buyer); \$35,977 to seller
Permits and Fees	\$68,000 (inclusive of \$6,000 school fee); \$62,000 due at building permit

Remarks

This comparable represents a recent sale of lots within Village 19A-1 of Fiddymment Ranch, to JMC Homes. According to a representative with JMC, the buyer was guaranteed finished lots, inclusive of the \$6,000 school fee due at final map, for a price of \$127,500 per lot. The reported price paid per paper lot was \$85,523, with site development costs of \$35,977 per lot to be incurred by the seller.

Bulk Lot Sale Profile

Sale No. 10

Property Identification

Project Name	Fiddymment Ranch, Village F19B-1
Location	North of Blue Oaks Boulevard, west of Fiddymment Road
APN	492-010-051, -058 through -066
City	Roseville
County	Placer

Sale Data

Grantor	GBD Fiddymment Lands LP (doing business as Granite Bay Ventures)
Grantee	JMC Homes
Sale Date	05/31/2016
Deed Book Page	42098
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$11,825,000
Annual Special Assessments per Lot	\$1,688

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	86
Development Status at Sale	Finished lots guaranteed
Typical Lot Size	6,300 SF

Indicators (per Lot)

Sale Price	\$137,500 (inclusive of final map fees paid)
Site Development Costs	\$0 (to buyer); \$40,058 to seller
Permits and Fees	\$68,000 (inclusive of \$6,000 school fee); \$62,000 due at building permit

Remarks

This comparable represents a recent sale of lots within Village 19B-1 of Fiddymment Ranch, to JMC Homes. According to a representative with JMC, the buyer was guaranteed finished lots, inclusive of the \$6,000 school fee due at final map, for a price of \$137,500 per lot. The reported price paid per paper lot was \$91,442, with site development costs of \$40,058 per lot to be incurred by the seller.

Bulk Lot Sale Profile

Sale No. 11

Property Identification

Project Name	Solaire, Village 25
Location	E/O Westbrook Boulevard, S/O Pleasant Grove Boulevard
APN	496-100-001
City	Roseville
County	Placer

Sale Data

Grantor	WP Dev. Co. LLC
Grantee	D.R. Horton
Sale Date	05/17/2016
Deed Book Page	37326
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$6,000,000
Annual Special Assessments per Lot	\$1,622

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	100
Development Status at Sale	85 unimproved lots and 15 finished lots
Typical Lot Size	4,500 SF

Indicators (per Lot)

Sale Price	\$60,000
Site Development Costs	\$29,054 (average)
Permits and Fees	\$62,300

Remarks

This comparable represents a recent sale of 100 lots in Solaire, west of the WestPark master planned community. The property reportedly consisted of 85 paper lots and 15 finished lots, for a total of 100 lots.

Adjustments and Conclusion

The comparable transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. For certain adjustments such as site development cost, permits and fees and Special Taxes, adjustments are made using actual or estimated (present value) dollar amounts. Other adjustments may be categories as either superior or inferior, with percentage adjustments applied accordingly. If a comparable has an attribute considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject. The adjustments are made in consideration of paired sales, the appraiser's experience and knowledge and interviews with market participants.

At a minimum, the appraiser considers the need to make adjustments for the following items:

- Expenditures after Sale (i.e. site development costs (if any), permits and fees, bond encumbrance and atypical carrying costs)
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Market conditions
- Location
- Physical features

A detailed analysis involving the adjustment factors is presented below.

Loaded Lot Analysis

Since each comparable has the same highest and best use as the subject property—near term single-family residential development—we apply adjustments for remaining site development costs (if any) and permits and fees on a dollar-for-dollar basis. That is, the comparables are analyzed on a loaded-lot-basis, where any remaining site development costs and permits and fees due at building permit are added to the lot price to yield a price that reflects the total consideration. After all other adjustments are applied (market conditions, physical characteristics, etc.), and at the end of the section, we will deduct the subject's remaining permits and fees and in-tract costs to determine the subject's unimproved lot value.

All of the comparable properties are encumbered by Community Facilities District bond debts. As such, the comparable properties are adjusted upward by the present value of the bond encumbrances on a per-lot basis to reflect the total consideration with each transaction.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. As previously noted, the opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the

property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales were cash to the seller transactions and do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

No adjustments are warranted.

Market Conditions

Market conditions vary over time, but the date of this appraisal is for a specific point in time. In a dynamic economy – one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline – extra attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a city, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

All of the comparables transferred in May 2016 and later, during a period of stability in residential land prices, and no adjustments are warranted.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value include the following:

Location/Community Appeal

The subject property is located in West Roseville, which is considered a good location relative to other submarkets in South Placer County. Overall community appeal is also considered good. As observed by the number of transactions within the past 24 months, South Placer County is a highly desirable submarket for single-family residential lots. Comparables 5, 7 and 8 are located in Rocklin, within an area of generally higher home prices and land values relative to West Roseville and receive downward adjustments. No other adjustments are warranted, as all of the other comparables are located in similar areas of West Roseville.

Number of Lots

The benchmark lot category analyzed in this section of the report contains 73 lots. Generally, there is an inverse relationship between the number of lots and price per lot such that larger projects (with a greater

number of lots) achieve a lower price per lot. Generally variances in per lot prices, all else being equal, are not observed in transactions between 50 and 250 lots. All of the comparable represent fairly similar sized transactions and do not require adjustments.

Lot Size (Typical)

Adjustments for differences in lot size between the comparables and subject are estimated by applying lot size adjustment factors to difference in lot size. Those comparables with larger lot sizes (Sales 7 and 10) relative to the subject's estimated benchmark lot size of 5,500 square feet are adjusted downward. Conversely, Sales 2, 5 and 11 are adjusted upward to account for their relatively small lot size.

Lot Premiums/Discounts

The subject and the comparables are anticipated to achieve a similar level of lot premiums (cul-de-sac, corner, inverted corner). None of the comparables benefit from view or significant open space premiums. Adjustments for this factor do not apply.

Zoning and Entitlements

The subject and comparables have entitlements in place for single-family residential development, and adjustments in this category do not apply.

Other - Lot Condition

Builders are willing to pay more for finished lots than for the combined sum of unimproved lots and site development costs due to the time, risk, carrying cost and profit associated with completing site development. The subject property will be analyzed on a finished lot basis. Some of the comparable sales represent the transfer of unimproved lots and require slight upward adjustments.

Adjustment Grid

The grid on the following page reflects the adjustments discussed above. It is noted a qualitative, rather than quantitative, analysis is performed.

Bulk Lot Sales Adjustment Grid

Site Characteristics:	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8	Comparable 9	Comparable 10	Comparable 11
Lot Price		\$61,500	\$60,000	\$82,000	\$70,000	\$100,000	\$127,500	\$190,000	\$90,811	\$127,500	\$137,500	\$60,000
Remaining Site Development Costs		\$41,591	\$35,000	\$35,000	\$35,000	\$16,485	\$0	\$0	\$45,000	\$0	\$0	\$29,054
Permits and Fees		\$71,221	\$67,000	\$67,000	\$66,000	\$64,646	\$60,000	\$45,000	\$45,000	\$62,000	\$62,000	\$62,300
Loaded Lot Price (Price + Site Costs + Fees)		\$174,312	\$162,000	\$184,000	\$171,000	\$181,131	\$187,500	\$235,000	\$180,811	\$189,500	\$199,500	\$151,354
Special Taxes		\$1,622	\$1,622	\$1,622	\$1,622	\$1,536	\$1,688	\$1,926	\$1,219	\$1,688	\$1,688	\$1,622
Bond Expiration (Years)		30	30	30	30	30	30	30	30	30	30	30
Bond Encumbrance (Present Value)		\$22,327	\$22,327	\$22,327	\$22,327	\$21,143	\$23,235	\$26,511	\$16,779	\$23,235	\$23,235	\$22,327
Total Consideration (Loaded Lot)		\$196,639	\$184,327	\$206,327	\$193,327	\$202,274	\$210,735	\$261,511	\$197,590	\$212,735	\$222,735	\$173,681
Elements of Comparison												
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												
Adjusted Price		\$196,639	\$184,327	\$206,327	\$193,327	\$202,274	\$210,735	\$261,511	\$197,590	\$212,735	\$222,735	\$173,681
Financing Terms	Cash Equiv.	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment												
Adjusted Price		\$196,639	\$184,327	\$206,327	\$193,327	\$202,274	\$210,735	\$261,511	\$197,590	\$212,735	\$222,735	\$173,681
Sale Conditions	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Adjustment												
Adjusted Price		\$196,639	\$184,327	\$206,327	\$193,327	\$202,274	\$210,735	\$261,511	\$197,590	\$212,735	\$222,735	\$173,681
Market Conditions	Apr-18	Feb-18	Jan-18	Jun-17	Jun-17	May-17	May-17	Nov-16	2016	May-16	May-16	May-16
Adjustment	(Appraisal)											
Adjusted Price		\$196,639	\$184,327	\$206,327	\$193,327	\$202,274	\$210,735	\$261,511	\$197,590	\$212,735	\$222,735	\$173,681
Physical Characteristics												
Location/Community Appeal	W. Roseville	W. Roseville	W. Roseville	W. Roseville	W. Roseville	Rocklin	W. Roseville	Rocklin	Rocklin	W. Roseville	W. Roseville	W. Roseville
Adjustment						↓		↓	↓			
Number of Lots	73	100	56	72	73	122	44	75	111	40	86	100
Adjustment												
Lot Size (Typical)	5,500	4,920	4,100	6,000	5,500	3,259	5,000	7,500	5,000	5,250	6,300	4,500
Adjustment		↑	↑			↑		↓			↓	↑
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment												
Zoning/Entitlements	Approved	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment												
Other - Lot Condition	Finished	Unimproved	Unimproved	Unimproved	Unimproved	Finished	Finished	Finished	Unimproved	Finished	Finished	Unimproved
Adjustment		↑	↑	↑	↑				↑			↑
Net Adjustment		SL Upward	Upward	SL Upward	SL Upward	Similar	Similar	Downward	Similar	Similar	Downward	Upward
Loaded Lot Values		>\$196,639	>\$184,327	>\$206,327	>\$193,327	= \$202,274	= \$210,735	<\$261,511	= \$197,590	= \$212,735	<\$222,735	>\$173,681

Conclusion of Value (per lot) – Sales Comparison Approach (LDR Lots)

The market data set consists of various sales that are considered reasonable indicators of market value for the fee simple interest in the LDR lot category of the subject property. After accounting for remaining site development costs, permits and fees and special taxes, the data set reflects an unadjusted (loaded lot price) range of \$173,681 to \$261,511 per lot.

Based upon the analysis presented, a ranking analysis of the subject and the comparable sales is in the table below:

Bulk Lot Ranking Summary			
Property	Sale Date	\$/ Loaded Lot (Unadjusted)	Net Adjustment
Sale 7	Nov-16	\$261,511	Downward
Sale 10	May-16	\$222,735	Downward
Sale 9	May-16	\$212,735	Similar
Sale 6	May-17	\$210,735	Similar
Subject	--	\$210,000	--
Sale 3	Jun-17	\$206,327	Sl. Upward
Sale 5	May-17	\$202,274	Similar
Sale 8	2016	\$197,590	Similar
Sale 1	Feb-18	\$196,639	Sl. Upward
Sale 4	Jun-17	\$193,327	Sl. Upward
Sale 2	Jan-18	\$184,327	Upward
Sale 11	May-16	\$173,681	Upward

As shown, the loaded lot value indicator for the subject property is estimated to be generally similar to Sales 5, 6, 8, and 9, higher than Sales 1, 2, 3, 4 and 11 and lower than the balance of the data set. A loaded lot indicator of \$210,000 per lot is concluded for the benchmark village (WB-7A) of the subject property. As previously mentioned, the fees due at building permit are estimated to be about \$71,000 per lot. As such, our conclusion of finished lot value for the benchmark village is as follows:

Loaded Lot Value	\$210,000
Less: Permits & Fees	(\$71,000)
Unimproved Lot Value (Rd.)	\$139,000

The next section of the report will be an extraction analysis.

Extraction Analysis

As support for the estimate of lot value concluded in the sales comparison approach for the LDR lot category, we utilize an extraction (residual) analysis that takes into account home prices, direct and indirect construction costs, accrued depreciation and developer's incentive in order to arrive at an estimate of lot value. Additionally, given the lack of comparable sales for the MDR lot category, we will exclusively utilize the extraction technique for the valuation of these lots.

The elements of the extraction technique are discussed below.

Revenue

The LDR benchmark lot category was determined to be Parcel WB-7A, which has 73 lots with a typical lot size of 5,500 square feet. The MDR benchmark lot category was determined to be Parcel WB-21, with 72 lots and an estimated typical lot size of 3,825 square feet.

In order to estimate revenue from a typical floor plan, the table below arrays various new home communities within West Roseville, as provided by the Gregory Group.

Active Projects											
Project	Master Plan	Community	Developer	Average Price	Avg. Home Size (SF)	Average Price/SF	Typical Lot Size	Units Planned	Units Offered	Units Sold	Units Unsold
Addison	Fiddymont	Roseville	Taylor Morrison Homes	\$439,667	2,314	\$190.00	5,775	71	54	46	8
Aria	WestPark	Roseville	KB Home	\$464,125	3,091	\$150.15	4,950	74	74	74	0
Bromley	Solaire	Roseville	Woodside Homes	\$513,490	2,764	\$185.78	6,000	72	45	45	0
Carrington	WestPark	Roseville	Lennar Homes	\$511,490	2,673	\$191.35	5,775	150	107	98	9
Creekside	--	Roseville	Tim Lewis Communities	\$505,150	2,182	\$231.51	5,500	32	32	25	7
Hadley	Fiddymont	Roseville	Taylor Morrison Homes	\$464,333	2,468	\$188.14	6,300	61	61	49	12
Hidden Crossing	--	Roseville	CalAtlantic Homes	\$592,400	3,359	\$176.36	11,200	78	73	71	2
Hillingdon	Solaire	Roseville	Woodside Homes	\$472,990	2,551	\$185.41	5,250	71	50	42	8
La Maison	Diamond Creek	Roseville	Lennar Homes	\$397,490	1,893	\$209.98	2,700	81	44	35	9
Legato	WestPark	Roseville	KB Home	\$548,400	3,580	\$153.18	7,150	138	102	98	4
Manchester	Solaire	Roseville	D.R. Horton	\$412,375	2,206	\$186.93	4,500	100	52	48	4
Mariposa	Farms at Riolo	Roseville	Homes by Towne	\$465,000	2,449	\$189.87	8,100	107	9	1	8
Marisol	Fiddymont	Roseville	Lennar Homes	\$527,561	2,932	\$179.93	6,300	149	141	137	4
Molly's Walk	Diamond Creek	Roseville	Black Pine Communities	\$376,790	1,785	\$211.09	2,700	84	84	77	7
Montecito Walk	WestPark	Roseville	Lennar Homes	\$371,490	1,583	\$234.67	2,400	122	49	45	4
Morgan Ranch	--	Roseville	Homes by Towne	\$535,500	2,876	\$186.20	10,000	62	42	39	3
Northwood	Fiddymont	Roseville	JMC Homes	\$389,990	1,360	\$286.76	5,600	10	10	9	1
Oakbriar	Fiddymont	Roseville	Signature Homes	\$412,067	1,832	\$224.93	3,000	96	70	63	7
Parker	Fiddymont	Roseville	Taylor Morrison Homes	\$521,500	3,149	\$165.61	6,825	57	57	45	12
Primrose	WestPark	Roseville	Pulte Homes	\$516,615	2,828	\$182.68	4,500	448	418	391	27
Ridgefield	WestPark	Roseville	Lennar Homes	\$567,323	3,317	\$171.03	7,350	112	102	101	1
Sierra Commons	WestPark	Roseville	Meritage Homes	\$482,783	2,695	\$179.14	6,050	83	83	79	4
Sierra Crossings	WestPark	Roseville	Meritage Homes	\$478,950	2,366	\$202.43	6,000	94	93	88	5
Solis	Solaire	Roseville	Woodside Homes	\$400,990	1,705	\$235.18	3,150	53	45	40	5
Summerwood	Fiddymont	Roseville	JMC Homes	\$448,490	1,811	\$247.65	6,050	79	61	56	5
Terra Vista	Stone Ridge	Roseville	Elliot Homes	\$633,075	2,230	\$283.89	6,175	84	80	76	4
The Reserve	Fiddymont	Roseville	JMC Homes	\$593,990	3,355	\$177.05	6,300	100	82	79	3
The Retreat	Fiddymont	Roseville	JMC Homes	\$486,419	2,206	\$220.50	7,700	70	70	70	0
The Vineyard	--	Roseville	JMC Homes	\$428,561	1,810	\$236.77	3,150	139	134	128	6
Wexford	--	Roseville	D.R. Horton	\$431,490	2,255	\$191.35	5,500	103	24	20	4
Wildwood	Fiddymont	Roseville	JMC Homes	\$554,990	2,677	\$207.32	6,600	86	29	26	3
Minimum				\$371,490	1,360	\$150.15	2,400				
Maximum				\$633,075	3,580	\$286.76	11,200				
Average				\$482,112	2,461	\$202.03	5,760				

Source: The Gregory Group

As shown in the table, the average home size in the group is 2,461 square feet, with a median of 2,449 square feet. The average lot size in the group is about 5,760 square feet, with a median of 6,000 square feet.

The average price is \$482,112, while the median is \$478,950, with an average price per square foot of living area is \$202 and a median price per square foot of \$190.

Based upon this information, our conclusion of a typical home on the benchmark LDR category (5,500 square foot lot) is a 2,400 square foot home with a total consideration of \$505,000, inclusive of bond debt.

With regard to the MDR lot category, our conclusion of a typical home on the benchmark lot (3,825 square foot lot) is an 1,800 square foot home with a total consideration of \$415,000, inclusive of bond debt.

Expense Projections

As part of an ongoing effort to assemble market information, the table below reflects surveys responses and developer budget information for numerous single-family residential subdivisions throughout the Northern California region.

Developer Survey																	
Developer Classification	Municipality	Budget Date	No. of Units	Quality	Avg. Home Size (SF)	Avg. Lot Size (SF)	Site Costs per Lot	Permits & Fees/Unit	Direct Cost\$/SF	Indirect Cost\$/SF	Indirect % of Direct	Cost per Model	G & A % of Rev	Mkt & Sales % of Rev	Profit % of Rev	IRR	Projected Sales/Mo.
Local	City of Elk Grove	2016	32	Good	2,614	5,937	\$64,490	\$46,000	\$72.46	\$8.79	12%	\$27,372	2.0%	5.1%	8.8%	N/Av	4.5
Local	City of Sacramento	2016	35	Avg	1,946	3,825	\$40,505	\$43,284	\$70.73	\$12.63	18%	\$36,773	3.0%	3.5%	9.7%	28.7%	2.5
Local	City of Sacramento	2016	29	Avg	2,273	5,325	N/Av	\$52,550	\$73.98	\$21.45	29%	N/Av	2.5%	4.4%	15.6%	N/Av	N/Av
Local	City of Davis	2015	35	Avg	1,829	2,000	\$101,608	\$61,770	\$92.28	N/Av	N/Av	\$50,000	1.0%	3.0%	N/Av	N/Av	N/Av
Regional	City of Roseville	2015	32	Good	2,234	6,709	\$55,945	\$47,844	\$75.95	\$10.36	14%	\$145,838	5.0%	4.0%	11.6%	N/Av	2.5
Regional	City of West Sacramento	2015	31	Avg/G	2,450	5,000	\$40,793	\$35,346	\$64.97	\$4.08	6%	N/Av	N/Av	4.2%	8.4%	N/Av	N/Av
Local	City of Lincoln	2015	10	Good	2,513	9,547	N/Av	\$43,425	\$77.90	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av
Local	City of Sacramento	2015	25	Entry	1,546	3,292	N/Av	\$17,080	\$77.28	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av
Local	City of Sacramento	2015	91	Entry	1,868	4,604	N/Av	\$23,000	\$83.37	\$6.62	8%	N/Av	2.0%	4.3%	9.1%	N/Av	N/Av
Local	Sacramento County	2015	8	Avg	2,250	8,358	\$58,198	\$33,786	\$89.25	\$6.01	7%	N/Av	N/Av	5.4%	18.8%	N/Av	N/Av
Local	City of Lincoln	2014	19	Good	2,891	8,772	N/Av	\$54,180	\$68.50	\$8.88	13%	N/Av	N/Av	4.0%	18.0%	N/Av	N/Av

Information from the survey above will contribute to the estimate of development expenses classified below.

General and Administrative

These expenses consist of management fees, liability and fire insurance, inspection fees, appraisal fees, legal and accounting fees and copying or publication costs. This expense category typically ranges from 2.5% to 4.0%, depending on length of project and if all of the categories are included in a builder's budget. We have used 3.0% for general and administrative expenses.

Marketing and Sale

These expenses typically consist of advertising and promotion, closing costs, sales operations, and sales commissions. The expenses are expressed as a percentage of the gross sales revenue. The range of marketing and sales expenses typically found in projects within the subject's market area is 5.0% to 6.5%. A figure of 6.0%, or 3.0% for marketing and 3.0% for sales, is estimated in the marketing and sales expense category.

Direct and Indirect Construction Costs

Construction costs are generally classified into direct and indirect costs. Direct costs reflect the cost of labor and materials to build the project. Direct costs generally are lower per square foot for larger floor plans, all else being equal, due to economies of scale. Indirect items are the carrying costs and fees incurred in developing the project and during the construction cycle.

Construction quality and market-segment are significant factors that affect direct construction costs. In addition, national/public builders, which are able to achieve lower costs due to the larger scale in which orders are placed, routinely achieve lower direct costs.

Recent conversations with homebuilders confirm construction costs have increased over the last 12 months; consequently, based on the cost comparables, and considering the assumed average-to-good quality product line for the benchmark lots, a direct cost estimate of \$75 per square foot is applied.

Regarding indirect costs, the following list itemizes some of the typical components that generally comprise indirect costs:

- Architectural and engineering fees for plans, plan checks, surveys and environmental studies
- Appraisal, consulting, accounting and legal fees
- The cost of carrying the investment in land and contract payments during construction. If the property is financed, the points, fees or service charges and interest on construction loans are considered
- All-risk insurance
- The cost of carrying the investment in the property after construction is complete, but before sell-out is achieved
- Developer fee earned by the project coordinator
- Interest reserve

Conversations with homebuilders indicate the indirect costs generally range anywhere from 8% to 15% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). An estimate of 12% is considered reasonable for the subject.

Permits and Fees

According to information provided, permits and fees due at building permit range from \$65,816 for an 1,800 square foot home up to \$70,946 for a 2,400 square foot home. These are reportedly net of fee credits. As such \$71,000 per lot will be utilized in the LDR lot analysis and a lower permits and fees estimate of \$66,000 per lot will be utilized for the MDR lots.

Accrued Depreciation

For new construction on the subject, an allocation for depreciation (physical, functional, or economic) is not applicable.

Developer's Incentive

According to industry sources, developer's incentive (profit) historically has ranged anywhere from 5% to 25%, with a predominate range of 5% to 15%. This is consistent with our survey presented earlier in this section, which ranged from 8.4% to 18.8%. Profit is based on the perceived risk associated with the development. Low profit expectations are typical for projects focused on more affordable product with faster sales rates. Higher profit expectations are common in projects with more risk such as developments where sales rates are slower, project size produces an extended holding period or the product type is considered weak or untested.

Elements affecting profit include location, supply/demand, anticipated risk, construction time frame and project type. Another element considered in profit expectations is for the development stage of a project. First phases typically generate a lower profit margin due to cautious or conservative pricing, as new

subdivisions in competitive areas must become established to generate a fair market share. Additionally, up front development costs on first phases can produce lower profit margins.

Positive attributes of the subject property include:

- Approved entitlements
- Anticipated completion of off-site development (assumed for analysis only)
- Desirable location (South Placer County, West Roseville)
- Good transportation linkages
- Steady pricing and steady absorption

There are generally few “negative” attributes associated with the subject property, other than the potential for deterioration in market conditions in the residential sector that would result from a change in macroeconomic factors (e.g., unemployment rates, interest rates, etc.). Based on the preceding discussion and developer surveys, we have concluded an estimate of 10% for developer’s incentive.

Conclusion

The estimates of finished lot value via the extraction analysis are presented below.

Extraction Analysis - 2,400 SF Home on a 5,500 SF (LDR) Lot			
Revenue			
Average Floor Plan Size	2,400	SF	
Typical Home Price (Total Consideration)			\$505,000
Expense Projections			
G & A Cost @	3.0% of Retail Value		\$15,150
Marketing/Sales @	6.0% of Retail Value		\$30,300
Average Direct Costs @	\$75.00 /SF		\$180,000
Indirect Cost @	12.0% of Direct Cost		\$21,600
Permits and Fees	\$71,000 per lot		\$71,000
Developer's Incentive	10% of home price		\$50,500
			\$368,550
Residual Lot Value			\$136,450
		Rd.	\$136,000

Given the lack of comparable bulk lot sales with typical lot sizes under 4,000 square feet, a sales comparison approach was not performed in the valuation of the smaller benchmark lot category (MDR lots). We will solely rely upon the extraction technique. This analysis is presented below.

Extraction Analysis - 1,800 SF Home on a 3,825 SF (MDR) Lot

Revenue

Average Floor Plan Size	1,800	SF	
Typical Home Price (Total Consideration)			\$415,000

Expense Projections

G & A Cost @	3.0% of Retail Value	\$12,450	
Marketing/Sales @	6.0% of Retail Value	\$24,900	
Average Direct Costs @	\$75.00 /SF	\$135,000	
Indirect Cost @	12.0% of Direct Cost	\$16,200	
Permits and Fees	\$66,000 per lot	\$66,000	
Developer's Incentive	10% of home price	\$41,500	
			\$296,050

Residual Lot Value		\$118,950	
		Rd. \$119,000	

Final Conclusion of Benchmark Lot Values

For the LDR lot category, the sales comparison approach indicated \$139,000 per finished lot, while the extraction technique was also \$136,000 per finished lot. Both methods are credible and supported, but given the quality and quantity of the data in the sales comparison approach, this method of valuation is deemed more credible. As such, our conclusion of value is **\$139,000 per finished lot for the benchmark LDR category.**

With regard to the lot value for the MDR lot category, our sole method of valuation was the extraction method, which yielded a value conclusion of **\$119,000 per lot.**

Conclusion of Residential Lot Component

In this section of the report we will present the conclusion, by larger parcel designation, of the single-family residential lot component of the subject property. As a starting point we will use the benchmark lot valuations previously presented. To value the residential lot holdings, we will use the pertinent benchmark lot value. The results will be summed to arrive at the total single-family residential lot revenue.

Benchmark Lot Values

We have set two benchmark lot values based on lot size/density. As discussed earlier in the report, the benchmark parcels selected were WB-7A for the LDR lots (typical lot size of 5,500 square feet) and WB-21 for the MDR lots (typical lot size of 3,825 square feet). The benchmark lot conclusions of value, as shown in the previous section, are \$139,000 per lot for the LDR lots and \$119,000 per lot for the MDR lots.

The park and open space parcels are dedicated parcels and are not included in the valuation.

Lot Size Adjustment

We have estimated a lot size adjustment factor of \$10.00 per square foot for lots greater than and smaller than the benchmark lots, consistent with our market observations.

Residential Lot Revenue

Based on the preceding analysis and discussions, estimates of market value for the varying lot size categories comprising the District is presented on the following page.

Residential Lot Component												
Larger Parcel			Typical Lot Size	Land Use	Benchmark Value	Lot Size Adjustment	Adjusted Lot		No. of Lots^	Sold Homes	Completed	
Designation	Builder	Project					Value	Value			Homes	Balance Value in Bulk
WB-5A	Woodside	Hillingdon	5,250	LDR	\$139,000	(\$2,500)	\$136,500		71	42	12	17 \$2,320,500
WB-5B	Woodside	Bromley	6,000	LDR	\$139,000	\$5,000	\$144,000		86	37	4	45 \$6,480,000
WB-6	D.R. Horton	Wexford	4,500	LDR	\$139,000	(\$10,000)	\$129,000		103	24	3	76 \$9,804,000
WB-7A	Taylor Morrison	Blume	5,500	LDR	\$139,000	\$0	\$139,000		73	0	0	73 \$10,147,000
WB-7B	Taylor Morrison	Treo	6,000	LDR	\$139,000	\$5,000	\$144,000		72	0	0	72 \$10,368,000
WB-24	Woodside	Solis	3,825	MDR	\$119,000	\$0	\$119,000		53	39	3	11 \$1,309,000
WB-25	D.R. Horton	Manchester	4,500	MDR	\$119,000	\$6,750	\$125,750		100	56	3	41 \$5,155,750
WB-1A	Lennar	Heritage	6,000	LDR	\$139,000	\$5,000	\$144,000		87	0	0	87 \$12,528,000
WB-1B	Lennar	Heritage	6,000	LDR	\$139,000	\$5,000	\$144,000		87	0	0	87 \$12,528,000
WB-1C	Lennar	Heritage	6,000	LDR	\$139,000	\$5,000	\$144,000		85	0	0	85 \$12,240,000
WB-2A	Lennar*		5,350	LDR	\$139,000	(\$1,500)	\$137,500		66	0	0	66 \$9,075,000
WB-2B	Lennar*		5,350	LDR	\$139,000	(\$1,500)	\$137,500		35	0	0	35 \$4,812,500
WB-3A	Lennar*		5,350	LDR	\$139,000	(\$1,500)	\$137,500		66	0	0	66 \$9,075,000
WB-3B	Lennar*		5,350	LDR	\$139,000	(\$1,500)	\$137,500		67	0	0	67 \$9,212,500
WB-4	Woodside		4,920	LDR	\$139,000	(\$5,800)	\$133,200		100	0	0	100 \$13,320,000
WB-23	--		5,000	MDR	\$119,000	\$11,750	\$130,750		59	0	0	59 \$7,714,250
WB-20	--		3,825	MDR	\$119,000	\$0	\$119,000		73	0	0	73 \$8,687,000
WB-21	--		3,825	MDR	\$119,000	\$0	\$119,000		72	0	0	72 \$8,568,000
WB-22	--		3,825	MDR	\$119,000	\$0	\$119,000		54	0	0	54 \$6,426,000
Total									1,409	198	25	1,186

*These parcels represent the next take down by Lennar; however, as of the date of value, these parcels are still held by Westpark SV 400 LLC, the master developer

^ Includes total number of lots/homes within each Larger Parcel, including Assessed homes not appraised

The conclusions of market value above are subject to the hypothetical condition that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

Commercial Land Valuation

Sales Comparison Approach

This section of the appraisal is concerned with the valuation of the commercial (zoning = CC) land component of the subject property, represented by Parcel WB-42 (14.50± acres).

In the sales comparison approach, the market value of the fee simple interest in the subject property will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace.

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

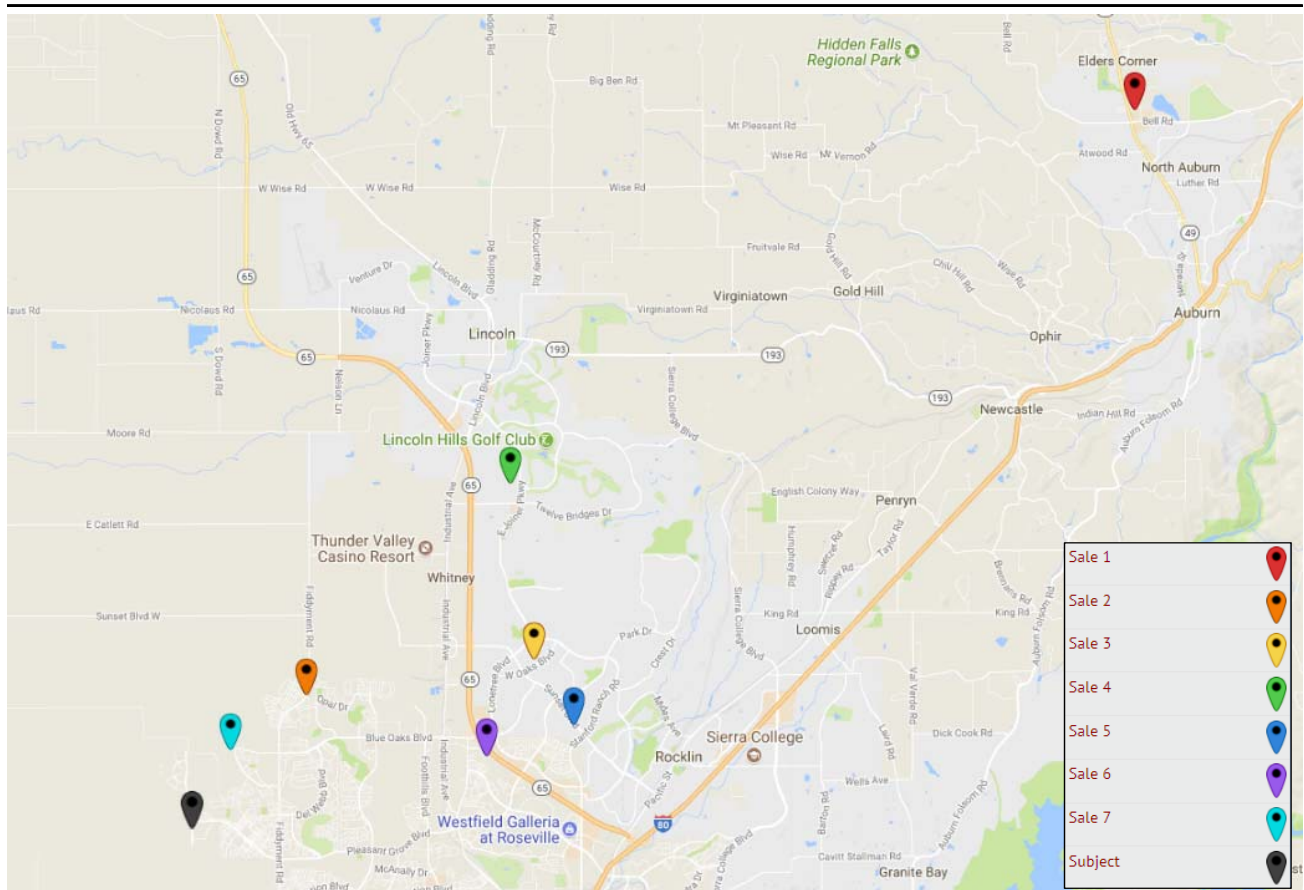
The proper application of this approach requires obtaining sale data for comparison with the subject. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily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

In the analysis of the subject property, we searched various sources for gathering of relevant data. In the sales comparison approach, we searched for data in our internal database, CoStar Property, Loopnet (for closed sales and active listings), and the Multiple Listing Service (MLS). We confirmed details of the transactions with parties directly involved (e.g. brokers, buyers/sellers) and/or public records.

On the following pages, we will present and analyze several comparable properties. We will begin by presenting a summary tabulation and location map, followed by detailed sales sheets, a discussion of necessary adjustments, and our conclusion of market value via this approach. These sales are the most recent transactions considered reasonably similar to the subject property.

Commercial Land Sales Summary

Sale No.	Location	Sale Date	Sale Price	Land Area (Acre/SF)	Sale Price/SF	Zoning / Land Use
1	3300 Grass Valley Highway Auburn, Placer County APN: 052-030-048	Dec-16	\$1,924,000	9.67 421,225	\$4.57	CPD
2	Parcel F-81, Fiddymment Ranch E. Corner of Fiddymment Rd. & Angus Rd. Roseville, Placer County APN: 492-010-031	Aug-16	\$550,000	1.20 52,272	\$10.52	CC
3	5800 West Oaks Boulevard Rocklin, Placer County APN: 017-081-062	Jun-16	\$1,600,000	5.60 243,936	\$6.56	PD-BP/C/LI
4	S/L of Bella Breeze Dr., W/O Joiner Pkwy Lincoln, Placer County APN: 329-010-064 & -065	Jan-16	\$3,813,500	10.00 435,600	\$8.75	C
5	W/L Coppervale Dr., N/O Stanford Ranch Rd. Rocklin, Placer County APN: 364-090-010 through -013	Oct-15	\$2,450,000	5.91 257,440	\$9.52	PD-C
6	S/O Highway 65, E/O Washington Boulevard Roseville, Placer County APN: 363-020-018 (portion)	Oct-15	\$5,270,000	11.52 501,898	\$10.50	PD-SA-NC
7	Parcel F-34, Fiddymment Ranch SEC Blue Oaks Blvd. & Hayden Pkwy. Roseville, Placer County APN: 492-010-034	Listing	\$1,847,000	5.30 230,868	\$8.00	CC



Land Sale Profile

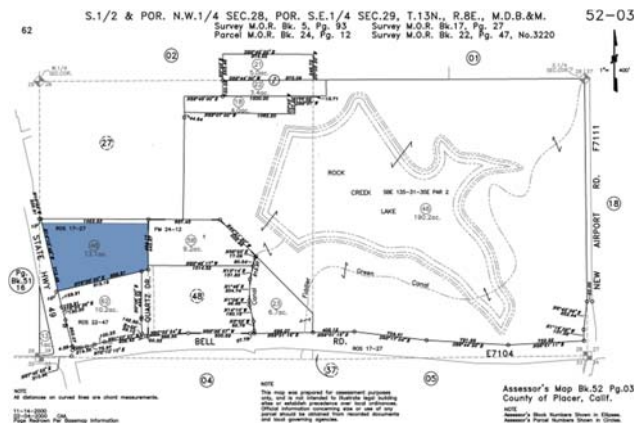
Sale No. 1

Property Identification

Commercial Land

3300 Grass Valley Highway
Auburn, CA 95602
Placer County

APN: 052-030-048



Sale Data

Grantor	Auburn Broadcasting Corp
Grantee	Auburn Pacific Property
Sale Date	12/30/2016
Deed Book Page	117418
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$1,924,000
PV of Bonds	\$0

Land Data

Land Area (SF)	570,636 (gross) / 421,225 (net)
Land Area (Acres)	13.10 (gross) / 9.67 (net)
Zoning	CPD/Dc/FH/C1 – Commercial Planned Development / Design Corridor / Flood Hazard / Airport Overflight Zone
Shape	Irregular
Corner Orientation	No
Street Frontage	Along Grass Valley Highway
Topography	Generally level
Off-Site Improvements	Utilities
On-Site Improvements	None

Indicators

Sale Price per SF	\$4.57
PV Bonds per SF	\$0.00

Remarks

This comparable represents the sale of a commercially zoned parcel located just north of the Auburn city limits. The property is proposed for an eight building (on eight separate parcels) commercial project totaling 90,105± square feet. A tributary of Rock Creek and corresponding wetland bisects the project site and two of the eight parcels will be dedicated to open space (3.43± acres). The proposed project is anticipated to be developed in two phases. Due to site constraints and location of Highway 49 to the west, the western portion of the site presents a challenging section of land for development.

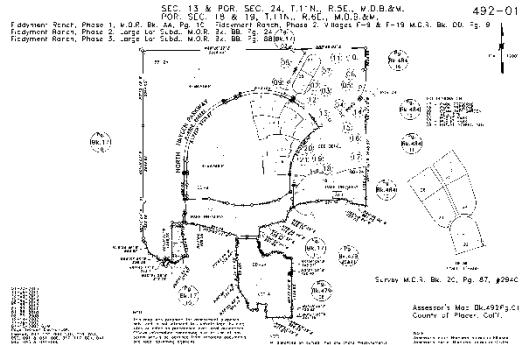
Land Sale Profile

Sale No. 2

Property Identification

Parcel F-81, Fiddymment Ranch
Roseville, CA 95747
Placer County

APN: 492-010-031



Sale Data

Grantor	ATC Realty One LLC
Grantee	Dhillon & Sons Ents Inc
Sale Date	08/10/2016
Deed Book Page	2016-0066757
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$550,000
PV of Bonds	\$107,158

Land Data

Land Area (SF)	52,272
Land Area (Acres)	1.20
Zoning	CC – Community Commercial
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Fiddymment Road and Angus Road
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$10.52
PV Bonds per SF	\$2.05

Remarks

This comparable represents a recent sale of Parcel F-81 in Fiddymment Ranch, at the corner of Fiddymment Road and Angus Road. The asking price at the time of sale was \$643,000, and the sale price was \$550,000. The buyer intends to construct a gas station on the site.

Land Sale Profile

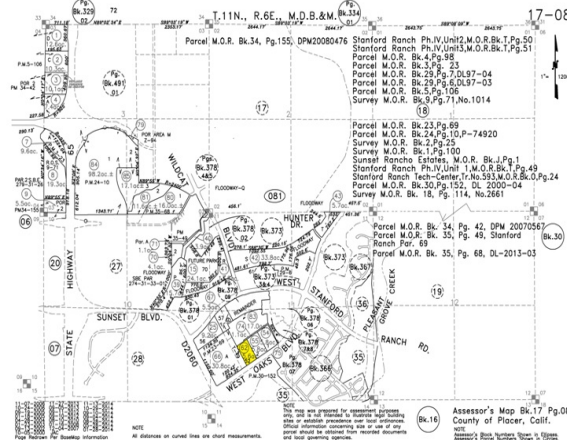
Sale No. 3

Property Identification

Commercial Land

5800 West Oaks Boulevard
Rocklin, CA 95765
Placer County

APN: 017-081-062



Sale Data

Grantor	Stanford Ranch I LLC
Grantee	Stanford Ranch Self Storage LLC
Sale Date	06/10/2016
Deed Book Page	044966
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$1,600,000
PV of Bonds	\$47,628

Land Data

Land Area (SF)	243,936
Land Area (Acres)	5.60
Zoning	PD-BP/C/LI – Planned Development Business Professional/Commercial/Light Industrial
Shape	Rectangular
Corner Orientation	No
Street Frontage	West Oaks Boulevard
Topography	Level to rolling
Off-Site Improvements	Streets, utilities
On-Site Improvements	None

Indicators

Sale Price per SF	\$6.56
PV Bonds per SF	\$0.20

Remarks

This property is located along West Oaks Boulevard in Rocklin, north of Sunset Avenue. The site is sandwiched between a UNFI distribution center and office/flex development, and backs up to newly constructed single-family residential development.

Land Sale Profile

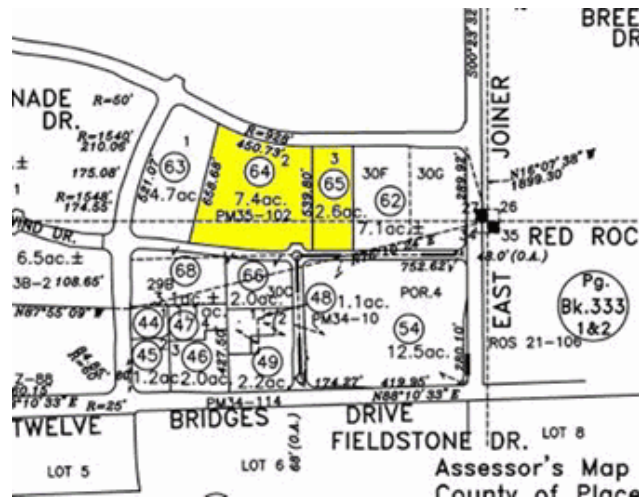
Sale No. 4

Property Identification

Commercial Land

S/L of Bella Breeze Dr, W/O Joiner
Pkwy
Lincoln, CA 95648
Placer County

APN: 329-010-064, -065



Sale Data

Grantor	Rep Blue Oaks Inc
Grantee	Lincoln Village IL LLC & Lincoln Village SNF LLC
Sale Date	01/15/2016
Deed Book Page	02980 & 02977
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$3,813,500
PV of Bonds	\$230,308

Land Data

Land Area (SF)	435,600
Land Area (Acres)	10.00
Zoning	C – Commercial
Shape	Nearly Rectangular
Corner Orientation	No
Street Frontage	Along Bella Breeze Drive
Topography	Generally level
Off-Site Improvements	Streets, utilities
On-Site Improvements	None

Indicators

Sale Price per SF	\$8.75
PV Bonds per SF	\$0.53

Remarks

This property was marketed and sold as commercial land. At its own expense, the buyer obtained approvals/conditional use permit for an assisted living facility.

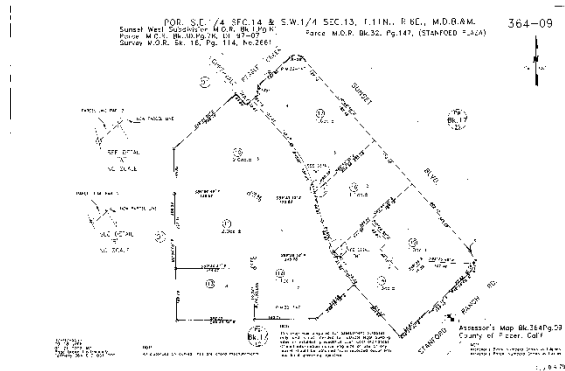
Land Sale Profile

Sale No. 5

Property Identification

West line of Coppervale Drive,
north of Stanford Ranch Road
Rocklin, CA 95677
Placer County

APN: 364-090-010 through -013



Sale Data

Grantor	Eureka Development Company
Grantee	KB Homes of Sacramento
Sale Date	10/02/2015
Deed Book Page	086932
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$2,450,000
PV of Bonds	\$18,021

Land Data

Land Area (SF)	257,440
Land Area (Acres)	5.91
Zoning	PD-C – Planned Development, Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	Coppervale Drive
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$9.52
PV Bonds per SF	\$0.07

Remarks

According to a representative of the seller, Eureka Development Company had, at one time, planned to construct retail development on the site, but then abandoned the idea after the decline of the commercial market. The company sold the property to KB Homes, but there was a third party intermediary involved (name not disclosed) who paid \$2,450,000 to Eureka Development, obtained entitlements for residential development with the City, then flipped the property to KB Homes for \$2,650,000. As such, the true price for the unentitled retail land was \$2,450,000, which is shown above. The site is located behind existing retail development along Sunset Boulevard and Stanford Ranch Road, and is immediately east of a multifamily residential project.

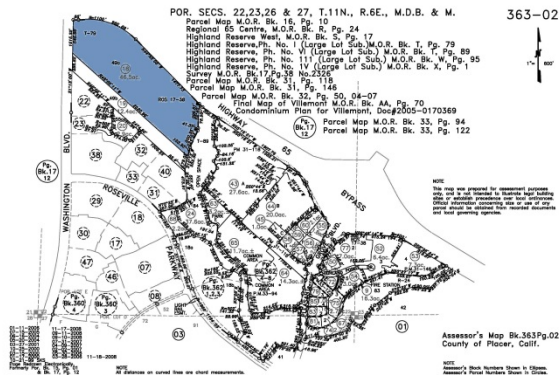
Land Sale Profile

Sale No. 6

Property Identification

South of Highway 65, east of
Washington Boulevard
Roseville, CA 95678
Placer County

APN: 363-020-018 (portion)



Sale Data

Grantor	Bayside Covenant Church
Grantee	Top Golf
Sale Date	10/23/2015
Deed Book Page	92740
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$5,270,000
PV of Bonds	\$65,247

Land Data

Land Area (SF)	501,898
Land Area (Acres)	11.52
Zoning	PD-SA-NC - Planned Development - Special Area - North Central Roseville Specific Plan
Shape	Irregular
Corner Orientation	No
Street Frontage	Highway 65
Topography	Level to rolling
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$10.50
PV Bonds per SF	\$0.13

Remarks

This comparable represents the sale of a portion of a larger parcel (46.50 acres). At the time of sale, the site was proposed for the construction of an indoor/outdoor recreational facility and driving range (Top Golf) containing approximately 64,232 square feet of building area, which has since been completed. This development represents Phase 1 of a three phase project consisting of a hotel, religious facility, office and retail development. According to the developer (Top Golf), the seller completed infrastructure improvements, providing access to the site, at a cost estimated at \$5.5 million. Essentially, \$5,270,000 is representative of a price paid for a site with all off-site improvements in place.

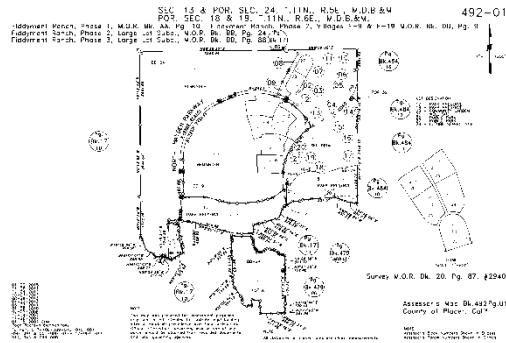
Land Sale Profile

Sale No. 7

Property Identification

Parcel F-34, Fiddymment Ranch
Roseville, CA 95747
Placer County

APN: 492-010-034



Sale Data

Grantor	ATC Realty One LLC
Grantee	N/Av (Listing)
Sale Date	Listing
Deed Book Page	NAv (Listing)
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$1,847,000
PV of Bonds	\$473,279

Land Data

Land Area (SF)	230,868
Land Area (Acres)	5.30
Zoning	CC – Community Commercial
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Blue Oaks Boulevard, Hayden Parkway
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$8.00
PV Bonds per SF	\$2.05

Remarks

This comparable represents an active listing for a 5.30-acre parcel within Fiddymment Ranch, at the southwest corner of Blue Oaks Boulevard and Hayden Parkway.

Adjustment Discussion

The comparable transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. If a comparable has an attribute that is considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject.

Percentage or dollar adjustments are considered appropriate in order to isolate and quantify the adjustments on the comparable sales data. At a minimum, the appraiser considers adjustments for the following items:

- Special assessments (bonds)
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Expenditures after sale
- Market conditions
- Physical features

A paired sales analysis is performed in a meaningful way when the quantity and quality of data are available. However, many of the adjustments require the appraiser's experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. A detailed analysis involving each of these factors is presented as follows:

Present Value of Bonds

Most of the comparable properties are encumbered by bond debt, and are adjusted upward by the present value of the bond indebtedness, on a per square foot of land area basis, to reflect the total consideration.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants and restrictions (CC&Rs). All of the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. All of the comparable sales represented cash to the seller transactions and, therefore, do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the

buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

Sale 7 is an active listing and is adjusted downward to reflect typical buyer negotiations in the market. No other adjustments are warranted.

Expenditures after Sale

Neither the subject nor the comparable sales require expenditures after sale, and no adjustments are warranted.

Market Conditions

Market conditions generally change over time, but the date of value is for a specific point in time. Therefore, in an unstable economy, one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline, extra attention needs to be paid to assess changing market conditions. Significant changes in price levels can occur in several areas of a municipality, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

In evaluating market conditions, changes between the comparable sales date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required. Market conditions have generally stabilized and improved for commercial land in recent years. While development is still generally not financially feasible unless in certain build-to-suit deals, most brokers have reported at least a modest level of appreciation in land values over the past few years. Slight upward adjustments are applied to Sales 5 and 6, which transferred in late 2015. The remaining comparables transferred in 2016, period generally indicative of current market conditions; therefore, no additional adjustments are necessary for changes in market conditions.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value are discussed as follows:

Location

The subject is located in the western portion of the city of Roseville, within an area almost exclusively developed with residential uses. Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values. Sales 5 and 6 are located within more high identity commercial corridors with better synergy of retail and/or office uses, and are adjusted downward for their superior locations. No other adjustments are warranted in this category.

Visibility/Accessibility

The visibility and accessibility of a property can have a direct impact on value. For example, a property with limited access is considered to be an inferior position compared to a property with open accessibility. Conversely, if a property has freeway visibility, or is situated in proximity to major linkages, this is considered to be a superior site amenity in comparison to a property with limited visibility and positioning.

The subject property has average visibility/accessibility for a vacant commercial site. Three of the comparable sales exhibit superior levels of visibility/accessibility relative to the subject, as they are located along more well-traveled streets or proximate to freeway interchanges. Specifically, Sales 2, 4 and 6 receive downward adjustments.

Land Area

The market generally exhibits an inverse relationship between parcel area and price per square foot such that larger parcels sell for a lower price per square foot than smaller parcels, all else being equal. The subject parcels contain an average of 12.25 acres. Those comparable sales that are smaller than the subject are adjusted downward, to reflect the principle of economies of scale.

Off-Site Improvements

In this section of the appraisal, the subject is assumed to have all off-site improvements in place for vertical development. Deductions for remaining infrastructure costs will be made in a later section. Most of the comparable sales have all off-sites in place and do not require adjustments. However, Sale 1 is adjusted upward for lack of off sites in place.

Site Utility

The subject property has average site utility, given the generally level topography, as is the case with most of the comparable sales. However, as previously mentioned, a tributary of Rock Creek and corresponding wetland bisects Comparable 1; due to site constraints and location of Highway 49 to the west, the western portion of the site presents a challenging section of land for development. As such, an upward adjustment is applied to this comparable for inferior site utility.

Zoning/Highest and Best Use

The subject property is zoned Community Commercial (CC), mixed use, which allows for a combination of retail, office and residential uses. The highest and best use of the site is consistent with the zoning. All of the comparable sales are considered to have similar zoning designations/highest and best uses as the subject, and no adjustments are warranted.

Adjustment Grid

During our investigation, we identified several land sales located throughout the subject's market area that were analyzed to estimate the market value of the fee simple interest in the subject property. The adjustment grid on the next page details the adjustment analysis. Note that a qualitative, rather than quantitative, analysis is presented.

Commercial Land Sales Adjustment Grid								
Elements of Comparison	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Price per SF (Unadjusted)		\$4.57	\$10.52	\$6.56	\$8.75	\$9.52	\$10.50	\$8.00
PV of Bonds per SF		\$0.00	\$2.05	\$0.20	\$0.53	\$0.07	\$0.13	\$2.05
Adjusted Value		\$4.57	\$12.57	\$6.76	\$9.28	\$9.59	\$10.63	\$10.05
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment								
Adjusted Value		\$4.57	\$12.57	\$6.76	\$9.28	\$9.59	\$10.63	\$10.05
Financing Terms	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment								
Adjusted Value		\$4.57	\$12.57	\$6.76	\$9.28	\$9.59	\$10.63	\$10.05
Conditions of Sale	Market	Market	Market	Market	Market	Market	Market	Listing
Adjustment								↓
Adjusted Value		\$4.57	\$12.57	\$6.76	\$9.28	\$9.59	\$10.63	\$10.05
Expenditures After Sale	None	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment								
Adjusted Value		\$4.57	\$12.57	\$6.76	\$9.28	\$9.59	\$10.63	\$10.05
Market Conditions	Apr-18	Dec-16	Aug-16	Jun-16	Jan-16	Oct-15	Oct-15	Apr-18
Adjustment						↑	↑	
Effective Price per SF		\$4.57	\$12.57	\$6.76	\$9.28	\$9.59	\$10.63	\$10.05
Physical Characteristics								
Location	W. Roseville	Similar	Similar	Similar	Similar	Superior	Superior	Similar
Adjustment						↓	↓	
Visibility / Accessibility	Average	Similar	Superior	Similar	Superior	Similar	Superior	Similar
Adjustment			↓		↓		↓	
Land Area (Acres)	14.50	9.67	1.20	5.60	10.00	5.91	11.52	5.30
Adjustment			↓↓	↓		↓		↓
Off-Site Improvements	Available (assumed)	Inferior	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment		↑						
Site Utility	Average	Inferior	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment		↑↑						
Zoning	CC	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment	(Commercial)							
Net Adjustment:		Upward > \$4.57	Downward < \$12.57	Sl. Downward < \$6.76	Downward < \$9.28	Downward < \$9.59	Downward < \$10.63	Downward < \$10.05

Commercial Parcel Market Value Conclusion – Sales Comparison Approach

After accounting for bonds, the unadjusted sale prices of the comparable sales ranged from \$4.57 to \$12.57 per square foot. Given the analysis on the preceding pages, a ranking analysis of the subject properties and the comparable sales is presented below:

Commercial Land Sales Ranking Summary			
Property	Sale Date	Price per SF	Net Adjustment
Comparable 2	Aug-16	\$12.57	Downward
Comparable 6	Oct-15	\$10.63	Downward
Comparable 7	Listing	\$10.05	Downward
Comparable 5	Oct-15	\$9.59	Downward
Comparable 4	Jan-16	\$9.28	Downward
Comparable 3	Jun-16	\$6.76	Sl. Downward
Subject	--	\$6.50	--
Comparable 1	Dec-16	\$4.57	Upward

The market value of the subject properties is estimated to be generally similar to the value indicators of Comparable 3, higher than Comparable 1 and lower than the balance of the data set. It should be noted most of the comparable sales have superior locations within areas of greater retail/office synergy, and/or have superior levels of visibility/accessibility. The subject property is located within a predominantly residential area with few supporting commercial uses, and has generally average visibility/accessibility for a commercial site. A conclusion of value for the commercial site (Parcel WB-42) is as follows:

WB-42

\$6.50 per square foot x 14.5 acres x 43,560 square feet/acre = \$4,105,530

Rd. \$4,110,000

Multifamily Land Valuation

Introduction

According to an apartment market research report (3rd Quarter 2017) prepared by Colliers International, the average rent achieved in the Roseville/Rocklin submarket was \$1,517 per unit per month.

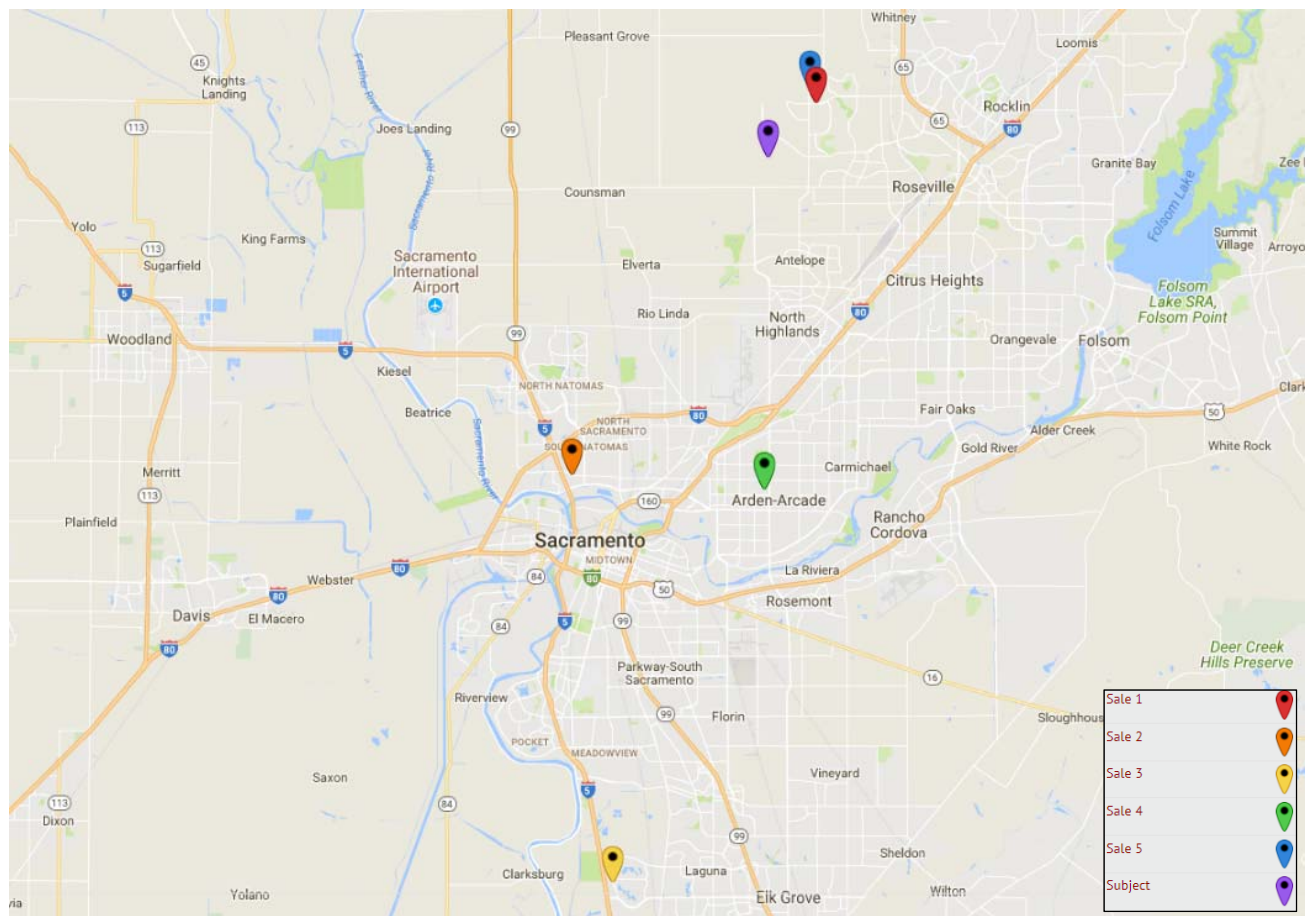
In the analysis of Parcel WB-31, we will utilize the sales comparison approach to value, as well as the extraction technique, as a check of reasonableness. This technique considers the market value assuming completion of construction and stabilized occupancy of a for-rent apartment community, and then reduces that value by the direct costs, indirect costs and developer's profit for the construction of the project. The result of this analysis represents an estimate of the residual value for the subject property.

Sales Comparison Approach – Parcel WB-31

An array of multifamily land sales in the region is presented on the next page, along with a location map, sales sheets, an adjustment grid, and our conclusion of value via the sales comparison approach.

Multifamily Land Sales Summary

No.	Location	Sale Date	Sale Price	Land Area Acre/SF	No. of Units	Price per Unit
1	1900 Blue Oaks Boulevard Roseville, Placer County APN: 017-117-087	Jun-17	\$8,500,000	12.00 522,720	300	\$28,333
2	2215 Natomas Park drive Sacramento, Sacramento County APN: 274-0410-025 & -026	Feb-16	\$3,600,000	10.93 476,111	232	\$15,517
3	SWC Harbour Point Dr. & Maritime Dr. Elk Grove, Sacramento County APN: 119-1920-017, -018	Oct-15	\$725,000	3.05 132,858	63	\$11,508
4	2134 Butano Drive Sacramento, Sacramento County APN: 279-0110-061	Apr-15	\$3,000,000	5.16 224,770	148	\$20,270
5	N/S Blue Oaks Blvd., E/O Fiddymnt Rd. Roseville, Placer County APN: 017-117-047	Sep-14	\$4,000,000	12.62 549,727	300	\$13,333



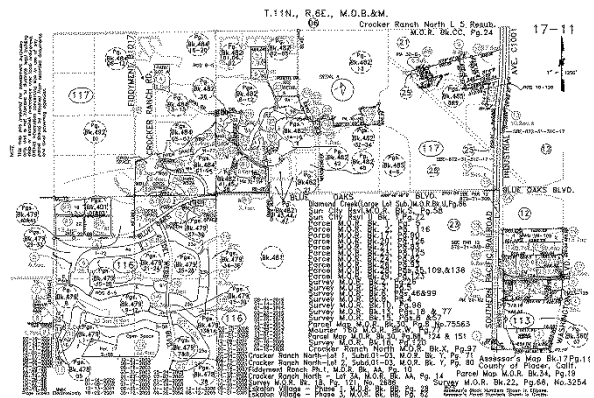
Land Sale Profile

Sale No. 1

Property Identification

1900 Blue Oaks Boulevard
Roseville, CA 95747
Placer County

APN: 017-117-087



Sale Data

Grantor	Central Valley Property Advisors
Grantee	Fiddymment Ranch Apartments, LP
Sale Date	06/29/2017
Deed Book Page	48660
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$8,500,000
PV of Bonds	\$1,149,955

Land Data

Land Area (SF)	522,720
Land Area (Acres)	12.00
Zoning	R-3 – Attached Housing District
Number of Units	300
Shape	Rectangular
Corner Orientation	No
Street Frontage	Along Blue Oaks Boulevard
Topography	Generally level
Off-site Improvements	In place
On-site Improvements	None

Indicators

Sale Price per Unit	\$28,333
PV of Bonds per Unit	\$3,833

Remarks

This sale consists of 12.00 acres of multifamily land in Roseville. The buyer acquired the property in June 2017 for \$28,333 per unit, plus the assumption of bonds in the amount of \$3,833 per unit. The buyer plans to construct 300 units and the project (identified as Avia) will consist of 15 apartment buildings, a pool, clubhouse and playground. The project has all approvals in place and is anticipated to take approximately 22 months to complete.

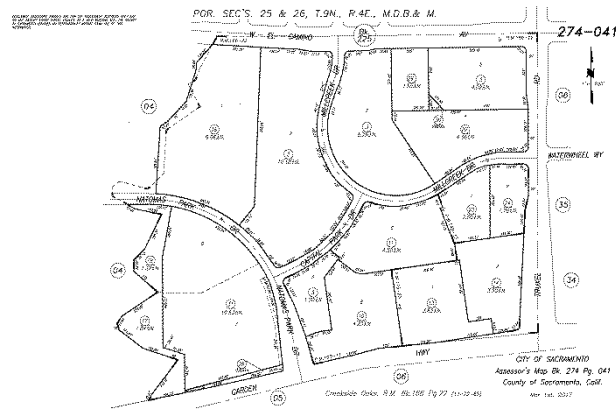
Land Sale Profile

Property Identification

2215 Natomas Park Drive
Sacramento, CA 95833
Sacramento County

APN: 274-0410-025 & -026

Sale No. 2



Sale Data

Grantor	Creekside Natomas Partners
Grantee	Demmon Natomas Limited Partnership
Sale Date	02/29/2016
Deed Book Page	160229-1010
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$3,600,000
PV of Bonds	\$112,418

Land Data

Land Area (SF)	132,858
Land Area (Acres)	10.93
Zoning	OB-PUD – Office, Planned Unit Development
	General Plan designation: Employment Center Mid Rise;
	Density: 18 to 60 dwelling units per acre
Number of Units	232
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Along Natomas Park Drive and Garden Highway
Topography	Generally level
Off-site Improvements	In place
On-site Improvements	None

Indicators

Sale Price per Unit	\$15,517
PV of Bonds per Unit	\$485

Remarks

This sale consists of two contiguous parcels containing a total of 10.93 acres. This comparable experienced an unusually long escrow period (1 year) due to the re-zone process from office to residential use. The project will consist of 13 apartment buildings, a pool, clubhouse and fitness center.

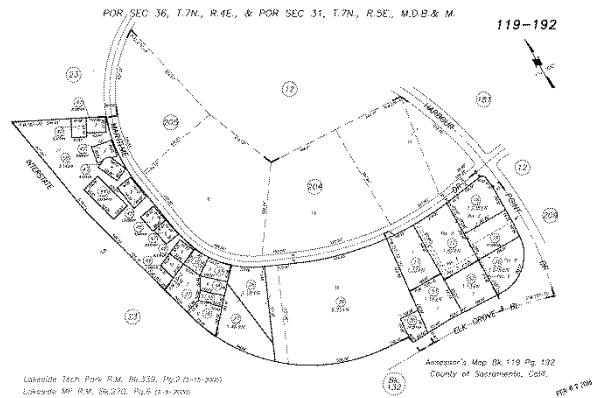
Land Sale Profile

Sale No. 3

Property Identification

Southwest corner of Harbour Point Drive
& Maritime Drive
Elk Grove, CA 95758
Sacramento County

APN: 119-1920-017 & -018



Sale Data

Grantor	Samara Baveljit S & B K Trust
Grantee	Dhir Capital, Inc.
Sale Date	10/30/2015
Deed Book Page	201508101003
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$725,000
PV of Bonds	\$85,347

Land Data

Land Area (SF)	132,858
Land Area (Acres)	3.05
Zoning	RD-25 - Multiple-family Residential
Number of Units	63
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Harbour Point and Maritime Drives
Topography	Generally level
Off-site Improvements	In place
On-site Improvements	None

Indicators

Sale Price per Unit	\$11,508
PV of Bonds per Unit	\$1,355

Remarks

This sale consists of 3.05 acres of multifamily land in Elk Grove. The buyer acquired the property in October 2015 for \$11,508 per unit, plus the assumption of bonds in the amount of \$1,355 per unit. The unit count (63) was provided by the 2013-2021 Elk Grove General Plan Housing Element, which changed this site's general plan and zoning designation from commercial (C and TC, respectively) to high density residential (HDR and RD-25, respectively) with a "realistic" unit capacity of 63 units.

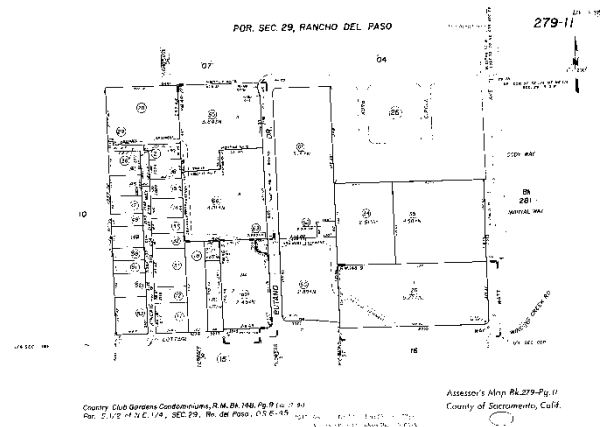
Land Sale Profile

Sale No. 4

Property Identification

2134 Butano Drive
Sacramento, CA 95825
Sacramento County

APN: 279-0110-061



Sale Data

Grantor	Country Club Centre LLC
Grantee	Anton Development Company LLC
Sale Date	04/14/2015
Deed Book Page	4141252
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$3,000,000
PV of Bonds	\$0

Land Data

Land Area (SF)	224,770
Land Area (Acres)	5.16
Zoning	RD-30 - Multifamily, 30 units per acre
Number of Units	148
Shape	L-shaped
Corner Orientation	No
Street Frontage	Butano Drive
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per Unit	\$20,270
PV Bonds per Unit	\$0

Remarks

The buyer's broker indicated this site was sold for the development of a 148-unit multifamily residential project. The site has all off-site improvements in place, and is in the immediate vicinity of a Wal-Mart and a Sam's Club, as well as additional substantial commercial developments.

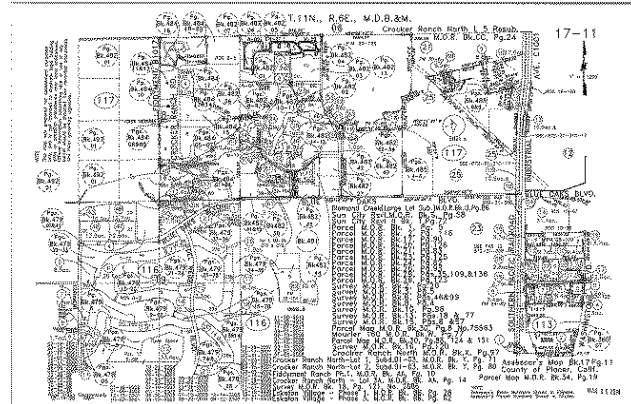
Land Sale Profile

Sale No. 5

Property Identification

North side of Blue Oaks Boulevard,
east of Fiddymment Road
Roseville, CA 95747
Placer County

APN: 017-117-047



Sale Data

Grantor	West Roseville Development Company
Grantee	Central Valley Property Advisors
Sale Date	09/19/2014
Deed Book Page	64941
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$4,000,000
PV of Bonds	\$2,350,500

Land Data

Land Area (SF)	549,727
Land Area (Acres)	12.62
Zoning	R-3 - Multiple-family Residential
Number of Units	300
Shape	Generally rectangular
Corner Orientation	No
Street Frontage	Blue Oaks Boulevard
Topography	Generally level
Offsite Improvements	In place
Onsite Improvements	None

Indicators

Sale Price per Unit	\$13,333
PV of Bonds per Unit	\$7,835

Remarks

This sale consists of 12.62 acres of multifamily land in Fiddymment Ranch, along Blue Oaks Boulevard, east of Fiddymment Road.

Adjustments and Conclusion

The comparable multifamily residential land transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. A discussion involving each of these factors is presented as follows:

Present Value of Bonds

Bond debt has a direct impact on the amount for which the end product will sell. In an effort to account for the impact of bond indebtedness on the sales price, we establish a present value amount for the bond encumbrance based on the annual assessment to reflect the total consideration with each transaction.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. The opinion of value for the retail land in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. All of the comparable sales were cash to the seller transactions and do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

All of the comparable transactions were arms-length and do not require a conditions of sale adjustment.

Expenditures After Sale

This category includes all costs required after the transaction. No adjustments are required for this element of comparison.

Market Conditions

In evaluating market conditions, changes between the comparable sales date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required. Sales 4 and 5, which transferred in early 2015 and 2014, are adjusted upward to account for the improvement in market conditions for multifamily land since the dates of these transactions. No other adjustments are applied.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value include the following:

Location

The subject property is located in West Roseville, considered a good location for the regional area. Sales 2 and 3 are located within inferior areas of Sacramento County and are adjusted upward. No other adjustments are applied.

Visibility/Accessibility

The visibility and accessibility of a property can have a direct impact on property value. For example, if a property is landlocked, this is considered to be an inferior position compared to a property with open accessibility. However, if a property has good visibility or is in proximity to major linkages, this is considered a superior amenity in comparison to a property with limited visibility. The subject property has average visibility/accessibility, which is also the case for most of the comparable sales. Sales 1 and 5, however, exhibit slightly superior visibility/accessibility and are adjusted downward. No other adjustments are warranted.

Off-Site Improvements

In this portion of our analysis, the subject property is appraised as if all off-site improvements are in place, and deductions for off-site costs will be applied later in this report. All of the comparables transferred with all off-site improvements in place and no adjustments are applied.

Density (Units per Acre)

The subject property is approved for about 20 units per acre. All else being equal, properties that allow for lower density development sell for less per unit than those that allow for higher density development. No adjustments are warranted for this element of comparison.

Site Utility

Differences in shape, contour, drainage or soil conditions can affect the utility and, therefore, the market value of the land. The subject property exhibits average site utility, with a functional shape, generally level topography and no major impediments to development. No adjustments are required in this category.

Adjustment Grid

An adjustment grid summarizing the adjustments applied is shown on the next page. It is noted that a qualitative, rather than quantitative, adjustment grid is presented, consistent with the other analyses in this appraisal report.

Multifamily Land Sale Adjustment Grid

Elements of Comparison:	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Price per Unit (Unadjusted)		\$28,333	\$15,517	\$11,508	\$20,270	\$13,333
PV of Bonds per SF Adjusted Value		\$3,833 \$3,833	\$485 \$485	\$1,355 \$1,355	\$0 \$0	\$7,835 \$7,835
Property Rights <i>Adjustment</i> Adjusted Value	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms <i>Adjustment</i> Adjusted Value	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
Conditions of Sale <i>Adjustment</i> Adjusted Value	Market	Market	Market	Market	Market	Market
Expenditures After Sale <i>Adjustment</i> Adjusted Value	None	None	None	None	None	None
Market Conditions <i>Adjustment</i> Effective Price per Unit	Apr-18 (appraisal)	Jun-17	Feb-16	Oct-15	Apr-15 ↑	Sep-14 ↑↑
Physical Characteristics:		\$32,166	\$16,002	\$12,863	\$20,270	\$21,168
Location <i>Adjustment</i>	W. Roseville	Similar	Inferior ↑	Inferior ↑	Similar	Similar
Visibility / Accessibility <i>Adjustment</i>	Average	Sl. Superior ↓	Similar	Similar	Similar	Sl. Superior ↓
Off-site Improvements <i>Adjustment</i>	All to Site (assumed)	Similar	Similar	Similar	Similar	Similar
On-site Improvements <i>Adjustment</i>	None	None	None	None	None	None
Density (Units/Acre) <i>Adjustment</i>	20.0	25.0	21.2	20.7	28.7	23.8
Site Utility <i>Adjustment</i>	Average	Similar	Similar	Similar	Similar	Similar
Net Adjustment		Sl. Downward < \$32,166	Upward > \$16,002	Upward > \$12,863	Sl. Upward > \$20,270	Sl. Upward > \$21,168

Market Value Conclusion – Sales Comparison Approach

After accounting for bonds, the unadjusted sale prices of the comparable sales ranged from \$12,863 to \$32,166 per unit. Given the analysis on the preceding pages, a ranking analysis of the subject property and the comparable sales is presented in the following chart.

Multifamily Land Sales Ranking Summary

Property	Sale Date	Price per Unit	Net Adjustment
Sale 1	Jun-17	\$32,166	Sl. Downward
Subject		\$25,000	--
Sale 5	Sep-14	\$21,168	Sl. Upward
Sale 4	Apr-15	\$20,270	Sl. Upward
Sale 2	Feb-16	\$16,002	Upward
Sale 3	Oct-15	\$12,863	Upward

The market value of Parcel WB-31 is estimated to be higher than the value indicators of Sales 2 through 5 and lower than Sale 1. Sales 1 and 5 are both located in West Roseville; thus, a value conclusion between the two indicators appears reasonable. Given the preceding discussion, our conclusion of value via the sales comparison approach for Parcel WB-31 is as follows:

$$\text{\$25,000 per unit} \times 255 \text{ units} = \text{\$6,375,000}$$

Extraction Method of Valuation

The extraction method of valuation will be employed in this section of the appraisal as a check of reasonableness for to the sales comparison approach just presented. First, we will estimate the market value of completed/stabilized project on the subject site, then deduct the total costs of development.

Valuation at Completion of Construction and Stabilized Occupancy

In the valuation of the subject property assuming completion of construction and stabilized occupancy, which is the first step in the extraction analysis, the income capitalization approach will be utilized, which is the most credible/reliable method of valuation for an income-producing multifamily project.

For income-producing real estate, the future earning power of the property is widely regarded as the single most critical element affecting its value. Hence, the income capitalization approach is often deemed to be the most meaningful indication of value.

We will exclusively apply the direct capitalization method of the income capitalization approach. Direct capitalization converts an estimate of a single year's net operating income into an indication of value in one direct step. This step is accomplished either by dividing the income estimate by the relevant income rate (an overall capitalization rate), or by multiplying the income estimate by a proper factor (such as a gross, effective gross or net income multiplier). We will handle direct capitalization by using an overall rate, as opposed to a multiplier.

The components of the direct capitalization method are tabulated as follows and discussed below:

- Potential Gross Income
- Vacancy and Collection Loss
- Operating Expenses
- Overall Capitalization Rate

Potential Gross Income

The potential gross income of the subject property consists of market rent. As noted in the beginning of this section, we will apply market rent conclusions (\$1,517 per unit on average for the Roseville/Rocklin area).

Vacancy & Collection Loss

According to the Colliers report, the average vacancy in the Roseville/Rocklin submarket is currently about 4.4%, indicating a tight market. With an allowance also given for collection loss, we conclude a vacancy/collection loss figure of 5% in our analysis.

Operating Expenses

Typical operating expense ratios for multifamily properties in South Placer County range from 35% to 40% of effective gross income. We will utilize an operating expense ratio of 37% in our analysis.

Capitalization Rate

Based upon our market observations of capitalization rates for new multifamily product in South Placer County, we will utilize a cap rate of 5.25%.

Values at Stabilized Occupancy

Given the discussion above, our value conclusions for the sites assuming completion of construction and stabilized occupancy are shown below.

Potential Gross Income Calculation - Parcel WB-31				
Income	No. of Units	Rent per Month	Monthly Income	Annual Income
Market Rate	255	\$1,517	\$386,835	\$4,642,020
Total Potential Gross Income	255			\$4,642,020
Vacancy and Collection Loss	@	5%		(\$232,101)
Effective Gross Income				\$4,409,919
Operating Expenses	@	37%	of EGI	(\$1,631,670)
Net Operating Income				\$2,778,249
Overall Capitalization Rate				5.25%
Conclusion of Value				\$ 52,919,028
			Rd.	\$ 52,920,000

Construction Cost Estimate

The next step in the extraction technique is to estimate typical costs associated with the construction of apartment complexes. In developing the cost estimate, we will rely on the Residential Cost Handbook, a nationally recognized cost-estimating guide published by the Marshall & Swift Corporation. Further, the comparative-unit method will be employed in order to derive replacement costs for the subject's improvements.

The significant factors to address when considering the comparative-unit method are:

- Direct and Indirect Costs
- Accrued Depreciation
- Developer's Overhead and Profit

These components will be presented on the following pages and then reconciled at the end of this section.

Before going any further in this analysis, it is imperative to discuss what is included and what is not included in the cost indicator. These items, as stated verbatim in the Residential Cost Handbook, are tabulated as follows:

Included in the Costs

1. In the Calculator Section, the actual costs used are final costs to the owner and will include average architects and engineers' fees. These, in turn, include plans, plan check and building permits, and survey

to establish building lines and grades.

2. Normal interest on only the actual building funds during period of construction and processing fee for service charges is included. Typically, this will average half of the going rate over the time period plus the service fee.
3. All material and labor costs include all appropriate local, state and federal sales or GSE taxes, etc.
4. Normal site preparation including finish, grading and excavation for foundation and backfill for the structure only.
5. Utilities from structure to lot line figured for typical setback except where noted in some Unit-in-Place cost sections (mobile homes).
6. Contractor's overhead and profit including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc., are included.

Not Included in the Costs

1. Costs of buying or assembling land such as escrow fees, legal fees, property taxes, right of way costs, demolition, storm drains, or rough grading, are considered costs of doing business or land improvement costs.
2. Piling or hillside foundations are priced separately in the manual and are considered an improvement to the land. This also refers to soil compaction and vibration, terracing, etc.
3. Costs of land planning or preliminary concept and layout for large developments inclusive of entrepreneurial incentives or developer's overhead and profit are not included, nor is interest or taxes on the land, feasibility studies, certificate of need, environmental impact reports, hazardous material testing, appraisal or consulting fees, etc.
4. Discounts or bonuses paid for financing are considered a cost of doing business, as are funds for operating start up, project bond issues, permanent financing, developmental overhead for fixture and equipment purchases, etc.
5. Yard improvements including septic systems, signs, landscaping, paving, walls, yard lighting, pool or other recreation facilities, etc.
6. Off-site costs including roads, utilities, park fees, jurisdictional hookup, tap-in, impact or entitlement fees and assessments, etc.
7. Furnishings and fixtures, usually not found in the general contract, that are peculiar to a definite tenant, such as seating or kitchen equipment, etc.
8. Marketing costs to create first occupancy including model or advertising expenses, leasing or broker's commissions, temporary operation of property owners' association, fill-up or membership sales costs and fees.

The cost indicators applicable to the subject property are calculated as follows:

Apartment Building (Good Quality) - 6B

Component	Cost
Base cost (psf)*	\$85.32
Roofing adjustment (concrete tile)	\$6.00
Subfloor adjustment (concrete slab)	-\$3.59
Floor cover adjustment (allowance)	\$4.82
Floor insulation adjustment (moderate)	\$1.32
Current multiplier	x 1.00
Local multiplier	x 1.23
Indicated replacement costs (psf)	\$115.46

*The base costs calculation assumes 12 units per building, on average, 1,100 square foot unit size

In addition, exterior stairwells are assumed at four stairwells per building (\$3,000 per stairwell), as well as appliances (\$2,775 per unit).

Cost factors must also be considered for a swimming pool and clubhouse (assumed for a typical apartment project in West Roseville) and site improvements. According to the cost budgets for comparable developments, the pool is estimated to cost a total of \$40,000, and a typical clubhouse would likely cost about \$100,000. The site cost estimate includes site paving, parking and landscaping. Generally, site improvement costs range between \$4.00 to \$8.00 per square foot. A site cost estimate towards the middle of the range, or \$6.00 per square foot, appears reasonable, given the topography/configuration of the sites.

In addition to the above costs, additional indirect cost items (appraisal fee, loan fee, construction interest, contingency, etc.) must be incorporated, and are estimated at about 10% of direct costs.

In addition to the above indirect costs, lease-up costs must also be taken into consideration. These discounts account for the time and expense to lease the subject to a stabilized occupancy level, and consist of 1) rent loss and 2) other lease-up costs. The lease-up costs are based upon the number of vacant units anticipated at completion of construction. Previously, a stabilized vacancy/collection loss rate of 5% was utilized. As such, of the 255 units to be constructed at the subject, approximately 95% are expected to be leased at stabilized occupancy. Prior to completion of construction, it is anticipated that the subject will be able to pre-lease a number of units. Based on the steady demand for rental units in the Roseville market area, it is expected that 40% of the units would be pre-leased.

Based on a survey of comparable projects throughout the region, and considering the specifics of the subject as proposed, it is anticipated the subject could achieve an absorption rate of 15 units per month. Rent loss is calculated based on the average potential gross income per unit achieved at stabilized occupancy.

Other rent-up costs for a project like the subject typically include marketing, advertising and rental concessions. These costs are over and above the marketing costs of a project already at stabilized occupancy. Lease-up costs can be calculated individually or estimated in bulk. Based on the lease-up reserve expenses reported for new multifamily development within the region, a total lease-up cost of approximately \$1,000 per unit is estimated. It is noted that rent-up cost is applied to both pre-leased and vacant units, as both would require this expenditure.

The total lease-up costs to be incorporated in the cost analysis are shown in the following table.

Lease-Up Costs - Parcel WB-31

Rent Loss:

Month 1	140	units @	\$1,517	per mo. =	\$	212,380
Month 2	125	units @	\$1,517	per mo. =	\$	189,625
Month 3	110	units @	\$1,517	per mo. =	\$	166,870
Month 4	95	units @	\$1,517	per mo. =	\$	144,115
Month 5	80	units @	\$1,517	per mo. =	\$	121,360
Month 6	65	units @	\$1,517	per mo. =	\$	98,605
Month 7	50	units @	\$1,517	per mo. =	\$	75,850
Month 8	35	units @	\$1,517	per mo. =	\$	53,095
Month 9	20	units @	\$1,517	per mo. =	\$	30,340
Month 10	5	units @	\$1,517	per mo. =	\$	7,585
Total Rent Loss						\$ 1,099,825
Other Rent-Up Costs						\$ 255,000
Total Lease Up Costs						\$ 1,354,825

Accrued Depreciation

Not applicable. The subject buildings would not be expected to suffer from any physical deterioration, functional obsolescence or external obsolescence at completion.

Developer's Incentive

According to industry sources, developer's incentive (overhead and profit) historically has ranged anywhere from 8% to 25% in the region. For purposes of this analysis, a developer's incentive of 12% for the development will be utilized.

Conclusion

Considering the components discussed on the previous pages, the estimated construction costs for a multifamily residential development are detailed as follows.

Cost Approach - Parcel WB-31**Marshall & Swift Cost Indicators**

Buildings	280,500	SF	@	\$ 115.46	/ SF = \$	32,386,530
Exterior Stairways	64	flights	@	\$ 3,000	/ flight = \$	192,000
Appliances	255	units	@	\$ 2,775	/ unit = \$	707,625
Swimming Pool					\$	40,000
Clubhouse					\$	100,000
Site Improvements	483,516	SF	@	\$ 6.00	/ SF = \$	2,901,096
Total Direct Costs						\$ 36,327,251
Indirect Costs (Exclusive of Lease-Up Costs)			@	10%	of directs	\$ 3,632,725
Lease-Up Costs						\$ 1,354,825
Total Indirect Costs						\$ 4,987,550
Total Direct and Indirect Costs						\$ 41,314,801
Developer's Incentive		@	12%			\$ 4,957,776
Total Project Costs						\$ 46,272,577
TOTAL PROJECT COSTS					(Rd.) \$	46,270,000

Conclusion of Value via Extraction

Using the income approach to value, we estimated the value of the subject property as a for-rent apartment community, assuming completion of construction and stabilized occupancy. With reference to the Residential Cost Handbook, a nationally recognized cost-estimating guide published by the Marshall & Swift Corporation, total project costs (direct costs, indirect costs and developer's profit) were also estimated. Thus, conclusions of value for the multifamily residential parcels, via the extraction method, is presented below.

Concluded Value - Parcel WB-31	
Value Assuming Completion	\$52,920,000
Less: Total Costs To Construct	(\$46,270,000)
Land Value	\$6,650,000

A conclusion of value for WB-31, based solely on market rent, is \$6,650,000, or approximately \$26,078 per unit (255 units).

Reconciliation and Final Conclusions of Value

The market value of Parcel WB-31 was estimated at \$6,375,000 via the sales comparison approach. The value estimated via the extraction method was \$6,650,000. Both methods are very close to one another. Given the fact that we were able to confirm a reasonably good quantity and quality of multifamily land sales in the region, including a sale in West Roseville (Fiddymont Ranch) on which we placed most reliance, most emphasis is placed on the sales comparison approach to value. As such, a final value conclusion for Parcel WB-31 is \$6,375,000.

Market Valuation by Ownership

Introduction

The appraised properties represent certain components of the Westbrook master planned community. In this section, the previously concluded market values will be allocated to each ownership group comprising the appraised properties in order to provide a market value of the appraised properties by ownership and parcel. A summary of the various ownership group holdings is provided in the following table.

Owners of Record							
Owner	Commercial Parcels	Multifamily Units	Finished Lots	Partially Completed Homes	Completed Homes*	Unimproved Residential lots	Totals
Individual Homeowners	--	--	--	--	168	--	168
Woodside 05 LP	--	--	26	37	7	100	170
DR Horton CA 2 Inc.	--	--	45	46	17	--	108
Taylor Morrison	--	--	122	23	--	--	145
Westpark SV 400 LLC	1	255	--	--	--	492	748
Lennar Homes of California LLC	--	--	231	28	--	--	259
Totals	1	255	424	134	192	592	1,598

*Completed homes without a complete assessment for structural improvements by County Assessor

The appraised properties consist of 592 unimproved residential lots, 424 finished residential lots, 134 homes under construction, one commercial parcel and one multifamily (high density residential) parcel. There are also 192 completed single-family homes within the boundaries of the CFD not currently assessed for an improvement value by the Placer County Assessor; as such, a not-less-than estimate of market value for the smallest floor plan constructed within each subdivision was appraised and assigned to each respective Assessor's parcel within the CFD.

The not-less-than market values for the smallest floor plans developed within the District are assigned to the 168 completed homes held by individual homeowners, which is presented in the Addenda to this report. The 24 completed homes, which includes model homes, held by the merchant builders are based on the not-less-than values previously reported.

In light of the fact the merchant builders have a number of lot(s) that could sell in bulk to one buyer within 12 months, no additional discounting is necessary beyond the market value, in bulk, of the various single-family residential lot categories previously estimated. It is also worth noting, while the Assessor's Tax Roll identifies 161 completed single-family homes held under the ownership of merchant builders, based on an inspection and inventory of the subject parcels, most of these homes appear to have, in fact, sold to individual homeowners. Therefore, these completed homes are not included in the determination of bulk discounting.

As previously noted, since the majority of the undeveloped land within the District is held by a single owner, the master developer, Westpark SV 400 LLC, the market value of this ownership interest will involve the subdivision development method (a type of discounted cash flow analysis), which takes into consideration the revenue and expenses (including the completion of backbone infrastructure) associated with selling off the individual larger parcels over an estimated absorption period (also incorporating an appropriate discount rate to the cash flows).

Based on the previous analysis, the estimates of market value, by ownership, subject to the impact of the Lien of the Special Tax securing the City of Roseville Community Facilities District No. 1 (Westbrook) Bonds, as of the date of value, April 11, 2018, are estimated in the tables on the next pages.

Value by Ownership

Individual Homeowners	Lots/Parcels	Market Value
Finished Homes without AVs		
Solis	47	\$19,364,000
Hillingdon	18	\$7,920,000
Bromley	8	\$3,960,000
Manchester	63	\$27,720,000
Wexford	32	\$14,240,000
Total	168	\$73,204,000
Woodside Homes		
Unimproved Lots	100	\$9,160,900
Finished Lots	26	\$3,681,500
Homes under Construction	37	\$5,195,500
Finished Homes without AVs		
Solis	3	\$1,236,000
Hillingdon	3	\$1,320,000
Bromley	1	\$495,000
Total	170	\$21,088,900
D.R. Horton		
Finished Lots	45	\$5,798,500
Homes under Construction	46	\$5,836,500
Finished Homes without AVs		
Manchester	5	\$2,200,000
Wexford	12	\$5,340,000
Total	108	\$19,175,000
Taylor Morrison		
Finished Lots	122	\$17,273,000
Homes under Construction	23	\$3,242,000
Total	145	\$20,515,000
Lennar Homes of CA		
Finished Lots	231	\$33,264,000
Homes under Construction	28	\$4,032,000
Total	259	\$37,296,000
TOTAL		\$171,278,900

Westpark SV 400 LLC

In this section, the market value, in bulk, of this largest land owner will be estimated. Due to the number of components, a discounted cash flow analysis (subdivision development method) is the most appropriate technique of arriving at the bulk market value for the subject property.

Discounted Cash Flow Analysis

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 appraiser/analyst specifies the quantity, variability, timing and duration of the revenue streams and discounts each to its present value at a specified yield rate.

The four main components of a discounted cash flow analysis are listed as follows:

- **Revenue** – the total gross income derived from the disposition of the subject's land components
- **Absorption Analysis** – the time frame required to sell-off the components. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).

- **Expenses** – the expenses associated with the sell-off of the components are calculated in this section – including administration, marketing and commission costs and property taxes.
- **Discount Rate** – the appropriate discount rate is derived by employing a variety of data.

Discussions of these four concepts begin below, with the discounted cash flow analysis offered at the end of this section.

Total Revenue

The revenue portion of this analysis is based on the conclusions of market value for the subject's various components, which include 234 unimproved LDR lots, 258 unimproved MDR lots, one HDR parcel totaling 255 units and one commercial lot. In the Market Value - Single-Family Lot valuation section presented earlier, the value for the various improved lot categories comprising the Westpark SV 400 LLC ownership were estimated. Since the lots are in an unimproved condition, and the master developer has historically sold lots within the District on an unimproved lot basis, in order to estimate the LDR and MDR component values for the subject property, deductions for site development must be considered from the improved lot values previously estimated. As previously discussed, site development costs are reported at \$35,000 per LDR lot and \$34,000 per MDR lot. Thus, the single-family residential lot component value is estimated as follows:

Residential Lot Revenue								
Larger Parcel Designation	Typical Lot Size	Land Use	Benchmark Value	Lot Size Adjustment	In-Tract Costs	Adjusted Lot Value	No. of Lots	Value in Bulk
WB-2A	5,350	LDR	\$139,000	(\$1,500)	(\$35,000)	\$102,500	66	\$6,765,000
WB-2B	5,350	LDR	\$139,000	(\$1,500)	(\$35,000)	\$102,500	35	\$3,587,500
WB-3A	5,350	LDR	\$139,000	(\$1,500)	(\$35,000)	\$102,500	66	\$6,765,000
WB-3B	5,350	LDR	\$139,000	(\$1,500)	(\$35,000)	\$102,500	67	\$6,867,500
WB-23	5,000	MDR	\$119,000	\$11,750	(\$34,000)	\$96,750	59	\$5,708,250
WB-20	3,825	MDR	\$119,000	\$0	(\$34,000)	\$85,000	73	\$6,205,000
WB-21	3,825	MDR	\$119,000	\$0	(\$34,000)	\$85,000	72	\$6,120,000
WB-22	3,825	MDR	\$119,000	\$0	(\$34,000)	\$85,000	54	\$4,590,000
Total							492	\$46,608,250

For the reader's reference, a summary of the revenue component is as follows:

Revenue		
Parcel	No. of Lots/Units	Value
LDR Parcels	234	\$23,985,000
MDR Parcels	258	<u>\$22,623,250</u>
Subtotal		\$46,608,250
HDR Parcel	255	\$6,375,000
Commercial Parcel	1	\$4,110,000

Absorption

Absorption rates are best measured by looking at historic absorption rates for similar properties in the region. In developing an appropriate absorption period for the disposition of the subject's components, we have considered historic absorption rates for similar properties and also attempted to consider the impacts of present market conditions, as well as the anticipated changes in the market. Real estate is cyclical in nature, and it is difficult to accurately forecast specific demand over a projected absorption period. Thus, when estimating absorption, it is important to give significant weight to the past experience of parties marketing similar projects for sale.

In attempting to estimate the exposure time required for the disposition of the single-family residential land (LDR and MDR lots) component of the subject, both the historical exposure times and projected economic conditions have been considered. For any master planned community, it is common to segment the product to allow it to appeal to the broadest spectrum of potential users offering a wide range of price points. While there is a correlation between the sell-off of the end product (roof tops) and the sell-off of the land components, the relationship may not be readily apparent. Generally, the higher priced end products are expected to experience slower absorption rates than the lower priced end products, which are driven by the size of the respective buying pools. Thus, one could sell two land use components that will not compete with each other, due to product and price point differences, at similar times in the development process without jeopardizing absorption. A master developer's goal, and the goal of any respective builder, would be to avoid saturating the market with product. By the use of segmenting the range of product and diversifying the type of product, a development can maximize the return to the land by hastening the disposition time necessary to sell off the land.

A number of assumptions are made in the discounted cash flow analysis, not the least of which is the forecast of absorption, or disposition, of the various land use components comprising the subject property. It is common for surveys of market participants to reveal different estimations of anticipated absorption periods for the sell-off of multiple components comprising a master planned development, with some developers preferring to hasten the holding period in favor of mitigating exposures to fluctuations in market conditions; whereas, other developers prefer to manage the sell-off of the property over an extended period of time so as to minimize direct competition of product within the master planned project.

In light of the relative strength of the residential market in the West Roseville area, but also considering the remaining backbone infrastructure requirements, it is anticipated the disposition of the residential land could occur over four years.

The programmed sell-off of the lots will allow the developers greater control over the ultimate build-out of the communities and capture anticipated market appreciation in lot (and home) prices, as well as manage any market contractions. It is noted that we do not estimate an exact sequencing of absorption of the residential parcels, given that such an attempt would be considered highly speculative. As such, we average the revenues evenly over the respective absorption periods. Additionally, sales are not expected to commence until Year 2 of the analysis, given required infrastructure.

The subject also includes one commercial parcel totaling 14.50 acres. While this site is expected to receive adequate interest from the market, development of the site will likely be driven by the completion and sale of single-family homes, prompting demand for supporting commercial services. It is our opinion the commercial site will likely sell in Year 4 of the analysis.

With regard to the multifamily land component (WB-31), given its position at the periphery of the property and would require completion or near completion of all infrastructure improvements (later stage of development), Parcel WB-31 is projected to sell in Year 5 of the analysis

Market conditions in the area have been experiencing recovery in some segments as discussed throughout this report. Consequently, it is appropriate to consider an appreciation rate for the land components during the absorption period. In light of current and past economic conditions, an appreciation rate of 3% per year will be applied to the revenue components in this analysis.

Expenses

Changes in Expenses (Expense Increases or Decreases)

Market participants widely expect expenses to increase either from inflation or labor increases (as workers become less willing to accept lower pay as more sources of work become available). General and administrative and marketing and sale expenses are calculated in this section as a fixed percentage of revenue. Property tax expenses are trended upward, as will be discussed in a later section.

General and Administrative Expenses

General and administrative expenses would include management of project entitlements and Community Facilities District financing, as well as coordination with others. This expense category typically ranges from 2.0% to 4.0%, depending on length of the project and if all of the categories are included in a builder's budget. For purposes of this analysis, we have estimated this expense at 2.0% of revenue, which is spread evenly over the sell-off period.

Marketing and Sale

Based on the total revenue, we have estimated an expense of 2.0% for sales, which is within market parameters. For the sell-off of residential parcels (Units) to builders, marketing costs would be negligible, since master developers often contact builders directly and indicate lots are available, rather than openly list properties and have marketing costs.

Backbone Infrastructure

The reported remaining infrastructure costs are \$21,900,000, which will be utilized in our analysis and disbursed during the sell-out period, with 40% of the costs presumed to be incurred in the first year, followed by a descending cost expenditure through Year 4.

Property Taxes and Assessments

Ad valorem real estate taxes are estimated based on a 1.082338% tax rate applied to the estimated market value, in bulk, conclusion, which is then allocated between the residential lots and commercial acreages. As the lots and land are sold, taxes are reduced on a pro-rata basis in the analysis. Ad valorem tax estimates are appreciated at a rate of 2.0% per year.

For the reader's reference, the ad valorem tax table shown in the analysis reflects annual taxes per residential lot/unit and annual taxes per commercial acre. First, we estimated the total aggregate revenue allocation between the LDR, MDR, commercial and HDR components, then we multiplied each allocation percentage by the total tax obligation, and then divided this number by the number of lots/units or total commercial acreage to arrive at estimates of annual tax obligations for each component. Ad valorem taxes are expected to decrease as lots are sold, as they are paid on total existing inventory.

With regards to the direct charges, we array the annual total maximum special tax payments for the various components as follows:

Westbrook CFD No. 1

Proposed Land Use	Special Tax Per Lot/Unit/Acre
LDR	\$1,682
MDR	\$1,380
HDR	\$324
Commercial	\$584

Westbrook CFD No. 2 (Services)

Proposed Land Use	Special Tax Per Lot/Unit/Acre
LDR	\$362 to \$399
MDR	\$362 to \$399
HDR	\$283
Commercial	\$1,532

CFD No. 3, Municipal Services

Proposed Land Use	Special Tax Per Lot/Unit/Acre
LDR	\$422
MDR	\$247
HDR	\$123
Commercial	\$1,151

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

Discount Rate (Internal Rate of Return)

The project yield rate is the rate of return on 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 as in a joint venture may fund it. Most surveys indicate that the threshold project yield requirement is about 20% to 30% for production home type projects. Instances in which project yields may be less than 20% often involve profit participation arrangements in master planned communities where the master developer limits the number of competing tracts.

According to a leading publication within the appraisal industry, the PwC Real Estate Investor Survey¹, discount rates for land development projects ranged from 10.00% to 20.00%, with an average of 15.40 % during the Fourth Quarter 2017, which is down 60 basis points from the Second Quarter 2017 (16.0%), the last time the survey was conducted. These rates are free-and-clear of financing, are inclusive of developer’s profit, and assume entitlements are in place. The surveyed investors predict the land market to “increase as

¹ PwC Real Estate Investor Survey, PricewaterhouseCoopers, 4th Quarter 2017, Volume 30, Number 4.

much as 10.0% or decrease as much as 5.0%. Their average expected appreciation rate is 3.5% – well below the rate of 5.6% six months ago.”

According to the data presented in the survey prepared by PwC, the majority of those respondents who use the discounted cash flow (DCF) method do so free and clear of financing. Additionally, the participants reflect a preference in including the developer’s profit in the discount rate, versus a separate line item for this factor. As such, the range of rates presented above is inclusive of the developer’s profit projection.

The discount rates are based on a survey that includes residential, office, retail and industrial developments. Participants in the survey indicate the highest expected returns are on large-scale, unapproved developments. The low end of the range was extracted from projects where certain development risks had been lessened or eliminated. Several respondents indicate they expect slightly lower returns when approvals/entitlements are already in place.

Excerpts from recent PwC surveys are copied below.

The largest increase over the past year occurs for the retail sector, where the rating rises from 2.42 to 2.55. The retail sector’s development rating took a big hit between 2016 and 2017 and it appears that developers are now becoming more comfortable with this sector’s evolution. Ironically, the only two sectors to see their development ratings decline this year, albeit slightly, are apartments and industrial, where concerns of oversupply issues have been expressed... Single-family development also gets a nod, as well as senior housing, where favorable demographics, compelling returns, greater liquidity, rising transparency, and mounting understanding of the benefits for residents appeal to investors...(Fourth Quarter 2017)

This quarter, most surveyed investors note that the industrial sector presents the best opportunities for development land investing in the near term. Other top choices include restaurant and high-end luxury residential... Total spending on U.S. private construction was up 7.0% on a year-over-year basis in March 2017, according to the U.S. Census Bureau. When looking more closely, private residential spending was up 7.5% while private nonresidential spending was up 6.4% – still positive, but below its year-over-year growth for March 2016 (9.3%). In the nonresidential sector, communication, office, and education reported the highest year-over-year gains in spending as of March 2017. In contrast, spending for health care, religious, and transportation construction declined year over year in March 2017...(Second Quarter 2017)

Surveyed investors remain divided when asked which property sector presents the best opportunity for development land investing in the near term. While some believe that undeveloped residential land represents the best prospects for investing, a few others feel that land readied for retail development stands as the best opportunity for investors...While investors may be divided when it comes to which land type to pursue, they unanimously see positive opportunities over the near term and are eager to partake...Within the commercial real estate (CRE) industry, Reis reports that construction activity across all major property types continues to increase, fueled by the ongoing recovery in the economy and CRE fundamentals...Total spending on U.S. private construction was up 8.5% on a year-over-year basis in March 2016, according to the U.S. Census Bureau. When looking at private spending, private residential construction was up 7.8%, while private non-residential spending was up 9.3%...Over the next 12 months, all investor participants except one foresee development land values to increase...(Second Quarter 2016)

First, investors and developers are increasingly looking for development opportunities throughout the commercial real estate (CRE) industry – in both established sectors, like apartments, as well as in niche sectors, like data centers housing. And second, rising construction and land costs will likely keep the development cycle “in check,” helping sustain the industry’s recovery. Even though development ranks as the second preferred investment category/ strategy... only three of the five main CRE property types reported development prospects ratings higher than last year’s report... retail, office and industrial. The apartment sector’s score slipped slightly this year, while the hotel sector’s rating decreased the most. Outside the traditional CRE property sectors... respondents felt that development prospects in 2016 were best for 1) urban mixed-use properties, 2) data centers, 3) master-planned communities, 4) self-storage, and 5) infrastructure. (Fourth Quarter 2015)

Of the four main property types covered in our Survey, three of them are expected to positively move along the real estate cycle, shifting mainly into either expansion or recovery, which will provide development opportunities. The one exception is the national multifamily sector, where many metros are expected to move into contraction by year-end 2015... Over the next 12 months, all investor participants expect one foresee development land values to increase. Appreciation ranges up to 15.0% and averages 5.2%. (Second Quarter 2015)

Information for a developing in-house database of project yield rates is presented in the following table. It is noted the preceding survey related to production home developments at the land stage.

Data Source	Yield / IRR Expectations (Inclusive of Profit)
PwC Real Estate Investor Survey - Fourth Quarter 2017 (updated semi-annually)	Range of 10.0% to 20.0%, with an average of 15.4%, inclusive of profit and assuming entitlements in place, for land development (national average)
National Builder	20% to 25% for entitled lots
Regional Builder	18% to 25%. Longer term, higher risk projects on higher side of the range, shorter term, lower risk projects on the lower side of the range. Long term speculation properties (10 to 20 years out) often closer to 30%.
National Builder	18% minimum, 20% target
Developer	Minimum IRR of 20-25%; for an 8 to 10 year cash flow, mid to upper 20% range
Developer	25% IRR for land development is typical (no entitlements); slightly higher for properties with significant infrastructure costs
Land Management Company	20% to 30% IRR for land development deals on an unleveraged basis
Land Developer	35% for large land deals from raw unentitled to tentative map stage, unleveraged or leveraged. 25% to 30% from tentative map to pad sales to merchant builders, unleveraged
Land Developer	18% to 22% for land with some entitlements, unleveraged. 30% for raw unentitled land
Real Estate Consulting Firm	Low 20% range yield rate required to attract capital to longer-term land holdings
Land Developer	Merchant builder yield requirements in the 20% range for traditionally financed tract developments. Larger land holdings would require 25% to 30%. Environmentally challenged or politically risky development could well run in excess of 35%.
Regional Builder	10% discount rate excluding profit for single-family subdivisions
National Builder	10% to 40% for single-family residential subdivisions with 1-2 year development timelines
Regional Builder	15% to 20% IRR
Regional Builder	No less than 20% IRR for land development, either entitled or unentitled
Land Developer	20% to 30% for an unentitled property; the lower end of the range would reflect those properties close to tentative maps
Regional Builder	No less than 30% when typical entitlement risk exists

There are several positive attributes associated with the subject property that we consider in our selection of a discount rate, including (but not necessarily limited to):

- Location within the West Roseville area, which is one of the most desirable communities for new home construction and new home purchases in the Sacramento region;
- Entitlement status of the subject property as tentatively mapped lots with all mitigation in place;
- Recent momentum in bulk lot purchases by regional and/or national builders in the West Roseville area

Even though much of the entitlement risk and the extent of the development and mitigation costs have been mitigated and quantified, there is risk associated with estimating the timing that the subject components will be sold off. In addition, there is risk associated with unforeseen factors such as broad economic declines and job losses as well as competition from other projects proximate to the subject. Finally, there remains a significant amount of backbone infrastructure to be completed during the sell-off period; additionally, the sell-off period (four years) is considered somewhat protracted, which increases overall risk. Considering these factors, and the positive and negative characteristics previously described, a discount rate of **15%** is estimated for the land holdings held by the master developer.

Conclusion

The discounted cash flow analysis (subdivision development method) is presented below and on the following page.

Inputs			
Number of LDR Lots	234	Ad Valorem Tax Table	
Total LDR Revenue	\$23,985,000	Annual Increase in Property Taxes	2%
Total LDR Revenue per Lot	\$102,500	First Year Annual Taxes/LDR Lot	\$373
		First Year Annual Taxes/MDR Lot	\$319
Number of MDR Lots	258	First Year Annual Taxes per Commercial Acre	\$1,077
Total MDR Revenue	\$22,623,250	First Year Annual Taxes per HDR Unit	\$95
Total MDR Revenue per Lot	\$87,687		
		Special Assessments	Max Escalation
Number of Commercial Lots	1	LDR Lots	
Commercial Acreage	14.50	Westbrook CFD#1	\$1,682 /lot 2%
Total Commercial Revenue	\$4,110,000	Westbrook CFD#2	\$399 /lot 4%
Total Commercial Revenue per Acre	\$283,448	Westbrook CFD#3	\$422 /lot 4%
		MDR Lots	
Number of HDR Units	255	Westbrook CFD#1	\$1,380 /lot 2%
Total HDR Value	\$6,375,000	Westbrook CFD#2	\$362 /lot 4%
Total HDR Value per Unit	\$25,000	Westbrook CFD#3	\$247 /lot 4%
Annual Revenue Appreciation	3%	Commercial Lots	
General & Administrative	2.0%	Westbrook CFD#1	\$584 /acre 2%
Marketing and Commissions	2.0%	Westbrook CFD#2	\$1,532 /acre 4%
		Westbrook CFD#3	\$1,151 /acre 4%
Backbone Infrastructure	\$21,900,000	HDR (Market) Units	
		Westbrook CFD#1	\$324 /unit 2%
		Westbrook CFD#2	\$283 /unit 4%
		Westbrook CFD#3	\$123 /unit 4%

Revenue, Expenses and Valuation						
LDR Revenue	Year:	1	2	3	4	Total
Sales (Lots):		0	117	117	0	234
End of Period Inventory		234	117	0	0	
Total Period Inventory		234	234	117	0	
LDR Revenue Unappreciated	\$	-	\$ 11,992,500	\$ 11,992,500	\$ -	\$ 23,985,000
LDR Revenue Appreciated	\$	-	\$ 12,352,275	\$ 12,722,843	\$ -	\$ 25,075,118
MDR Revenue						
Sales (Lots):		0	129	129	0	258
End of Period Inventory		258	129	0	0	
Total Period Inventory		258	258	129	0	
MDR Revenue Unappreciated	\$	-	\$ 11,311,625	\$ 11,311,625	\$ -	\$ 22,623,250
MDR Revenue Appreciated	\$	-	\$ 11,650,974	\$ 12,000,503	\$ -	\$ 23,651,477
Commercial Revenue						
Sales (Acres)		0.00	0.00	0.00	14.50	14.50
End of Period Inventory		14.50	14.50	14.50	0.00	
Total Period Inventory (acres)		14.50	14.50	14.50	14.50	
Total Period Inventory (lots)		1	1	1	1	
Commercial Revenue Unappreciated	\$	-	\$ -	\$ -	\$ 4,110,000	\$ 4,110,000
Commercial Revenue Appreciated	\$	-	\$ -	\$ -	\$ 4,491,108	\$ 4,491,108
HDR Revenue						
Sales (Units):		0	0	0	255	255
End of Period Inventory		255	255	255	0	
Total Period Inventory		255	255	255	255	
HDR Revenue Unappreciated	\$	-	\$ -	\$ -	\$ 6,375,000	\$ 6,375,000
HDR Revenue Appreciated	\$	-	\$ -	\$ -	\$ 6,966,135	\$ 6,966,135
Total Revenue	\$	-	\$ 24,003,249	\$ 24,723,346	\$ 11,457,243	\$ 60,183,838
Expenses						
All Categories						
General & Administrative	\$	(300,919)	\$ (300,919)	\$ (300,919)	\$ (300,919)	\$ (1,203,677)
Marketing/Commissions	\$	-	\$ (480,065)	\$ (494,467)	\$ (229,145)	\$ (1,203,677)
Backbone Infrastructure		40%	25%	25%	10%	100%
	\$	(8,760,000)	\$ (5,475,000)	\$ (5,475,000)	\$ (2,190,000)	\$ (21,900,000)
LDR Only						
Ad Valorem Taxes	\$	(87,176)	\$ (88,920)	\$ (45,349)	\$ -	\$ (221,445)
Westbrook CFD#1	\$	(393,588)	\$ (401,460)	\$ (204,744)	\$ -	\$ (999,792)
Westbrook CFD#2	\$	(93,366)	\$ (97,101)	\$ (50,492)	\$ -	\$ (240,959)
Westbrook CFD#3	\$	(98,748)	\$ (102,698)	\$ (53,403)	\$ -	\$ (254,849)
MDR Only						
Ad Valorem Taxes	\$	(82,227)	\$ (83,871)	\$ (42,774)	\$ -	\$ (208,872)
Westbrook CFD#1	\$	(356,040)	\$ (363,161)	\$ (185,212)	\$ -	\$ (904,413)
Westbrook CFD#2	\$	(93,396)	\$ (97,132)	\$ (50,509)	\$ -	\$ (241,036)
Westbrook CFD#3	\$	(63,726)	\$ (66,275)	\$ (34,463)	\$ -	\$ (164,464)
Commercial Only						
Ad Valorem Taxes	\$	(15,614)	\$ (15,926)	\$ (16,245)	\$ (16,569)	\$ (64,354)
Westbrook CFD#1	\$	(8,468)	\$ (8,637)	\$ (8,810)	\$ (8,986)	\$ (34,902)
Westbrook CFD#2	\$	(22,214)	\$ (23,103)	\$ (24,027)	\$ (24,988)	\$ (94,331)
Westbrook CFD#3	\$	(16,690)	\$ (17,357)	\$ (18,051)	\$ (18,773)	\$ (70,871)
HDR Units						
Ad Valorem Taxes	\$	(24,218)	\$ (24,703)	\$ (25,197)	\$ (25,701)	\$ (99,819)
Westbrook CFD#1	\$	(82,620)	\$ (84,272)	\$ (85,958)	\$ (87,677)	\$ (340,527)
Westbrook CFD#2	\$	(72,165)	\$ (75,052)	\$ (78,054)	\$ (81,176)	\$ (306,446)
Westbrook CFD#3	\$	(31,365)	\$ (32,620)	\$ (33,924)	\$ (35,281)	\$ (133,190)
Total Expenses	\$	(10,602,540)	\$ (7,838,271)	\$ (7,227,598)	\$ (3,019,216)	\$ (28,687,625)
Net Income	\$	(10,602,540)	\$ 16,164,978	\$ 17,495,748	\$ 8,438,027	\$ 31,496,212
Internal Rate of Return	15.00%	0.86957	0.75614	0.65752	0.57175	
Discounted Cash Flow	\$	(9,219,600)	\$ 12,223,046	\$ 11,503,738	\$ 4,824,469	\$ 19,331,653
Net Present Value	\$	19,331,653				
Conclusion of Value by Discounted Cash Flow Analysis						\$ 19,331,653
						\$ 19,330,000

Based on the previous analyses, the estimates of market value, by ownership, subject to the impact of the Lien of the Special Tax securing the City of Roseville Community Facilities District No. 1 (Westbrook) Bonds, as of the date of value, April 11, 2018, are presented in the following table.

Value by Ownership	
Owner	Total Market Value
Individual Homeowners	\$73,204,000
Woodside Homes	\$21,088,900
D.R. Horton	\$19,175,000
Taylor Morrison	\$20,515,000
Lennar Homes of CA	\$37,296,000
Westpark SV 400 LLC	\$19,330,000
TOTAL	\$190,608,900

Final Conclusion of Value

As a result of our analysis, it is our opinions the cumulative, or aggregate, values of the appraised properties, in accordance with the assumptions and conditions set forth in the attached document (please refer to pages 6 through 8), as well as the Assessed Values of the 67 completed single-family residences not appraised, as of April 11, 2018, are as follows are:

Final Value Conclusions	
Value Premise	Concluded Value
Aggregate Value of Appraised Properties	\$ 190,608,900
Aggregate Retail Value of Existing Homes based on Assessed Value	\$ 29,499,616
Total Aggregate Value of Appraised and Assessed Properties in the District	\$ 220,108,516

The estimate of value above represents a “not-less-than” value due to the fact we were requested to provide a market value of the smallest floor plan (by project) on each single-family residential lot improved with a completed home without an assessed improvement value assigned.

The estimate of value is subject to the hypothetical condition that certain of the proceeds from the Bonds are available to reimburse for infrastructure improvements completed. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

Any properties within the CFD not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites), in addition to those lots/parcels with completed improvements with an assigned assessed value for both land and improvements, are not a part of this appraisal. We were requested to include the assigned assessed value for both land and improvements for the existing single-family homes (that have assessed improvement values) to provide the total aggregate value of the appraised and assessed properties.

Please note the aggregate value noted above **is not** the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the “total of multiple market value conclusions.” For purposes of this report, market value is estimated by ownership. The estimates of market value account for the impact of the Lien of the Special Taxes securing the Bonds.

The estimates of market value, by ownership, estimated herein specifically assume the appraised properties within the boundaries of the CFD are not marketed concurrently, which would suggest a market under duress.

Exposure Time

Exposure time is the period a property interest would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. In attempting to estimate a reasonable exposure time for the subject property, we looked at both the historical exposure times of a number of sales, as well as current and past economic conditions. Based on a survey of market participants, a transfer of residential land in the region typically occurs within 12 months of exposure. It is estimated the exposure time for the subject property, if appropriately priced, would have been within 12 months of initial exposure.

Marketing Period

Marketing time is an estimate of the time to sell a property interest in real estate at the estimated market value during the period immediately after the effective date of value. A reasonable marketing time is estimated by comparing the recent exposure time of similar properties, and then taking into consideration current and future economic conditions and how they may impact marketing of the subject property.

The marketing time for the subject property is not anticipated to vary significantly from the exposure time. Thus, the marketing time is estimated at 12 months or less.

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 appraisal services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Kevin Ziegenmeyer, MAI, Eric Segal, MAI and Kari Tatton have all made a personal inspection of the property that is the subject of this report.
12. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
13. As of the date of this report, Kevin Ziegenmeyer, MAI and Eric Segal, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.



Kevin K. Ziegenmeyer, MAI
Certified General Real Estate Appraiser
California Certificate # AG013567
Telephone: 916-435-3883, ext. 229
Email: ktatton@irr.com



Eric Segal, MAI
Certified General Real Estate Appraiser
California Certificate # AG026558
Telephone: 916-435-3883, ext. 228
Email: esegal@irr.com



Kari Tatton
Certified General Real Estate Appraiser
California Certificate # 3002218
Telephone: 916-435-3883, ext. 229
Email: ktatton@irr.com

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical

- characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates, other participating financial institutions, government or non-government agencies, legal counsel or other transaction participants. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Sacramento, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. Integra Realty Resources – Sacramento is not a building or environmental inspector. Integra Sacramento does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
 25. Integra Realty Resources – Sacramento, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit (and/or their affiliates or subsidiaries, other participating financial institutions, government or non-government agencies, legal counsel or other transaction participants) unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties.

Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

Addendum A

Appraiser Qualifications

Kevin Ziegenmeyer, MAI

Experience

Mr. Ziegenmeyer is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, residential income and subdivisions throughout the Central Valley area of California, Northern Nevada, and within the Sacramento Metropolitan Area. Over the past several years, Mr. Ziegenmeyer has handled many of the firm's master-planned property appraisals and has developed expertise in the valuation of Community Facilities Districts and Assessment Districts. In early 2015, Mr. Ziegenmeyer obtained the Appraisal Institute's MAI designation. Kevin is currently Senior Managing Director of the Integra-San Francisco office and Managing Director of the Integra-Sacramento office.

Licenses

California, Certified General Real Estate Appraiser, AG013567, Expires June 2019

Education

Academic:

Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A, B & C

Basic Valuation Procedures

Real Estate Appraisal Principles

Capitalization Theory and Techniques, Part A

Advanced Income Capitalization

Report Writing and Valuation Analysis

Advanced Applications

IRS Valuation Summit I & II

2008, 2009, 2010 & 2011 Economic Forecast

Business Practices and Ethics

Contemporary Appraisal Issues with Small Business Administration Financing

General Demonstration Appraisal Report Writing Seminar

7-Hour National USPAP Update Course

Valuation of Easements and Other Partial Interests

2009 Summer Conference

Uniform Appraisal Standards for Federal Land Acquisitions

2008 Economic Update

Valuation of Conservation Easements

Subdivision Valuation

2005 Annual Fall Conference

General Comprehensive Exam Module I, II, III & IV

Advanced Income Capitalization

Advanced Sales Comparison & Cost Approaches

2004 Central CA Market Update

Computer-Enhanced Cash Flow Modeling

Forecast 2000, 2001, 2002, 2003 & 2004

Land Valuation Assignments

Integra Realty Resources
San Francisco

San Francisco, CA 95765

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kziegenmeyer@irr.com - 916-435-3883 x224



Kevin Ziegenmeyer, MAI

Education (Cont'd)

Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

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

Kevin K. Ziegenmeyer

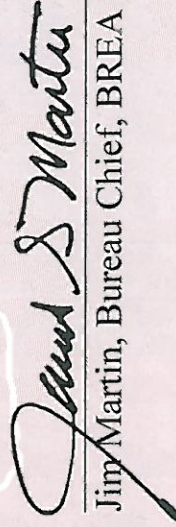
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 013567

Effective Date: June 5, 2017
Date Expires: June 4, 2019


Jim Martin, Bureau Chief, BREB

3034684

Eric Segal, MAI

Experience

Mr. Segal is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1998, Mr. Segal began his career in real estate as a research analyst/appraiser trainee for Richard Seevers and Associates. By 1999, he began writing narrative appraisal reports covering a variety of commercial properties, with an emphasis on residential master planned communities and subdivisions. Today, Mr. Segal is a partner in the firm and is involved in appraisal assignments covering a wide variety of properties including office, retail, industrial, multifamily housing, master planned communities, and specializes in the appraisal of Mello-Roos Community Facilities Districts and Assessment Districts for land-secured municipal financings, as well as multifamily developments under the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (MAP) Guide. He has developed the experience and background necessary to deal with complex assignments covering an array of property types, with a particular focus on urban redevelopment in the cities of San Francisco, Monterey, Alameda and San Mateo. He has developed the experience and background necessary to deal with complex assignments covering an array of property types. Eric is currently Managing Director of the Integra-San Francisco office and Senior Managing Director of the Integra-Sacramento office.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute, January 2016

Licenses

California, Certified General, AG026558, Expires February 2019

Nevada, Certified General, A.0207666-CG, Expires January 2019

Education

Academic:

Bachelor of Science in Business Administration (Concentrations in Finance and Real Estate & Land Use Affairs), California State University, Sacramento

Appraisal and Real Estate Courses:

Uniform Standards of Professional Appraisal Practice

Appraisal Principles

Basic Income Capitalization

Highest & Best Use and Market Analysis

Advanced Income Capitalization

Report Writing and Valuation Analysis

Self-Storage Economics and Appraisal Seminar

Appraisal Litigation Practice and Courtroom Management

Hotel Valuations: New Techniques for today's Uncertain Times

Computer Enhanced Cash Flow Modeling

Advanced Sales Comparison & Cost Approaches

Advanced Applications

Supervisor-Trainee Course for California

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BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Eric A. Segal

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 026558

Effective Date: February 19, 2017
Date Expires: February 18, 2019


Jim Martin, Bureau Chief, BREA

Kari Tatton

Experience

Ms. Tatton is a Certified General real estate appraiser. After completing her bachelor's degree at California State University, Sacramento, Ms. Tatton began her career in real estate in March 2011, and has been writing narrative appraisal reports for a variety of properties. Today, she is involved in appraisal assignments covering office, retail, industrial, multifamily housing, land and mixed-use properties; as well as special-purpose properties including self-storage facilities, religious facilities, schools and auto dealerships. Ms. Tatton has developed the experience and background necessary to deal with complex assignments covering an array of property types, including subdivisions, as well as Mello-Roos and Assessment Districts.

Licenses

California, Certified General Real Estate, 3002218, Expires June 2018

Education

Academic:

Bachelor of Arts in Interior Design (Concentration in Interior Architecture)
California State University, Sacramento

Appraisal and Real Estate Courses:

Basic Appraisal Principles
Basic Appraisal Procedures
Site Valuation & Cost Approach
General Market Analysis & Highest and Best Use
Sales Comparison Approach
Income Capitalization Approach Part I
Income Capitalization Approach Part II
General Appraiser Report Writing and Case Studies

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REAL ESTATE APPRAISER LICENSE

Kari M. Tatton

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3002218

Effective Date: June 2, 2018
Date Expires: June 1, 2020


Jim Martin, Bureau Chief, BREA

3040303

Addendum B

Value by Assessor's Parcel

Market Value by Parcel - Vacant (Finished) Lots

Assessor's Parcel No.	Lot No.	Owner Name	Subdivision	Address	Inspection Status	Appraised Value
402-010-027-000	27	Woodside 05N, LP	Solis	100 PICTOR LN	Vacant lot	\$119,000
402-020-032-000	55	D.R. Horton CA2, Inc.	Wexford	2000 DAYBREAK ST	Vacant lot	\$129,000
402-020-033-000	56	D.R. Horton CA2, Inc.	Wexford	2001 DAYBREAK ST	Vacant lot	\$129,000
402-020-034-000	57	D.R. Horton CA2, Inc.	Wexford	2009 DAYBREAK ST	Vacant lot	\$129,000
402-020-035-000	58	D.R. Horton CA2, Inc.	Wexford	2017 DAYBREAK ST	Vacant lot	\$129,000
402-020-036-000	59	D.R. Horton CA2, Inc.	Wexford	2025 DAYBREAK ST	Vacant lot	\$129,000
402-020-037-000	60	D.R. Horton CA2, Inc.	Wexford	2033 DAYBREAK ST	Vacant lot	\$129,000
402-020-043-000	66	D.R. Horton CA2, Inc.	Wexford	608 ECLIPSE CT	Vacant lot	\$129,000
402-030-001-000	1	D.R. Horton CA2, Inc.	Wexford	3344 RADIANT WY	Vacant lot	\$129,000
402-030-004-000	4	D.R. Horton CA2, Inc.	Wexford	3320 RADIANT WY	Vacant lot	\$129,000
402-030-005-000	5	D.R. Horton CA2, Inc.	Wexford	3312 RADIANT WY	Vacant lot	\$129,000
402-030-006-000	6	D.R. Horton CA2, Inc.	Wexford	3304 RADIANT WY	Vacant lot	\$129,000
402-030-007-000	7	D.R. Horton CA2, Inc.	Wexford	3296 RADIANT WY	Vacant lot	\$129,000
402-030-008-000	8	D.R. Horton CA2, Inc.	Wexford	3288 RADIANT WY	Vacant lot	\$129,000
402-030-009-000	9	D.R. Horton CA2, Inc.	Wexford	3280 RADIANT WY	Vacant lot	\$129,000
402-030-010-000	10	D.R. Horton CA2, Inc.	Wexford	3272 RADIANT WY	Vacant lot	\$129,000
402-030-011-000	11	D.R. Horton CA2, Inc.	Wexford	3264 RADIANT WY	Vacant lot	\$129,000
402-030-012-000	12	D.R. Horton CA2, Inc.	Wexford	3256 RADIANT WY	Vacant lot	\$129,000
402-030-013-000	13	D.R. Horton CA2, Inc.	Wexford	3248 RADIANT WY	Vacant lot	\$129,000
402-030-014-000	14	D.R. Horton CA2, Inc.	Wexford	3240 RADIANT WY	Vacant lot	\$129,000
402-030-015-000	15	D.R. Horton CA2, Inc.	Wexford	3232 RADIANT WY	Vacant lot	\$129,000
402-030-016-000	16	D.R. Horton CA2, Inc.	Wexford	3224 RADIANT WY	Vacant lot	\$129,000
402-030-017-000	17	D.R. Horton CA2, Inc.	Wexford	3216 RADIANT WY	Vacant lot	\$129,000
402-030-018-000	18	D.R. Horton CA2, Inc.	Wexford	3208 RADIANT WY	Vacant lot	\$129,000
402-030-019-000	19	D.R. Horton CA2, Inc.	Wexford	3200 RADIANT WY	Vacant lot	\$129,000
402-030-020-000	20	D.R. Horton CA2, Inc.	Wexford	3184 RADIANT WY	Vacant lot	\$129,000
402-030-021-000	21	D.R. Horton CA2, Inc.	Wexford	3176 RADIANT WY	Vacant lot	\$129,000
402-030-022-000	22	D.R. Horton CA2, Inc.	Wexford	3168 RADIANT WY	Vacant lot	\$129,000
402-030-031-000	88	D.R. Horton CA2, Inc.	Wexford	3177 RADIANT WY	Vacant lot	\$129,000
402-030-032-000	89	D.R. Horton CA2, Inc.	Wexford	3185 RADIANT WY	Vacant lot	\$129,000
402-030-033-000	90	D.R. Horton CA2, Inc.	Wexford	3193 RADIANT WY	Vacant lot	\$129,000
402-030-034-000	91	D.R. Horton CA2, Inc.	Wexford	3201 RADIANT WY	Vacant lot	\$129,000
402-030-035-000	92	D.R. Horton CA2, Inc.	Wexford	3209 RADIANT WY	Vacant lot	\$129,000
402-030-036-000	93	D.R. Horton CA2, Inc.	Wexford	3217 RADIANT WY	Vacant lot	\$129,000
402-030-037-000	94	D.R. Horton CA2, Inc.	Wexford	3225 RADIANT WY	Vacant lot	\$129,000
402-030-038-000	95	D.R. Horton CA2, Inc.	Wexford	3265 RADIANT WY	Vacant lot	\$129,000
402-030-039-000	96	D.R. Horton CA2, Inc.	Wexford	3273 RADIANT WY	Vacant lot	\$129,000
402-030-040-000	97	D.R. Horton CA2, Inc.	Wexford	3281 RADIANT WY	Vacant lot	\$129,000
402-030-041-000	98	D.R. Horton CA2, Inc.	Wexford	401 BRIGHT CT	Vacant lot	\$129,000
402-030-042-000	99	D.R. Horton CA2, Inc.	Wexford	409 BRIGHT CT	Vacant lot	\$129,000
402-030-043-000	100	D.R. Horton CA2, Inc.	Wexford	417 BRIGHT CT	Vacant lot	\$129,000
402-030-044-000	101	D.R. Horton CA2, Inc.	Wexford	416 BRIGHT CT	Vacant lot	\$129,000
402-030-045-000	102	D.R. Horton CA2, Inc.	Wexford	408 BRIGHT CT	Vacant lot	\$129,000
402-030-046-000	103	D.R. Horton CA2, Inc.	Wexford	400 BRIGHT CT	Vacant lot	\$129,000
402-041-015-000	15	D.R. Horton CA2, Inc.	Manchester	4089 SOLAIRE DR	Vacant lot	\$125,750
402-041-018-000	18	D.R. Horton CA2, Inc.	Manchester	4065 SOLAIRE DR	Vacant lot	\$125,750
496-210-002-000	57	Woodside 05N, LP	Bromley		Vacant lot	\$144,000
496-210-003-000	58	Woodside 05N, LP	Bromley	5025 SOUTHBURY DR	Vacant lot	\$144,000
496-210-006-000	61	Woodside 05N, LP	Bromley		Vacant lot	\$144,000
496-210-009-000	64	Woodside 05N, LP	Hillingdon	7009 GREENFORD WY	Vacant lot	\$136,500
496-210-010-000	65	Woodside 05N, LP	Hillingdon	7017 GREENFORD WY	Vacant lot	\$136,500
496-210-011-000	66	Woodside 05N, LP	Hillingdon	7025 GREENFORD WY	Vacant lot	\$136,500
496-210-040-000	95	Woodside 05N, LP	Hillingdon	7032 GREENFORD WY	Vacant lot	\$136,500
496-210-041-000	96	Woodside 05N, LP	Hillingdon	7024 GREENFORD WY	Vacant lot	\$136,500
496-220-003-000	4	Woodside 05N, LP	Bromley	6160 PARKMINSTER WY	Vacant lot	\$144,000
496-220-004-000	5	Woodside 05N, LP	Bromley	6152 PARKMINSTER WY	Vacant lot	\$144,000
496-220-005-000	6	Woodside 05N, LP	Bromley	6144 PARKMINSTER WY	Vacant lot	\$144,000
496-220-006-000	7	Woodside 05N, LP	Bromley	6136 PARKMINSTER WY	Vacant lot	\$144,000
496-220-026-000	27	Woodside 05N, LP	Bromley		Vacant lot	\$144,000
496-220-027-000	28	Woodside 05N, LP	Bromley	309 BEXLEY CT	Vacant lot	\$144,000
496-220-028-000	29	Woodside 05N, LP	Bromley	317 BEXLEY CT	Vacant lot	\$144,000
496-220-029-000	30	Woodside 05N, LP	Bromley	316 BEXLEY CT	Vacant lot	\$144,000
496-220-030-000	31	Woodside 05N, LP	Bromley	308 BEXLEY CT	Vacant lot	\$144,000
496-220-038-000	39	Woodside 05N, LP	Bromley	6137 PARKMINSTER WY	Vacant lot	\$144,000
496-220-039-000	40	Woodside 05N, LP	Bromley	6145 PARKMINSTER WY	Vacant lot	\$144,000
496-220-040-000	41	Woodside 05N, LP	Bromley		Vacant lot	\$144,000
496-220-041-000	42	Woodside 05N, LP	Bromley	4080 WATERHOUSE WY	Vacant lot	\$144,000
496-220-053-000	54	Woodside 05N, LP	Bromley	4073 WATERHOUSE WY	Vacant lot	\$144,000
496-220-054-000	55	Woodside 05N, LP	Bromley	4081 WATERHOUSE WY	Vacant lot	\$144,000
496-220-055-000	56	Woodside 05N, LP	Bromley		Vacant lot	\$144,000
496-310-001-000	201	Woodside 05N, LP	Bromley	5049 SOUTHBURY DR	Vacant lot	\$144,000

Maket Value by Parcel - Homes Under Construction

Assessor's Parcel No.	Lot No.	Owner Name	Subdivision	Address	Inspection Status	Appraised Value
402-010-034-000	34	Woodside 05N, LP	Solis	9249 HOURGLASS CI	90%	\$119,000
402-010-035-000	35	Woodside 05N, LP	Solis	9241 HOURGLASS CI	90%	\$119,000
402-020-047-000	70	D.R. Horton CA2, Inc.	Wexford	3081 RADIANT WY	75%	\$129,000
402-020-048-000	71	D.R. Horton CA2, Inc.	Wexford	3089 RADIANT WY	70%	\$129,000
402-020-049-000	72	D.R. Horton CA2, Inc.	Wexford	3097 RADIANT WY	70%	\$129,000
402-020-053-000	76	D.R. Horton CA2, Inc.	Wexford	201 MOON CT	30%	\$129,000
402-020-054-000	77	D.R. Horton CA2, Inc.	Wexford	209 MOON CT	30%	\$129,000
402-020-055-000	78	D.R. Horton CA2, Inc.	Wexford	216 MOON CT	30%	\$129,000
402-020-056-000	79	D.R. Horton CA2, Inc.	Wexford	208 MOON CT	30%	\$129,000
402-020-057-000	80	D.R. Horton CA2, Inc.	Wexford	200 MOON CT	30%	\$129,000
402-030-023-000	23	D.R. Horton CA2, Inc.	Wexford	3160 RADIANT WY	5%	\$129,000
402-030-024-000	81	D.R. Horton CA2, Inc.	Wexford	1017 SOLSTICE ST	30%	\$129,000
402-030-025-000	82	D.R. Horton CA2, Inc.	Wexford	1025 SOLSTICE ST	30%	\$129,000
402-030-026-000	83	D.R. Horton CA2, Inc.	Wexford	1033 SOLSTICE ST	30%	\$129,000
402-030-027-000	84	D.R. Horton CA2, Inc.	Wexford	1041 SOLSTICE ST	30%	\$129,000
402-030-028-000	85	D.R. Horton CA2, Inc.	Wexford	1049 SOLSTICE ST	30%	\$129,000
402-030-029-000	86	D.R. Horton CA2, Inc.	Wexford	1057 SOLSTICE ST	30%	\$129,000
402-030-030-000	87	D.R. Horton CA2, Inc.	Wexford	1065 SOLSTICE ST	30%	\$129,000
402-041-001-000	1	D.R. Horton CA2, Inc.	Manchester	400 DRACO LN	80%	\$125,750
402-041-002-000	2	D.R. Horton CA2, Inc.	Manchester	408 DRACO LN	80%	\$125,750
402-041-003-000	3	D.R. Horton CA2, Inc.	Manchester	417 DRACO LN	80%	\$125,750
402-041-004-000	4	D.R. Horton CA2, Inc.	Manchester	409 DRACO LN	80%	\$125,750
402-041-005-000	5	D.R. Horton CA2, Inc.	Manchester	401 DRACO LN	80%	\$125,750
402-041-006-000	6	D.R. Horton CA2, Inc.	Manchester	7000 CORVUS CI	80%	\$125,750
402-041-007-000	7	D.R. Horton CA2, Inc.	Manchester	7008 CORVUS CI	95%	\$125,750
402-041-008-000	8	D.R. Horton CA2, Inc.	Manchester	7016 CORVUS CI	95%	\$125,750
402-041-009-000	9	D.R. Horton CA2, Inc.	Manchester	7024 CORVUS CI	95%	\$125,750
402-041-010-000	10	D.R. Horton CA2, Inc.	Manchester	7032 CORVUS CI	95%	\$125,750
402-041-011-000	11	D.R. Horton CA2, Inc.	Manchester	7040 CORVUS CI	10%	\$125,750
402-041-012-000	12	D.R. Horton CA2, Inc.	Manchester	7048 CORVUS CI	10%	\$125,750
402-041-013-000	13	D.R. Horton CA2, Inc.	Manchester	7056 CORVUS CI	10%	\$125,750
402-041-014-000	14	D.R. Horton CA2, Inc.	Manchester	7064 CORVUS CI	10%	\$125,750
402-041-019-000	19	D.R. Horton CA2, Inc.	Manchester	4057 SOLAIRE DR	25%	\$125,750
402-041-020-000	20	D.R. Horton CA2, Inc.	Manchester	4049 SOLAIRE DR	25%	\$125,750
402-041-021-000	21	D.R. Horton CA2, Inc.	Manchester	4041 SOLAIRE DR	25%	\$125,750
402-041-022-000	22	D.R. Horton CA2, Inc.	Manchester	4033 SOLAIRE DR	25%	\$125,750
402-041-023-000	23	D.R. Horton CA2, Inc.	Manchester	4025 SOLAIRE DR	25%	\$125,750
402-041-024-000	24	D.R. Horton CA2, Inc.	Manchester	4017 SOLAIRE DR	25%	\$125,750
402-041-025-000	25	D.R. Horton CA2, Inc.	Manchester	4009 SOLAIRE DR	25%	\$125,750
402-041-026-000	26	D.R. Horton CA2, Inc.	Manchester	4001 SOLAIRE DR	25%	\$125,750
402-042-017-000	43	D.R. Horton CA2, Inc.	Manchester	7001 CORVUS CI	80%	\$125,750
402-042-018-000	44	D.R. Horton CA2, Inc.	Manchester	7009 CORVUS CI	95%	\$125,750
402-043-001-000	59	D.R. Horton CA2, Inc.	Manchester	4113 SOLAIRE DR	30%	\$125,750
402-043-002-000	60	D.R. Horton CA2, Inc.	Manchester	4105 SOLAIRE DR	30%	\$125,750
402-043-003-000	61	D.R. Horton CA2, Inc.	Manchester	4097 SOLAIRE DR	30%	\$125,750
402-043-004-000	62	D.R. Horton CA2, Inc.	Manchester	7080 CORVUS CI	95%	\$125,750
402-043-005-000	63	D.R. Horton CA2, Inc.	Manchester	7088 CORVUS CI	95%	\$125,750
402-043-006-000	64	D.R. Horton CA2, Inc.	Manchester	7096 CORVUS CI	95%	\$125,750
496-210-004-000	59	Woodside 05N, LP	Bromley	5033 SOUTHBURY DR	10%	\$144,000
496-210-005-000	60	Woodside 05N, LP	Bromley	5041 SOUTHBURY DR	10%	\$144,000
496-210-007-000	62	Woodside 05N, LP	Bromley	5024 SOUTHBURY DR	10%	\$144,000
496-210-008-000	63	Woodside 05N, LP	Bromley		10%	\$144,000
496-210-012-000	67	Woodside 05N, LP	Hillingdon	7033 GREENFORD WY	30%	\$136,500
496-210-013-000	68	Woodside 05N, LP	Hillingdon	7041 GREENFORD WY	30%	\$136,500
496-210-039-000	94	Woodside 05N, LP	Hillingdon	7040 GREENFORD WY	30%	\$136,500
496-310-002-000	202	Woodside 05N, LP	Bromley	5057 SOUTHBURY DR	25%	\$144,000
496-310-003-000	203	Woodside 05N, LP	Bromley	5065 SOUTHBURY DR	25%	\$144,000
496-310-004-000	204	Woodside 05N, LP	Bromley	5073 SOUTHBURY DR	25%	\$144,000
496-310-005-000	205	Woodside 05N, LP	Bromley	5081 SOUTHBURY DR	25%	\$144,000
496-310-006-000	206	Woodside 05N, LP	Bromley	5089 SOUTHBURY DR	25%	\$144,000
496-310-007-000	207	Woodside 05N, LP	Bromley		25%	\$144,000
496-310-008-000	208	Woodside 05N, LP	Bromley	5113 SOUTHBURY DR	25%	\$144,000
496-310-009-000	209	Woodside 05N, LP	Bromley	5121 SOUTHBURY DR	25%	\$144,000
496-310-010-000	210	Woodside 05N, LP	Bromley		25%	\$144,000
496-310-013-000	213	Woodside 05N, LP	Bromley	5128 SOUTHBURY DR	25%	\$144,000
496-310-014-000	214	Woodside 05N, LP	Bromley	5120 SOUTHBURY DR	25%	\$144,000
496-310-015-000	215	Woodside 05N, LP	Bromley	5112 SOUTHBURY DR	25%	\$144,000

Market Value by Parcel - Homes Under Construction

Assessor's Parcel No.	Lot No.	Owner Name	Subdivision	Address	Inspection Status	Appraised Value
496-310-016-000	216	Woodside 05N, LP	Bromley	5104 SOUTHBURY DR	25%	\$144,000
496-310-017-000	217	Woodside 05N, LP	Bromley	5096 SOUTHBURY DR	25%	\$144,000
496-310-018-000	218	Woodside 05N, LP	Bromley	5088 SOUTHBURY DR	25%	\$144,000
496-310-019-000	219	Woodside 05N, LP	Bromley	5080 SOUTHBURY DR	25%	\$144,000
496-310-020-000	220	Woodside 05N, LP	Bromley	5072 SOUTHBURY DR	25%	\$144,000
496-310-021-000	221	Woodside 05N, LP	Bromley	5064 SOUTHBURY DR	25%	\$144,000
496-310-022-000	222	Woodside 05N, LP	Bromley	5056 SOUTHBURY DR	10%	\$144,000
496-310-023-000	223	Woodside 05N, LP	Bromley	5048 SOUTHBURY DR	25%	\$144,000
496-310-045-000	245	Woodside 05N, LP	Hillingdon	7161 GREENFORD WY	30%	\$136,500
496-310-046-000	246	Woodside 05N, LP	Hillingdon	7169 GREENFORD WY	30%	\$136,500
496-310-047-000	247	Woodside 05N, LP	Hillingdon	7185 GREENFORD WY	90%	\$136,500
496-310-052-000	252	Woodside 05N, LP	Hillingdon	7200 GREENFORD WY	95%	\$136,500
496-310-053-000	253	Woodside 05N, LP	Hillingdon	7192 GREENFORD WY	95%	\$136,500
496-310-056-000	256	Woodside 05N, LP	Hillingdon	7168 GREENFORD WY	80%	\$136,500
496-310-057-000	257	Woodside 05N, LP	Hillingdon	7160 GREENFORD WY	80%	\$136,500
496-310-058-000	258	Woodside 05N, LP	Hillingdon	7152 GREENFORD WY	80%	\$136,500

Market Value by Parcel - Completed (Unsold) Homes

Assessor's Parcel No.	Lot No.	Owner Name	Subdivision	Address	Inspection Status	Appraised Value	Assessed Value
402-010-028-000	28	Woodside 05N, LP	Solis	108 PICTOR LN	Model	\$412,000	
402-010-029-000	29	Woodside 05N, LP	Solis	109 PICTOR LN	Model	\$412,000	
402-010-030-000	30	Woodside 05N, LP	Solis	101 PICTOR LN	Model	\$412,000	
402-020-001-000	24	D.R. Horton CA2, Inc.	Wexford	3152 RADIANT WY	Complete	\$445,000	
402-020-002-000	25	D.R. Horton CA2, Inc.	Wexford	3144 RADIANT WY	Complete	\$445,000	
402-020-003-000	26	D.R. Horton CA2, Inc.	Wexford	3136 RADIANT WY	Complete	\$445,000	
402-020-004-000	27	D.R. Horton CA2, Inc.	Wexford	3128 RADIANT WY	Complete	\$445,000	
402-020-005-000	28	D.R. Horton CA2, Inc.	Wexford	3120 RADIANT WY	Complete	\$445,000	
402-020-044-000	67	D.R. Horton CA2, Inc.	Wexford	600 ECLIPSE CT	Complete	\$445,000	
402-020-046-000	69	D.R. Horton CA2, Inc.	Wexford	3073 RADIANT WY	Complete	\$445,000	
402-020-050-000	73	D.R. Horton CA2, Inc.	Wexford	3129 RADIANT WY	Complete	\$445,000	
402-020-051-000	74	D.R. Horton CA2, Inc.	Wexford	3137 RADIANT WY	Complete	\$445,000	
402-020-052-000	75	D.R. Horton CA2, Inc.	Wexford	3145 RADIANT WY	Complete	\$445,000	
402-030-002-000	2	D.R. Horton CA2, Inc.	Wexford	3336 RADIANT WY	Model	\$445,000	
402-030-003-000	3	D.R. Horton CA2, Inc.	Wexford	3328 RADIANT WY	Model	\$445,000	
402-041-016-000	16	D.R. Horton CA2, Inc.	Manchester	4081 SOLAIRE DR	Model	\$440,000	
402-041-017-000	17	D.R. Horton CA2, Inc.	Manchester	4073 SOLAIRE DR	Model	\$440,000	
402-042-019-000	45	D.R. Horton CA2, Inc.	Manchester	7017 CORVUS CI	Complete	\$440,000	
402-042-023-000	49	D.R. Horton CA2, Inc.	Manchester	7049 CORVUS CI	Complete	\$440,000	
402-043-015-000	73	D.R. Horton CA2, Inc.	Manchester	7128 CORVUS CI	Complete	\$440,000	
496-210-001-000	1	Woodside 05N, LP	Bromley	6184 PARKMINSTER WY #1	Model		\$457,113
496-210-042-000	97	Woodside 05N, LP	Hillingdon	7016 GREENFORD WY	Model		\$350,390
496-210-043-000	98	Woodside 05N, LP	Hillingdon	7008 GREENFORD WY	Model		\$389,150
496-210-044-000	99	Woodside 05N, LP	Hillingdon	7000 GREENFORD WY	Model		\$435,764
496-220-001-000	2	Woodside 05N, LP	Bromley	6176 PARKMINSTER WY	Model		\$382,143
496-220-002-000	3	Woodside 05N, LP	Bromley	6168 PARKMINSTER WY	Model		\$420,495
496-220-052-000	53	Woodside 05N, LP	Bromley	4065 WATERHOUSE WY	Complete	\$495,000	
496-310-037-000	237	Woodside 05N, LP	Hillingdon	8041 NORBURY PARK DR	Complete	\$440,000	
496-310-038-000	238	Woodside 05N, LP	Hillingdon	8049 NORBURY PARK DR	Complete	\$440,000	
496-310-055-000	255	Woodside 05N, LP	Hillingdon	7176 GREENFORD WY	Complete	\$440,000	

Market Value by Parcel - Completed (Sold) Homes

Assessor's Parcel No.	Lot No.	Owner Name	Subdivision	Address	Status	Appraised Value	Assessed Value
402-010-001-000	1	Woodside 05N, LP	Solis	9016 HOURGLASS CI	Sold	\$412,000	
402-010-002-000	2	Woodside 05N, LP	Solis	9024 HOURGLASS CI	Sold	\$412,000	
402-010-003-000	3	Woodside 05N, LP	Solis	9032 HOURGLASS CI	Sold	\$412,000	
402-010-004-000	4	Woodside 05N, LP	Solis	9040 HOURGLASS CI	Sold	\$412,000	
402-010-005-000	5	Woodside 05N, LP	Solis	9048 HOURGLASS CI	Sold	\$412,000	
402-010-006-000	6	Woodside 05N, LP	Solis	9056 HOURGLASS CI	Sold	\$412,000	
402-010-007-000	7	Woodside 05N, LP	Solis	9064 HOURGLASS CI	Sold	\$412,000	
402-010-008-000	8	Woodside 05N, LP	Solis	9080 HOURGLASS CI	Sold	\$412,000	
402-010-009-000	9	Woodside 05N, LP	Solis	9088 HOURGLASS CI	Sold	\$412,000	
402-010-010-000	10	Woodside 05N, LP	Solis	9096 HOURGLASS CI	Sold	\$412,000	
402-010-011-000	11	Woodside 05N, LP	Solis	9104 HOURGLASS CI	Sold	\$412,000	
402-010-012-000	12	Woodside 05N, LP	Solis	9112 HOURGLASS CI	Sold	\$412,000	
402-010-013-000	13	Woodside 05N, LP	Solis	9120 HOURGLASS CI	Sold	\$412,000	
402-010-014-000	14	Woodside 05N, LP	Solis	9128 HOURGLASS CI	Sold	\$412,000	
402-010-015-000	15	Woodside 05N, LP	Solis	9136 HOURGLASS CI	Sold	\$412,000	
402-010-016-000	16	Woodside 05N, LP	Solis	9144 HOURGLASS CI	Sold	\$412,000	
402-010-017-000	17	Woodside 05N, LP	Solis	9152 HOURGLASS CI	Sold	\$412,000	
402-010-018-000	18	Woodside 05N, LP	Solis	9160 HOURGLASS CI	Sold	\$412,000	
402-010-019-000	19	Woodside 05N, LP	Solis	9168 HOURGLASS CI	Sold	\$412,000	
402-010-020-000	20	Woodside 05N, LP	Solis	9176 HOURGLASS CI	Sold	\$412,000	
402-010-021-000	21	Woodside 05N, LP	Solis	9184 HOURGLASS CI	Sold	\$412,000	
402-010-022-000	22	Woodside 05N, LP	Solis	9192 HOURGLASS CI	Sold	\$412,000	
402-010-023-000	23	Woodside 05N, LP	Solis	200 INDUS LN	Sold	\$412,000	
402-010-024-000	24	Woodside 05N, LP	Solis	208 INDUS LN	Sold	\$412,000	
402-010-025-000	25	Woodside 05N, LP	Solis	209 INDUS LN	Sold	\$412,000	
402-010-026-000	26	Woodside 05N, LP	Solis	201 INDUS LN	Sold	\$412,000	
402-010-031-000	31	Woodside 05N, LP	Solis	9017 HOURGLASS CI	Sold	\$412,000	
402-010-032-000	32	Woodside 05N, LP	Solis	9009 HOURGLASS CI	Sold	\$412,000	
402-010-033-000	33	Woodside 05N, LP	Solis	9001 HOURGLASS CI	Sold	\$412,000	
402-010-036-000	36	Woodside 05N, LP	Solis	9233 HOURGLASS CI	Sold	\$412,000	
402-010-037-000	37	Woodside 05N, LP	Solis	9225 HOURGLASS CI	Sold	\$412,000	
402-010-038-000	38	Woodside 05N, LP	Solis	9217 HOURGLASS CI	Sold	\$412,000	
402-010-039-000	39	Woodside 05N, LP	Solis	9209 HOURGLASS CI	Sold	\$412,000	
402-010-040-000	40	Woodside 05N, LP	Solis	9201 HOURGLASS CI	Sold	\$412,000	
402-010-041-000	41	Woodside 05N, LP	Solis	9193 HOURGLASS CI	Sold	\$412,000	
402-010-042-000	42	Woodside 05N, LP	Solis	9185 HOURGLASS CI	Sold	\$412,000	
402-010-043-000	43	Woodside 05N, LP	Solis	9177 HOURGLASS CI	Sold	\$412,000	
402-010-044-000	44	Woodside 05N, LP	Solis	9113 HOURGLASS CI	Sold	\$412,000	
402-010-045-000	45	Woodside 05N, LP	Solis	9105 HOURGLASS CI	Sold	\$412,000	
402-010-046-000	46	Woodside 05N, LP	Solis	9097 HOURGLASS CI	Sold	\$412,000	
402-010-047-000	47	Woodside 05N, LP	Solis	9089 HOURGLASS CI	Sold	\$412,000	
402-010-048-000	48	Woodside 05N, LP	Solis	9081 HOURGLASS CI	Sold	\$412,000	
402-010-049-000	49	Woodside 05N, LP	Solis	9073 HOURGLASS CI	Sold	\$412,000	
402-010-050-000	50	Woodside 05N, LP	Solis	9065 HOURGLASS CI	Sold	\$412,000	
402-010-051-000	51	Woodside 05N, LP	Solis	9057 HOURGLASS CI	Sold	\$412,000	
402-010-052-000	52	Woodside 05N, LP	Solis	9049 HOURGLASS CI	Sold	\$412,000	
402-010-053-000	53	Woodside 05N, LP	Solis	9041 HOURGLASS CI	Sold	\$412,000	
402-020-006-000	29	D.R. Horton CA2, Inc.	Wexford	3112 RADIANT WY	Sold	\$445,000	
402-020-007-000	30	D.R. Horton CA2, Inc.	Wexford	3104 RADIANT WY	Sold	\$445,000	
402-020-008-000	31	D.R. Horton CA2, Inc.	Wexford	3096 RADIANT WY	Sold	\$445,000	
402-020-009-000	32	D.R. Horton CA2, Inc.	Wexford	3088 RADIANT WY	Sold	\$445,000	
402-020-010-000	33	D.R. Horton CA2, Inc.	Wexford	3080 RADIANT WY	Sold	\$445,000	
402-020-011-000	34	D.R. Horton CA2, Inc.	Wexford	3064 RADIANT WY	Sold	\$445,000	
402-020-012-000	35	D.R. Horton CA2, Inc.	Wexford	3064 RADIANT WY	Sold	\$445,000	
402-020-013-000	36	D.R. Horton CA2, Inc.	Wexford	3056 RADIANT WY	Sold	\$445,000	
402-020-014-000	37	D.R. Horton CA2, Inc.	Wexford	3048 RADIANT WY	Sold	\$445,000	
402-020-015-000	38	D.R. Horton CA2, Inc.	Wexford	3040 RADIANT WY	Sold	\$445,000	
402-020-016-000	39	D.R. Horton CA2, Inc.	Wexford	3032 RADIANT WY	Sold	\$445,000	
402-020-017-000	40	D.R. Horton CA2, Inc.	Wexford	3024 RADIANT WY	Sold	\$445,000	
402-020-018-000	41	D.R. Horton CA2, Inc.	Wexford	3016 RADIANT WY	Sold	\$445,000	
402-020-019-000	42	D.R. Horton CA2, Inc.	Wexford	3008 RADIANT WY	Sold	\$445,000	
402-020-020-000	43	D.R. Horton CA2, Inc.	Wexford	3000 RADIANT WY	Sold	\$445,000	
402-020-021-000	44	D.R. Horton CA2, Inc.	Wexford	500 SUN STAR CT	Sold	\$445,000	
402-020-022-000	45	D.R. Horton CA2, Inc.	Wexford	509 SUN STAR CT	Sold	\$445,000	
402-020-023-000	46	D.R. Horton CA2, Inc.	Wexford	517 SUN STAR CT	Sold	\$445,000	
402-020-024-000	47	D.R. Horton CA2, Inc.	Wexford	508 SUN STAR CT	Sold	\$445,000	

Market Value by Parcel - Completed (Sold) Homes

Assessor's Parcel No.	Lot No.	Owner Name	Subdivision	Address	Status	Appraised Value	Assessed Value
402-020-025-000	48	D.R. Horton CA2, Inc.	Wexford	500 SUN STAR CT	Sold	\$445,000	
402-020-026-000	49	D.R. Horton CA2, Inc.	Wexford	2048 DAYBREAK ST	Sold	\$445,000	
402-020-027-000	50	D.R. Horton CA2, Inc.	Wexford	2040 DAYBREAK ST	Sold	\$445,000	
402-020-028-000	51	D.R. Horton CA2, Inc.	Wexford	2032 DAYBREAK ST	Sold	\$445,000	
402-020-029-000	52	D.R. Horton CA2, Inc.	Wexford	2024 DAYBREAK ST	Sold	\$445,000	
402-020-030-000	53	D.R. Horton CA2, Inc.	Wexford	2016 DAYBREAK ST	Sold	\$445,000	
402-020-031-000	54	D.R. Horton CA2, Inc.	Wexford	2008 DAYBREAK ST	Sold	\$445,000	
402-020-038-000	61	D.R. Horton CA2, Inc.	Wexford	3001 RADIANT WY	Sold	\$445,000	
402-020-039-000	62	D.R. Horton CA2, Inc.	Wexford	3009 RADIANT WY	Sold	\$445,000	
402-020-040-000	63	D.R. Horton CA2, Inc.	Wexford	601 ECLIPSE CT	Sold	\$445,000	
402-020-041-000	64	D.R. Horton CA2, Inc.	Wexford	609 ECLIPSE CT	Sold	\$445,000	
402-020-042-000	65	D.R. Horton CA2, Inc.	Wexford	616 ECLIPSE CT	Sold	\$445,000	
402-020-045-000	68	D.R. Horton CA2, Inc.	Wexford	3065 RADIANT WY	Sold	\$445,000	
402-042-001-000	27	D.R. Horton CA2, Inc.	Manchester	7177 CORVUS CI	Sold	\$440,000	
402-042-002-000	28	D.R. Horton CA2, Inc.	Manchester	7185 CORVUS CI	Sold	\$440,000	
402-042-003-000	29	D.R. Horton CA2, Inc.	Manchester	7193 CORVUS CI	Sold	\$440,000	
402-042-004-000	30	D.R. Horton CA2, Inc.	Manchester	7201 CORVUS CI	Sold	\$440,000	
402-042-005-000	31	D.R. Horton CA2, Inc.	Manchester	7209 CORVUS CI	Sold	\$440,000	
402-042-006-000	32	D.R. Horton CA2, Inc.	Manchester	7217 CORVUS CI	Sold	\$440,000	
402-042-007-000	33	D.R. Horton CA2, Inc.	Manchester	7225 CORVUS CI	Sold	\$440,000	
402-042-008-000	34	D.R. Horton CA2, Inc.	Manchester	7233 CORVUS CI	Sold	\$440,000	
402-042-009-000	35	D.R. Horton CA2, Inc.	Manchester	7241 CORVUS CI	Sold	\$440,000	
402-042-010-000	36	D.R. Horton CA2, Inc.	Manchester	7249 CORVUS CI	Sold	\$440,000	
402-042-011-000	37	D.R. Horton CA2, Inc.	Manchester	7257 CORVUS CI	Sold	\$440,000	
402-042-012-000	38	D.R. Horton CA2, Inc.	Manchester	7265 CORVUS CI	Sold	\$440,000	
402-042-013-000	39	D.R. Horton CA2, Inc.	Manchester	7273 CORVUS CI	Sold	\$440,000	
402-042-014-000	40	D.R. Horton CA2, Inc.	Manchester	7281 CORVUS CI	Sold	\$440,000	
402-042-015-000	41	D.R. Horton CA2, Inc.	Manchester	7289 CORVUS CI	Sold	\$440,000	
402-042-016-000	42	D.R. Horton CA2, Inc.	Manchester	7297 CORVUS CI	Sold	\$440,000	
402-042-020-000	46	D.R. Horton CA2, Inc.	Manchester	7025 CORVUS CI	Sold	\$440,000	
402-042-021-000	47	D.R. Horton CA2, Inc.	Manchester	7033 CORVUS CI	Sold	\$440,000	
402-042-022-000	48	D.R. Horton CA2, Inc.	Manchester	7041 CORVUS CI	Sold	\$440,000	
402-042-024-000	50	D.R. Horton CA2, Inc.	Manchester	7057 CORVUS CI	Sold	\$440,000	
402-042-025-000	51	D.R. Horton CA2, Inc.	Manchester	7065 CORVUS CI	Sold	\$440,000	
402-042-026-000	52	D.R. Horton CA2, Inc.	Manchester	7073 CORVUS CI	Sold	\$440,000	
402-042-027-000	53	D.R. Horton CA2, Inc.	Manchester	7081 CORVUS CI	Sold	\$440,000	
402-042-028-000	54	D.R. Horton CA2, Inc.	Manchester	7089 CORVUS CI	Sold	\$440,000	
402-042-029-000	55	D.R. Horton CA2, Inc.	Manchester	7097 CORVUS CI	Sold	\$440,000	
402-042-030-000	56	D.R. Horton CA2, Inc.	Manchester	7105 CORVUS CI	Sold	\$440,000	
402-042-031-000	57	D.R. Horton CA2, Inc.	Manchester	7113 CORVUS CI	Sold	\$440,000	
402-042-032-000	58	D.R. Horton CA2, Inc.	Manchester	7121 CORVUS CI	Sold	\$440,000	
402-043-007-000	65	D.R. Horton CA2, Inc.	Manchester	500 GLORY CT	Sold	\$440,000	
402-043-008-000	66	D.R. Horton CA2, Inc.	Manchester	508 GLORY CT	Sold	\$440,000	
402-043-009-000	67	D.R. Horton CA2, Inc.	Manchester	516 GLORY CT	Sold	\$440,000	
402-043-010-000	68	D.R. Horton CA2, Inc.	Manchester	525 GLORY CT	Sold	\$440,000	
402-043-011-000	69	D.R. Horton CA2, Inc.	Manchester	517 GLORY CT	Sold	\$440,000	
402-043-012-000	70	D.R. Horton CA2, Inc.	Manchester	509 GLORY CT	Sold	\$440,000	
402-043-013-000	71	D.R. Horton CA2, Inc.	Manchester	501 GLORY CT	Sold	\$440,000	
402-043-014-000	72	D.R. Horton CA2, Inc.	Manchester	7120 CORVUS CI	Sold	\$440,000	
402-043-016-000	74	D.R. Horton CA2, Inc.	Manchester	7136 CORVUS CI	Sold	\$440,000	
402-043-017-000	75	D.R. Horton CA2, Inc.	Manchester	7144 CORVUS CI	Sold	\$440,000	
402-043-018-000	76	D.R. Horton CA2, Inc.	Manchester	7152 CORVUS CI	Sold	\$440,000	
402-043-019-000	77	D.R. Horton CA2, Inc.	Manchester	7160 CORVUS CI	Sold	\$440,000	
402-043-020-000	78	D.R. Horton CA2, Inc.	Manchester	7168 CORVUS CI	Sold	\$440,000	
402-043-021-000	79	D.R. Horton CA2, Inc.	Manchester	7176 CORVUS CI	Sold	\$440,000	
402-043-022-000	80	D.R. Horton CA2, Inc.	Manchester	7184 CORVUS CI	Sold	\$440,000	
402-043-023-000	81	D.R. Horton CA2, Inc.	Manchester	7192 CORVUS CI	Sold	\$440,000	
402-043-024-000	82	D.R. Horton CA2, Inc.	Manchester	7200 CORVUS CI	Sold	\$440,000	
402-043-025-000	83	D.R. Horton CA2, Inc.	Manchester	7208 CORVUS CI	Sold	\$440,000	
402-043-026-000	84	D.R. Horton CA2, Inc.	Manchester	7216 CORVUS CI	Sold	\$440,000	
402-043-027-000	85	D.R. Horton CA2, Inc.	Manchester	7224 CORVUS CI	Sold	\$440,000	
402-043-028-000	86	D.R. Horton CA2, Inc.	Manchester	7232 CORVUS CI	Sold	\$440,000	
402-043-029-000	87	D.R. Horton CA2, Inc.	Manchester	7240 CORVUS CI	Sold	\$440,000	
402-043-030-000	88	D.R. Horton CA2, Inc.	Manchester	7248 CORVUS CI	Sold	\$440,000	
402-043-031-000	89	D.R. Horton CA2, Inc.	Manchester	7256 CORVUS CI	Sold	\$440,000	
402-043-032-000	90	D.R. Horton CA2, Inc.	Manchester	7264 CORVUS CI	Sold	\$440,000	
402-043-033-000	91	D.R. Horton CA2, Inc.	Manchester	7272 CORVUS CI	Sold	\$440,000	
402-043-034-000	92	D.R. Horton CA2, Inc.	Manchester	7280 CORVUS CI	Sold	\$440,000	
402-043-035-000	93	D.R. Horton CA2, Inc.	Manchester	7288 CORVUS CI	Sold	\$440,000	
402-043-036-000	94	D.R. Horton CA2, Inc.	Manchester	7296 CORVUS CI	Sold	\$440,000	

Market Value by Parcel - Completed (Sold) Homes

Assessor's Parcel No.	Lot No.	Owner Name	Subdivision	Address	Status	Appraised Value	Assessed Value
402-043-037-000	95	D.R. Horton CA2, Inc.	Manchester	7304 CORVUS CI	Sold	\$440,000	
402-043-038-000	96	D.R. Horton CA2, Inc.	Manchester	300 DORADO LN	Sold	\$440,000	
402-043-039-000	97	D.R. Horton CA2, Inc.	Manchester	308 DORADO LN	Sold	\$440,000	
402-043-040-000	98	D.R. Horton CA2, Inc.	Manchester	316 DORADO LN	Sold	\$440,000	
402-043-041-000	99	Capina Teresa	Manchester	309 DORADO LN	Sold	\$440,000	
402-043-042-000	100	Ramirez George & Ramirez Lilia	Manchester	DORADO LN	Sold	\$440,000	
496-210-014-000	69	Herriott Stephanie Jill	Hillingdon	7089 GREENFORD WY	Sold		\$459,397
496-210-015-000	70	Cavero Sara & Alprecht Mauricio Cavero	Hillingdon	7097 GREENFORD WY	Sold		\$479,000
496-210-016-000	71	Young James L & Young Mary C	Hillingdon	7105 GREENFORD WY	Sold		\$414,345
496-210-017-000	72	O'Connor Mary	Hillingdon	9040 HAVERING DR	Sold		\$397,871
496-210-018-000	73	Dela Torre Darrell G	Hillingdon	9032 HAVERING DR	Sold		\$407,803
496-210-019-000	74	Lange Wendy K	Hillingdon	9024 HAVERING DR	Sold		\$405,843
496-210-020-000	75	Shah Vaibhav Ujjaval & Shah Vishma Vaibhav	Hillingdon	9016 HAVERING DR	Sold		\$498,491
496-210-021-000	76	Canoy-Lehigh James F & Canoy-Lehigh Troy R	Hillingdon	9008 HAVERING DR	Sold		\$457,344
496-210-022-000	77	Jacquez Juan R & Jacquez Olga R	Hillingdon	7121 GREENFORD WY	Sold		\$514,175
496-210-023-000	78	Siao David & Siao Cheng	Hillingdon	7129 GREENFORD WY	Sold		\$493,985
496-210-024-000	79	Serrano Moodee & Serrano Sernino	Hillingdon	7137 GREENFORD WY	Sold		\$427,985
496-210-025-000	80	Pring Mario & Pring Michelle	Hillingdon	7145 GREENFORD WY	Sold		\$422,344
496-210-026-000	81	Gray Janette Lee	Hillingdon	7153 GREENFORD WY	Sold		\$423,685
496-210-027-000	82	Hyde Christopher J & Moller Samantha M	Hillingdon	7136 GREENFORD WY	Sold		\$518,554
496-210-028-000	83	Metcalf Melvin D & Metcalf Janell J Tr	Hillingdon	7128 GREENFORD WY	Sold		\$484,268
496-210-029-000	84	Kodrin Keith M & Leitaker Loni Lee	Hillingdon	7120 GREENFORD WY	Sold		\$387,744
496-210-030-000	85	Wiseman Carol A Tr	Hillingdon	7112 GREENFORD WY	Sold		\$406,645
496-210-031-000	86	Ni Keen	Hillingdon	7104 GREENFORD WY	Sold		\$417,914
496-210-032-000	87	Smith Ryan	Hillingdon	7096 GREENFORD WY	Sold		\$376,604
496-210-033-000	88	Gales Robert Dwayne	Hillingdon	7088 GREENFORD WY	Sold		\$499,223
496-210-034-000	89	Pearson Shawn Michael & Alvarado Nadia Olivia	Hillingdon	7080 GREENFORD WY	Sold		\$486,243
496-210-035-000	90	Bolek Kristopher E & Ruiz Mark F	Hillingdon	7072 GREENFORD WY	Sold		\$537,000
496-210-036-000	91	Akune Jeffrey T	Hillingdon	7064 GREENFORD WY	Sold		\$437,835
496-210-037-000	92	Flynn Mary Josephine	Hillingdon	7056 GREENFORD WY	Sold		\$493,134
496-210-038-000	93	Trekell-Bolan Jenni I & Bolan Ryan	Hillingdon	7048 GREENFORD WY	Sold		\$390,296
496-220-007-000	8	Mohammadi Robert Amir	Bromley	6128 PARKMINSTER WY	Sold		\$541,000
496-220-008-000	9	Pierce Ray A & Pierce Jennifer A	Bromley	6120 PARKMINSTER WY	Sold		\$505,000
496-220-009-000	10	Carter Bennie & Carter Irish	Bromley	6112 PARKMINSTER WY	Sold		\$466,191
496-220-010-000	11	Correa Daniel	Bromley	6104 PARKMINSTER WY	Sold		\$480,405
496-220-011-000	12	Hammock Leilani A & Hammock Charles J	Bromley	6096 PARKMINSTER WY	Sold		\$603,690
496-220-012-000	13	Banglos Andre & Banglos Joanne	Bromley	6088 PARKMINSTER WY	Sold		\$525,973
496-220-013-000	14	Reinmiller James A & Parker Chad	Bromley	6080 PARKMINSTER WY	Sold		\$471,886
496-220-014-000	15	Holliday Martha A	Bromley	6072 PARKMINSTER WY	Sold		\$490,202
496-220-015-000	16	Farley Patrick James & Farley Patricia Deann	Bromley	6064 PARKMINSTER WY	Sold		\$506,688
496-220-016-000	17	Burright James Lester & Burright Maria Elena	Bromley	6056 PARKMINSTER WY	Sold		\$478,800
496-220-017-000	18	Bull Ronald W & Bull Josetta	Bromley	6048 PARKMINSTER WY	Sold		\$560,116
496-220-018-000	19	Mares Linda S & Mares Joseph L Sr	Bromley	6040 PARKMINSTER WY	Sold		\$487,390
496-220-019-000	20	Johnson Norman P & Johnson Roseanne	Bromley	6032 PARKMINSTER WY	Sold		\$499,439
496-220-020-000	21	Bor Kevin & Bor Stephanie	Bromley	6024 PARKMINSTER WY	Sold		\$365,915
496-220-021-000	22	Cortes Mayra & Cortes Cesar	Bromley	6016 PARKMINSTER WY	Sold		\$481,991
496-220-022-000	23	Lee Bryan K & Chi Sally H	Bromley	6008 PARKMINSTER WY	Sold		\$464,790
496-220-023-000	24	Deleo Robert M & Deleo Alisa A	Bromley	6000 PARKMINSTER WY	Sold		\$374,915
496-220-024-000	25	Ramil Annie C & Ramil David	Bromley	6001 PARKMINSTER WY	Sold		\$504,846
496-220-025-000	26	Williams Brian D & Williams Cori E	Bromley	6009 PARKMINSTER WY	Sold		\$344,415
496-220-031-000	32	Banglos Noelita V & Banglos Kirk S	Bromley	6033 PARKMINSTER WY	Sold		\$608,754
496-220-032-000	33	Henry Christopher	Bromley	6049 PARKMINSTER WY	Sold		\$537,608
496-220-033-000	34	Wood Shaun T & Wood Ronilda	Bromley	6057 PARKMINSTER WY	Sold		\$498,909
496-220-034-000	35	Woodside 05N, LP	Bromley	6073 PARKMINSTER WY	Sold		\$394,015
496-220-035-000	36	Rives Ioana & Rives Matt	Bromley	6113 PARKMINSTER WY	Sold		\$533,540
496-220-036-000	37	Nguyen Jon & Nguyen Jennifer	Bromley	6121 PARKMINSTER WY	Sold		\$448,415
496-220-037-000	38	Mathus Pamela G & Mathus Ronald E	Bromley	6129 PARKMINSTER WY	Sold		\$505,172
496-220-042-000	43	Woodside 05N, LP	Bromley	4072 WATERHOUSE WY	Sold	\$495,000	
496-220-043-000	44	Woodside 05N, LP	Bromley	4064 WATERHOUSE WY	Sold	\$495,000	
496-220-044-000	45	Woodside 05N, LP	Bromley	4056 WATERHOUSE WY	Sold	\$495,000	
496-220-045-000	46	Kobzi Patricia R & Kobzi Richard C Tr	Bromley		Sold		\$271,164
496-220-046-000	47	Rice Nicole Suzzette & Rice Darius Everett	Bromley	4017 WATERHOUSE WY	Sold		\$523,325
496-220-047-000	48	Whittle John C & Whittle Janet A Champion	Bromley	4025 WATERHOUSE WY	Sold		\$225,664
496-220-048-000	49	California Affordable Housing Agency	Bromley	4033 WATERHOUSE WY	Sold	\$495,000	
496-220-049-000	50	Santos Errol & Santos Celeste	Bromley	4041 WATERHOUSE WY	Sold		\$222,915
496-220-050-000	51	Woodside 05N, LP	Bromley	4049 WATERHOUSE WY	Sold	\$495,000	
496-220-051-000	52	Woodside 05N, LP	Bromley	4057 WATERHOUSE WY	Sold	\$495,000	
496-310-011-000	211	Breshears Jason Todd & Breshears Amy Fleming	Bromley	5152 SOUTHBURY DR	Sold	\$495,000	
496-310-012-000	212	Rivera Daniel M & Rivera Heather R	Bromley	5144 SOUTHBURY DR	Sold	\$495,000	
496-310-024-000	224	Newman Eric & Newman Jillian	Hillingdon		Sold		\$361,744

Market Value by Parcel - Completed (Sold) Homes

Assessor's Parcel No.	Lot No.	Owner Name	Subdivision	Address	Status	Appraised Value	Assessed Value
496-310-025-000	225	Gardner Michael C	Hillingdon	8088 NORBURY PARK DR	Sold		\$342,402
496-310-026-000	226	Anderson Robert C	Hillingdon	8080 NORBURY PARK DR	Sold		\$420,590
496-310-027-000	227	Jolley Broderick Samuel & Jolley Monique Harvey	Hillingdon	8072 NORBURY PARK DR	Sold	\$440,000	
496-310-028-000	228	Woodside 05N, LP	Hillingdon	8064 NORBURY PARK DR	Sold	\$440,000	
496-310-029-000	229	Heravian Sahel & Siman Monika	Hillingdon	8056 NORBURY PARK DR	Sold	\$440,000	
496-310-030-000	230	Woodside 05N, LP	Hillingdon	8048 NORBURY PARK DR	Sold	\$440,000	
496-310-031-000	231	Woodside 05N, LP	Hillingdon	8040 NORBURY PARK DR	Sold	\$440,000	
496-310-032-000	232	Woodside 05N, LP	Hillingdon	8032 NORBURY PARK DR	Sold	\$440,000	
496-310-033-000	233	Woodside 05N, LP	Hillingdon	8024 NORBURY PARK DR	Sold	\$440,000	
496-310-034-000	234	Woodside 05N, LP	Hillingdon	8016 NORBURY PARK DR	Sold	\$440,000	
496-310-035-000	235	Bell Lawrence J & Bell Denise Kay	Hillingdon	8008 NORBURY PARK DR	Sold	\$440,000	
496-310-036-000	236	Woodside 05N, LP	Hillingdon	8033 NORBURY PARK DR	Sold	\$440,000	
496-310-039-000	239	Woodside 05N, LP	Hillingdon	8057 NORBURY PARK DR	Sold	\$440,000	
496-310-040-000	240	Urrutia Delanie & Urrutia Seth Allen	Hillingdon	8065 NORBURY PARK DR	Sold	\$440,000	
496-310-041-000	241	Woodside 05N, LP	Hillingdon	8073 NORBURY PARK DR	Sold	\$440,000	
496-310-042-000	242	Walling Matthew L & Walling Rene N	Hillingdon	8081 NORBURY PARK DR	Sold		\$303,384
496-310-043-000	243	Woodside 05N, LP	Hillingdon	8089 NORBURY PARK DR	Sold		\$218,384
496-310-044-000	244	Hendricks Clinton & Hendricks Sheri	Hillingdon	8097 NORBURY PARK DR	Sold		\$257,196
496-310-048-000	248	Woodside 05N, LP	Hillingdon		Sold	\$440,000	
496-310-049-000	249	Woodside 05N, LP	Hillingdon		Sold	\$440,000	
496-310-050-000	250	Woodside 05N, LP	Hillingdon	7216 GREENFORD WY	Sold	\$440,000	
496-310-051-000	251	Woodside 05N, LP	Hillingdon	7208 GREENFORD WY	Sold	\$440,000	
496-310-054-000	254	Woodside 05N, LP	Hillingdon	7184 GREENFORD WY	Sold	\$440,000	
Total Aggregate, or Cumulative, Value						\$73,204,000	\$27,064,561

APPENDIX C

THE CITY OF ROSEVILLE AND PLACER COUNTY

The Districts are located in the City of Roseville (the "City"), which is located in southwestern Placer County (the "County"), California (the "State"). Certain financial and economic data for the City, County and State are presented in this appendix for information purposes only. The 2018 Bonds are not a debt or obligation of the City, County or State, but are a limited obligation of the Authority secured solely by the Revenues and other amounts pledged under the Indenture, all as described in more detail in this Official Statement.

General

The City is located in the County, which is located in the Sacramento Valley near the foothills of the Sierra Nevada mountain range, about 16 miles northeast of Sacramento and 110 miles east of San Francisco. The City presently occupies 43 square miles in the southwestern part of the County and is the largest city in the County as well as the residential and industrial center of the County. It is bordered by Sacramento County to the south, the City of Rocklin to the north and un-incorporated Placer County to the east and west. The estimated population of the City as of January 2018 was approximately 137,213.

The City has warm summers typical of central California, with an average July temperature of 77 degrees. Winter temperatures are moderate; the average January temperature is 46 degrees. The temperature drops below freezing an average of eight days per year. Rainfall averages 20 inches annually and falls mostly during the winter.

The City is predominately comprised of residential housing, small and large businesses, as well as numerous retail centers, the latter of which play a vital role in the economy of the City and contribute significantly to City and County sales tax receipts. The City has the thirteenth highest retail sales of all cities in the State, and the City is considered a regional shopping destination. The Westfield Galleria at Roseville is the main shopping center in the City and the second largest shopping mall in Northern California. Across from the Westfield Galleria lies the "Fountains at Roseville," a 330,000 square foot retail center, containing additional stores and several recreation centers. Plans call for future construction of hotel, additional retail, and office buildings in connection with the Fountains at Roseville project. In addition to the Westfield Galleria and Fountains at Roseville, the City has many shopping plazas surrounding the Westfield Galleria and the Douglas Boulevard financial corridor. The City is also home to one of the largest auto malls in the United States and a popular water park, Roseville Golf and SunSplash.

Municipal Government

The City was incorporated on April 10, 1909 and is a charter city. The City operates under the council-manager form of government, with a five-member City Council elected at large for staggered four-year terms. At each election, the council member receiving the most votes is appointed mayor pro-tempore for two years and becomes mayor for the final two years.

City services include, among others, police and fire protection, library services, street maintenance, and parks and recreation. The City also owns two golf courses and provides its own electricity, water, sewer and refuse services to its citizens.

Population

The City's population has increased 1% to 2% per year over the past four years. The following table sets forth population estimates for the City, County and State for the past five years.

POPULATION ESTIMATES
City, County and State
Calendar Years 2014 through 2018, as of January 1

<u>Year</u>	<u>City of Roseville</u>	<u>Placer County</u>	<u>State of California</u>
2014	128,048	367,108	38,568,628
2015	129,299	370,387	38,912,464
2016	132,167	375,618	39,179,627
2017	134,650	383,173	39,500,973
2018	137,213	389,507	39,809,693

Source: California State Department of Finance.

Effective Buying Income

Effective buying income ("EBI") is designated as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis. The following table demonstrates the growth in annual estimated EBI for the City, the County, the State and the United States.

The total effective buying income for the City has increased 34.4% since 2013. The table on the following page summarizes the total effective buying income for the City, County, State and the United States for the period 2013 through 2017. Annual figures for 2018 are not yet available.

EFFECTIVE BUYING INCOME (EBI)
City, County, State and United States
As of January 1, 2012 through 2016

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2013	City of Roseville	\$3,327,535	\$56,270
	Placer County	9,811,843	56,393
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Roseville	\$3,507,655	\$59,074
	Placer County	10,287,888	58,583
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	City of Roseville	\$3,959,073	\$64,615
	Placer County	11,729,490	64,480
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of Roseville	\$4,126,395	\$66,668
	Placer County	12,122,101	65,269
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2017	City of Roseville	\$4,470,762	\$70,438
	Placer County	12,967,927	69,226
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735

Source: The Nielsen Company (US), Inc.

Employment and Industry

The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 3.4% in April 2018, down from a revised 3.8% in March 2018, and below the year-ago estimate of 4.5%. This compares with an unadjusted unemployment rate of 3.8% for California and 3.7% for the nation during the same period. The unemployment rate was 3.4% in El Dorado County, 2.9% in Placer County, 3.5% in Sacramento County, and 4.0% in Yolo County.

The following table summarizes the civilian labor force, employment and unemployment, as well as employment by industry, in the Sacramento--Arden-Arcade--Roseville MSA for the years 2013 through 2017. Annual figures are not yet available for 2018.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Sacramento Arden Arcade Roseville Metropolitan Statistical Area
(El Dorado, Placer, Sacramento, and Yolo Counties)
Civilian Labor Force, Employment and Unemployment
Annual Averages

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Civilian Labor Force</u> ⁽¹⁾	1,046,800	1,049,200	1,060,200	1,070,900	1,080,900
Employment	956,100	974,100	998,100	1,014,300	1,031,700
Unemployment	90,800	75,100	62,100	56,000	49,200
Unemployment Rate	8.7%	7.2%	5.9%	5.3%	4.6%
<u>Wage and Salary Employment</u> ⁽²⁾					
Agriculture	8,900	9,200	9,300	9,700	9,200
Mining and Logging	500	500	600	400	500
Construction	43,300	45,400	49,900	54,900	58,600
Manufacturing	34,100	35,400	36,300	36,200	35,500
Wholesale Trade	25,000	24,500	24,600	25,700	26,600
Retail Trade	93,800	95,300	97,500	100,400	101,800
Transportation, Warehousing and Utilities	22,900	23,600	24,600	26,000	26,000
Information	14,800	13,900	14,200	13,800	12,500
Finance and Insurance	36,300	35,500	37,100	37,200	37,100
Real Estate and Rental and Leasing	13,100	13,400	13,900	14,500	15,100
Professional and Business Services	114,600	118,200	119,700	128,000	130,500
Educational and Health Services	130,700	134,300	140,300	145,600	152,200
Leisure and Hospitality	88,700	91,800	94,900	99,800	103,400
Other Services	29,000	30,200	30,800	31,700	32,300
Federal Government	13,500	13,600	13,700	14,000	14,200
State Government	109,900	113,400	115,400	116,600	118,600
Local Government	99,200	100,800	102,900	104,000	103,900
Total, All Industries ⁽³⁾	878,200	898,800	925,400	958,700	977,700

⁽¹⁾ Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

⁽²⁾ Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

⁽³⁾ Totals may not add due to rounding.

Source: State of California Employment Development Department.

Major Employers

The following table lists the major employers within the County as of June 2018, in alphabetical order.

MAJOR EMPLOYERS Placer County (In Alphabetical Order) As of June 2018

<u>Employer</u>	<u>Location</u>	<u>Industry</u>
Adventist Health	Roseville	Health Services
Adventist Health Corporate Ofc	Roseville	Health Services
Alpine Meadows Ski Resort	Alpine Meadows	Resorts
AT&T	Auburn	Telephone Companies
Backyard Bar & BBQ	Truckee	Restaurants
County Jail	Tahoe City	Government Offices-County
Flyers Energy LLC	Auburn	Energy Management Systems & Products
Golfland Sunsplash	Roseville	Water Parks
Hewlett-Packard	Roseville	Computer & Equipment Dealers
Kw Commercial	Roseville	Real Estate
Northstar California	Truckee	Resorts
Oracle	Rocklin	Computer Software-Manufacturers
Placer County Food Stamps	Auburn	County Government-Social/Human Resources
Placer County Sheriff	Auburn	Government Offices-County
PRIDE Industries	Roseville	Employment Agencies & Opportunities
Resort At Squaw Creek	Alpine Meadows	Resorts
Ritz Carlton Lake Tahoe	Truckee	Hotels & Motels
Ritz-Carlton-Club Lake Tahoe	Truckee	Hotels & Motels
Sheriff's Training	Auburn	Government Offices-County
Sierra Community College Dist	Rocklin	Schools-Universities & Colleges Academic
Sutter Auburn Faith Hospital	Auburn	Hospitals
Sutter Roseville Medical Ctr	Roseville	Hospitals
TASQ Technology	Roseville	Importers (whls)
Thunder Valley Casino Resort	Lincoln	Casinos
United Natural Foods	Rocklin	Food Products (whls)

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2018 2nd Edition.

Principal Employers

The following table shows the principal employers in the City, as shown in the City's Comprehensive Annual Financial Report for fiscal year ending June 30, 2017.

PRINCIPAL EMPLOYERS City of Roseville As of June 2017

<u>Employer</u>	<u>Number of Employees</u>
The Permanente Medical Group & Foundation Group	4,988
Hewlett Packard	2,300
Sutter Roseville Medical Group	2,100
Union Pacific Railroad Company	1,150
City of Roseville	1,149
Roseville Joint Union High School	1,090
Roseville City School District	1,034
PRIDE Industries	838
Adventist Health System West	801
Consolidated Communications	440
Total Employment	15,890

Source: City of Roseville-City Manager's Office, Comprehensive Annual Financial Report, Fiscal Year Ending June 30, 2017.

Construction Permits

The following table shows valuations of residential and non-residential building permits issued for calendar years 2013 through 2017. Annual figures are not yet available for 2018.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Permit Valuation</u>					
New Single-family	\$118,547.9	\$154,499.7	\$262,769.4	\$242,272.7	\$322,386.5
New Multi-family	6,632.0	15,360.4	0.0	5,900.3	51,882.2
Res. Alterations/Additions	<u>3,395.0</u>	<u>4,967.8</u>	<u>9,039.9</u>	<u>7,518.4</u>	<u>7,283.3</u>
Total Residential	\$128,574.9	\$174,827.9	\$271,809.3	\$255,691.4	\$381,552.0
 New Commercial	 \$26,058.9	 \$19,546.6	 \$36,704.0	 \$27,783.7	 \$81,544.8
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	2,627.4	10,935.1	9,340.5	18,126.2	8,356.1
Com. Alterations/Additions	<u>45,489.0</u>	<u>62,138.9</u>	<u>42,754.7</u>	<u>32,621.0</u>	<u>51,836.3</u>
Total Nonresidential	\$74,175.3	\$92,620.6	\$88,799.2	\$78,530.9	\$141,737.2
 <u>New Dwelling Units</u>					
Single-Family	528	644	927	862	1,201
Multiple Family	<u>224</u>	<u>0</u>	<u>0</u>	<u>58</u>	<u>486</u>
Total New Dwelling Units	752	644	927	920	1,687

Source: Construction Industry Research Board, Building Permit Summary.

The County's 2016-17 assessment roll totaled \$66.8 billion as compared to the prior year's assessment roll of \$63.4 billion, which reflected a 5.38% increase this year. These numbers over the last two years contrast with the real estate decline years of 2008 and after, where the County assessment roll experienced declines.

The following table shows residential and non-residential building permits issued within the County for calendar years 2013 through 2017. Annual figures are not yet available for 2018.

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

	2013	2014	2015	2016	2017
<u>Permit Valuation</u>					
New Single-family	\$378,286.0	\$523,638.2	\$683,806.3	\$776,410.8	\$771,800.5
New Multi-family	7,078.5	48,645.5	21,702.2	42,395.7	92,565.5
Res. Alterations/Additions	<u>50,358.2</u>	<u>59,428.5</u>	<u>82,577.5</u>	<u>79,543.6</u>	<u>89,429.2</u>
Total Residential	\$435,722.7	\$631,712.2	\$788,086.0	\$898,350.1	\$953,795.2
 New Commercial	 \$70,876.0	 \$38,343.5	 \$72,506.2	 \$84,953.2	 \$138,544.8
New Industrial	1,092.0	199.8	1,339.6	535.1	0.0
New Other	25,673.5	44,159.8	72,602.9	90,958.7	57,356.4
Com. Alterations/Additions	<u>73,037.0</u>	<u>101,977.7</u>	<u>80,457.5</u>	<u>64,524.2</u>	<u>94,058.6</u>
Total Nonresidential	\$170,678.5	\$184,680.8	\$226,906.2	\$240,971.2	\$289,959.8
 <u>New Dwelling Units</u>					
Single-Family	1,249	1,620	1,994	2,102	2,500
Multiple Family	<u>227</u>	<u>376</u>	<u>240</u>	<u>322</u>	<u>782</u>
Total New Dwelling Units	1,996	2,234	2,424	2,342	3,282

Source: Construction Industry Research Board, Building Permit Summary.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

The total taxable sales during calendar year 2016 in the City were reported to be \$4.43 billion, a 0.4% decrease from the total taxable sales of \$4.44 billion reported during calendar year 2015. Annual figures for 2017 are not yet available.

TAXABLE TRANSACTIONS City of Roseville Calendar Years 2012 through 2016 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2012	3,765	\$3,332,827	4,861	\$3,772,583
2013	3,757	3,558,765	4,819	4,171,738
2014	3,699	3,607,127	4,743	4,227,788
2015	3,828	3,684,238	5,334	4,446,457
2016	3,761	3,749,782	5,293	4,425,939

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

The total taxable sales during calendar year 2016 in the County were reported to be \$8.92 billion, a 2.83% increase over the total taxable sales of \$8.68 billion reported during calendar year 2015. Annual figures for 2017 are not yet available.

TAXABLE TRANSACTIONS Placer County Calendar Years 2012 through 2016 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2012	8,272	\$5,613,981	11,621	\$7,065,597
2013	8,487	6,050,198	11,713	7,724,406
2014	8,520	6,296,076	11,749	8,100,167
2015	8,678	6,594,126	13,124	8,675,315
2016	8,671	6,814,515	13,227	8,920,892

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Transportation

The County's transportation network is an integral part of its development. Centrally located in the State, the area is the hub of several major highways. Interstate 80 runs through the County, connecting San Francisco to New York. Highway 65 runs north from I-80 to Lincoln

and Marysville. Interstate 5, which is west of the County, runs north to Seattle and south to Los Angeles. In the City, the major highways in the area are Interstate 80 and Interstate 5, and State Highways 65, 50, and 99.

Union Pacific Railroad bought Southern Pacific in 1996 and the J.R. Davis Yard, located in Roseville, is the largest rail facility on the West Coast. Union Pacific owns and operates track in 23 states, primarily west of the Mississippi River. Amtrak provides passenger service daily to San Francisco and San Jose, and the California Zephyr connects the County to the Midwest and Chicago.

Greyhound operates a station in the City, providing interstate destination services. Greyhound also operates throughout the County, with bus depots or regularly scheduled stops in most of the communities along major highways and roads.

Sacramento International Airport serves the Roseville area. Served by ten major carriers and several commuter airlines, as well as air-freight carriers, the airport handles passenger flights to over 140 cities with more than 130 scheduled departures per day and 4.3 million passengers annually. Nearby Auburn Municipal Airport serves charter and private aircraft for coastal, state and transcontinental flights. Executive air service is available as well. Auburn Municipal has an elevation of 1,520 feet and an east/west runway 3,100 feet in length.

Several trucking companies serve the County, ranging from interstate lines to local haulers, and transporting a wide variety of goods. United Parcel Service, with a distribution center in Rocklin, offers freight transportation services as well.

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

July 26, 2018

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

OPINION: \$11,615,000 City of Roseville Westbrook Community Facilities District No. 1
 (Public Facilities) Special Tax Bonds Series 2018

Members of the City Council:

We have acted as bond counsel in connection with the issuance by the City of Roseville (the "City") of \$11,615,000 City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2018 (the "Bonds"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, et seq. of the California Government Code (the "Act") and a Fiscal Agent Agreement dated as of December 1, 2014, as supplemented by the Supplemental Agreement No. 1. to Fiscal Agent Agreement, dated as of July 1, 2018 (collectively, the "Fiscal Agent Agreement") by and between the City on behalf of the City of Roseville Westbrook Community Facilities District No. 1 and The Bank of New York Mellon Trust Company, N.A. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement, and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a public body, corporate and politic, with the power to adopt the resolution authorizing the issuance of the Bonds, enter into the Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of July 1, 2018, to perform the agreements on its part contained therein and in the Fiscal Agent Agreement, and to issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

3. The Fiscal Agent Agreement has been duly entered into by the City and constitutes a valid and binding obligation of the City enforceable upon the City.

4. Pursuant to the Act, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS

CONTINUING DISCLOSURE CERTIFICATE (City)

This CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") dated as of July 26, 2018, is executed and delivered by the CITY OF ROSEVILLE (the "City") in connection with the execution and delivery of its City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2018 (the "Bonds"). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement dated as of December 1, 2014, as supplemented by the Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of July 1, 2018 (collectively, the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent").

The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Annual Report Date" means the date that is nine months after the end of the City's fiscal year (currently April 1 based on the City's fiscal year end of June 30).

"Dissemination Agent" means Willdan Financial Services, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

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

"MSRB" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Official Statement" means the final official statement executed by the City in connection with the issuance of the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2019, with the report for the 2017-18 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A to this Disclosure Certificate.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine prior to each Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the

Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following information:

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

(ii) Balance in the improvement fund or construction account.

(iii) Balance in 2018 Reserve Account of the Reserve Fund, and statement of the Reserve Requirement for the Bonds. Statement of projected draws on the 2018 Reserve Account of the Reserve Fund, if any.

(iv) Balance in other funds and accounts held by the City or fiscal agent related to the Bonds.

(v) Additional debt authorized by the City and payable from or secured by assessments or special taxes with respect to property within the District.

(vi) The Special Tax levy, the delinquency rate, total amount of delinquencies, number of parcels delinquent in payment for the five most recent fiscal years.

(vii) Notwithstanding the June 30th reporting date for the Annual Report, the following information shall be reported as of the last day of the month immediately preceding the date of the Annual Report rather than as of June 30th. Identity of each delinquent taxpayer responsible for 5 percent or more of total Special Tax levied, and the following information: assessor parcel number, assessed value of applicable properties, amount of Special Tax levied, amount delinquent by parcel number and status of foreclosure proceedings. If any foreclosure has been completed, summary of results of foreclosure sales or transfers.

(viii) Most recently available total assessed value of all parcels subject to the Special Tax.

(ix) List of landowners and assessor's parcel number of parcels subject to 20 percent or more of the Special Tax levy including the following information: development status to the extent shown in City records, land use classification, assessed value (land and improvements).

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional fiscal agent or the change of name of the fiscal agent, if material.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Fiscal Agent Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above. The Dissemination Agent shall not be responsible for determining whether an event is material.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders, or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Certificate as of the date first above written.

CITY OF ROSEVILLE, for and on behalf of
City of Roseville Westbrook Community
Facilities District No. 1 (Public Facilities)

By: _____
Name:
Title:

WILLDAN FINANCIAL SERVICES, as
Dissemination Agent

By: _____
Name:
Title:

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Roseville

Name of Bond Issue: \$11,615,000 City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2018

Date of Issuance: July 26, 2018

NOTICE IS HEREBY GIVEN that the City of Roseville (the "City") on behalf of City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) has not provided an Annual Report with respect to the above-named Bonds as required by the Fiscal Agent Agreement dated as of December 1, 2014, as supplemented by the Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of July 1, 2018 (collectively, the "Fiscal Agent Agreement") by and between the City and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

WILLDAN FINANCIAL SERVICES, as
Dissemination Agent, on behalf of City of
Roseville Westbrook Community Facilities
District No. 1 (Public Facilities)

By: _____
Name:
Title:

cc: City of Roseville

**FORM OF CONTINUING DISCLOSURE CERTIFICATE
(Developer)**

THIS CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") dated July 26, 2018, is executed by Westpark Communities dba Westpark S.V. 400, LLC (the "Developer") in connection with the execution and delivery of the City of Roseville of its City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2018 (the "Bonds"). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement, dated as of December 1, 2014, as supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of July 1, 2018 (collectively, the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent").

The Developer covenants and agrees as follows:

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

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

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

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

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

"MSRB" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Official Statement" means the final official statement executed by the City in connection with the issuance of the Bonds.

"Participating Underwriter" means Piper Jaffray & Co., the original Underwriter of the Bonds.

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

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

"Property" means the property owned by the Developer in the District.

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

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

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

Section 3. Provision of Periodic Reports.

(a) The Developer shall, or, upon written direction of the Developer the Dissemination Agent shall, not later than the Report Date, commencing October 1, 2018, file or cause to be filed with the MSRB a Periodic Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Fiscal Agent (if different from the Dissemination Agent), the Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Developer shall provide the Periodic Report to the Dissemination Agent (if different from the Developer). The Developer shall provide a written certification with (or included as a part of) each Periodic Report furnished to the Dissemination Agent (if different from the Developer), the Fiscal Agent (if different from the Dissemination Agent), the Participating Underwriter and the City to the effect that such Periodic Report constitutes the Periodic Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Fiscal Agent, the Participating Underwriter and the City may conclusively rely upon such certification of the Developer and shall have no duty or obligation to review the Periodic Report. The Periodic Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

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

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

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

In addition to any of the information expressly required to be provided in Exhibit B, the Developer's Periodic Report shall include such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

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

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

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

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

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

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

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

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

Section 6. Duration of Reporting Obligation.

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

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

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

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

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

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

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

Section 7. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist the Developer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the

Developer. The Dissemination Agent may resign by providing thirty days' written notice to the City, the Developer and the Participating Underwriter.

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

(a) if the amendment or waiver relates to the provisions of sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted; and

(b) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement, with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

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

Section 10. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, the Fiscal Agent shall (upon written direction and only to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys), and the Participating Underwriter and any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole and exclusive remedy under this Disclosure Certificate in the event of any failure of the Developer to comply with this Disclosure Certificate shall be an action to compel performance.

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

time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Developer, the Fiscal Agent, the Bond owners, or any other party. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

To the Developer	Westpark Communities dba Westpark S.V. 400, LLC Attn: John Tallman and Ryan O'Keefe 1420 Rocky Ridge Drive, Suite 265 Roseville, CA 95661

To the Dissemination Agent:	Willdan Financial Services 27368 Via Industria, Suite 200 Temecula, CA 92590

To the Issuer/City:	City of Roseville 311 Vernon Street Roseville, CA 95678 Attn: CFD Administrator

To the Fiscal Agent:	The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, Suite 500 Los Angeles, CA 90071 Attn: Corporate Trust

To the Participating Underwriter:	Piper Jaffray & Co. 50 California Street, Suite 3100 San Francisco, CA 94111 Attn: Managing Director

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

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

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

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

Westpark S.V. 400, LLC, a California limited liability company

By: _____
Name:
Title:

ACCEPTED by DISSEMINATION AGENT:

Willdan Financial Services,
as Dissemination Agent

By: _____
Name:
Title:

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE PERIODIC REPORT

Name of Issuer: City of Roseville

Name of Bond Issue: \$11,615,000 City of Roseville, Westbrook Community Facilities District No. 1 (Public Facilities), Special Tax Bonds, Series 2018

Date of Issuance: July 26, 2018

NOTICE IS HEREBY GIVEN that Westpark S.V. 400, LLC (the "Major Owner") has not provided a Periodic Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate of the Developer dated as of the date of issuance of such Bonds. The Developer anticipates that the Periodic Report will be filed by _____.

Dated: _____

_____,
Dissemination Agent

By: _____

Its: _____

cc: Developer

EXHIBIT B

PERIODIC REPORT

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (the "Disclosure Certificate") dated July 26, 2018 executed by the undersigned (the "Developer") in connection with the issuance of the above-captioned bonds by the City of Roseville (the "City") with respect to its City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities), City of Roseville, County of Placer, State of California (the "District").

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

I. Property Ownership and Development

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

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

Development name: _____

Number of lots (acreage): _____

B. Status of land development or construction activities:

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

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

Since the Date of
Issuance of the Bonds

Since the Last Periodic
Report

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

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

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

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

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

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

II. Legal and Financial Status of Developer

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

III. Change in Development or Financing Plans

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

IV. Official Statement Updates

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

V. Other Material Information

In addition to any of the information expressly required above, provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Certification

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

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

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

Dated: _____

Westpark S.V. 400 LLC

By: _____

APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT

The following contains a brief summary of certain provisions of the Fiscal Agent Agreement not found in the main body of the Official Statement. Investors are hereby directed to obtain a complete copy of the Fiscal Agent Agreement, which is available from the City or the Fiscal Agent upon request.

Certain Definitions

"Acquisition Agreement" means the Funding, Construction and Acquisition Agreement, dated as of December 1, 2014 and entered into by and between the City and WP Development Company, LLC, a California limited liability corporation, and any amendments thereto.

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

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the City in carrying out its duties under the Agreement (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the liens of delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto, any amounts paid by the City from its general funds pursuant to the Agreement, and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the issuance and administration of the Bonds and/or the discharge of their respective duties under the Agreement (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States) and, in the case of the City, in any way related to the administration of the District. Administrative Expenses shall include any such expenses incurred in prior years but not yet paid, and any advances of funds by the City under the Agreement.

"Agreement" means the Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the respective Series of Outstanding Bonds in such Bond Year, assuming that such Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the respective Series of Outstanding Bonds, including any mandatory sinking fund payments, due in such Bond Year.

"Authorized Officer" means the City Treasurer/Financial Executive, the City Manager, City Finance Director or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in the Agreement as required to be undertaken by an Authorized Officer.

"Bond Counsel" means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Year" means each twelve-month period beginning on September 2 in any year and extending to the next succeeding September 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on September 1, 2015.

"Bonds" means the 2014 Bonds and any Additional Bonds.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed.

"CDIAC" means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

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

"Closing Date" means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced in the Agreement) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Continuing Disclosure Certificate" means (i) with respect to the 2014 Bonds, the Continuing Disclosure Agreement, dated as of December 18, 2014, by and between the City and Willdan Financial Services, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof and (ii) with respect to the 2018 Bonds, the Continuing Disclosure Agreement, dated as of July 1, 2018, by and among the City and Willdan Financial Services, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Cost of Issuance" means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses incurred by the City in connection with the issuance of the Bonds, financial advisor fees, Bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

"DTC" means the Depository Trust Company, New York, New York, and its successors and assigns.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to the Agreement.

"District" means the City of Roseville Westbrook Community Facilities District No. 1 (Public Facilities) formed pursuant to the Resolution of Formation.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment).

(i) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons; or

(ii) Any of the following obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank, (ii) certificates of beneficial ownership issued by the Farmers Home Administration, (iii) participation certificates issued by the General Services Administration, (iv) mortgage-backed bonds or passthrough obligations issued and guaranteed by the Government National Mortgage Association, (v) project notes issued by the United States Department of Housing and Urban Development, and (vi) public housing notes and bonds guaranteed by the United States of America.

"Finance Director" means the duly acting Finance Director or Treasurer of the City, or if the City has no Finance Director, such officer of the City serving a similar role.

"Fiscal Agent" means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers in the Agreement provided, its successors

and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Agreement.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Information Services" means "EMMA" or the "Electronic Municipal Market Access" system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the City may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Officer's Certificate" means a written certificate of the City signed by an Authorized Officer of the City.

"Ordinance" means any ordinance of the City levying the Special Taxes.

"Original Purchaser" means the first purchaser of the Bonds from the City.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Agreement) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of the Agreement; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to the Agreement or any Supplemental Agreement.

"Owner" or "Bondowner" means any person who shall be the registered owner of any Outstanding Bond.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means any of the following, to the extent that they are lawful investments for City funds at the time of investment, and are acquired at Fair Market Value (the Fiscal Agent is entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment):

(i) Federal Securities;

(ii) any of following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the

Government National Mortgage Association and the Federal Home Loan Mortgage Corporation; and bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent and its affiliates), provided that (a) in the case of a savings and loan association, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association shall be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank) shall be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors Protection Corporation Liquidation in the event of insolvency, or any commercial bank provided that: (a) the unsecured obligations of such bank shall be rated in one of the top two rating categories by a nationally recognized rating service, or such bank shall be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus and undivided profits of such bank shall be not less than \$100 million; (c) the repurchase obligation under any such repurchase obligation shall be required to be performed in not more than thirty (30) days; (d) the entity holding such securities as described in clause (c) shall have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book-entry procedures described by 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in the one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in the highest rating category by Standard & Poor's Ratings Services or Moody's Investor Service, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered pursuant to the Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) and (iv) above, such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered pursuant to the Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper which at the time of purchase is of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, or Standard and Poor's Corporation, of issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an "AA" or higher rating for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a bank or insurance company whose long term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) shares in a common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(xiii) shares in the California Asset Management Program; or

(xiii) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, *provided, however*, that the Fiscal Agent shall be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement.

(xiv) any other lawful investment for City funds.

"Prepayment" means moneys received by the City from the prepayment of Special Taxes as provided in the "Rate, Method of Apportionment, and Manner of Collection of Special

Tax" applicable to the District, net of amounts attributable to the Development Impact Fee Deferral described therein.

"Principal Office" means the corporate trust office of the Fiscal Agent set forth in the Agreement, or such other or additional offices as may be designated by the Fiscal Agent.

"Project" means the acquisitions and improvements described in the Resolution of Intention, including Administrative Expenses related thereto.

"Record Date" means the fifteenth (15th) day of the month next preceding the month of the applicable Interest Payment Date whether or not such day is a Business Day.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Resolution of Formation" means Resolution No. 14-131, adopted by the City Council of the City on April 16, 2014, establishing the District for the purpose of providing for the financing of certain public facilities in and for such District, as amended by Resolution No. 14-509, adopted by the City Council of the City on November 19, 2014.

"Resolution of Intention" means Resolution No. 14-75, adopted by the City Council of the City on March 5, 2014.

"Securities Depositories" means The Depository Trust Company, New York, New York; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Series" means a series of bonds issued under this Fiscal Agent Agreement.

"Supplemental Agreement" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City under the Act and which agreement is amendatory of or supplemental to the Agreement, but only if and to the extent that such agreement is specifically authorized under the Agreement.

"Treasurer" means the duly acting Treasurer/Financial Executive of the City or if the City has no Treasurer/Financial Executive, the Finance Director or other officer of the City serving a similar role.

"2018 Costs of Issuance" means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the 2018 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses incurred by the City in connection with the issuance of the 2018 Bonds, financial advisor fees, 2018 Bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, disclosure counsel, charges for execution, transportation and safekeeping of the 2018 Bonds and other costs, charges and fees in connection with the foregoing.

Costs of Issuance Fund

Establishment. There is established as a separate fund to be held by the Fiscal Agent, the Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2014 Costs of Issuance Fund, to the credit of which a deposit shall be made as required by the Agreement. Moneys in the Costs of Issuance Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in the Agreement for the payment or reimbursement of Costs of Issuance of the 2014 Bonds.

There is also established a separate fund to be known as the "2018 Costs of Issuance Fund", which shall be held by the Fiscal Agent in trust. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay 2018 Costs of Issuance, as set forth in an Officer's Certificate containing respective amounts to be paid to the designated payees, signed by the Treasurer or a designee thereof and delivered to the Fiscal Agent. The Fiscal Agent shall pay all 2018 Costs of Issuance upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such Officer's Certificate, or upon receipt of an Officer's Certificate requesting payment of a 2018 Costs of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date. The Fiscal Agent shall maintain the 2018 Costs of Issuance Fund for a period of 45 days from the Closing Date and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the 2018 Improvement Account. Thereafter, every invoice received by the Fiscal Agent shall be paid from amounts on deposit in the 2018 Improvement Account and the Fiscal Agent shall close the 2018 Costs of Issuance Fund. Moneys in the 2018 Costs of Issuance Fund shall be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the 2018 Costs of Issuance Fund to be used for the purposes of such fund.

Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in an Officer's Certificate containing respective amounts to be paid to the designated payees, signed by the Treasurer or Finance Director or a designee thereof and delivered to the Fiscal Agent. The Fiscal Agent shall pay all Costs of Issuance of the Bonds upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such Officer's Certificate, or upon receipt of an Officer's Certificate requesting payment of a Cost of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date of the Bonds. Each such Officer's Certificate shall be sufficient evidence to the Fiscal Agent of the facts stated therein and the Fiscal Agent shall have no duty to confirm the accuracy of such facts. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of 3 months, from the Closing Date of the Bonds and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the Treasurer for deposit by the Treasurer in the Special Tax Fund. Thereafter, every invoice received by the Fiscal Agent shall be submitted to the Treasurer or Finance Director for payment from amounts on deposit in the Special Tax Fund.

Investment. Moneys in the Costs of Issuance Fund shall be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund.

Bond Fund

Establishment. There is established as a separate fund to be held by the Fiscal Agent the Westbrook Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Bond Fund, to the credit of which deposits shall be made as required by the Agreement, or the Act. Within the Bond Fund, the Fiscal Agent shall establish and maintain a Capitalized Interest Account, to the credit of which deposit shall be made as required by the Agreement. Moneys in the Bond Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

Within the Bond Fund there is hereby established the Prepayment Account, which shall be used exclusively for the administration of any prepayments of Special Taxes to assure the timely redemption of Bonds. Monies in the Prepayment Account shall be used to redeem Bonds on the redemption date specified in the notice to the Fiscal Agent given pursuant to the Agreement. In the event all of the Special Taxes are prepaid in full, the Prepayment Account shall be closed.

Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the sinking payments set forth in the Agreement, provided however, that so long as monies remain in the Capitalized Interest Account of the Bond Fund, the Fiscal Agent shall first withdraw from such Capitalized Interest Account for payment to the Owners of the respective Bonds the interest then due and payable on such Bonds.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on any Series of Bonds, the Fiscal Agent shall withdraw from the respective reserve account within the Reserve Fund established for such Series of Bonds to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent shall provide written notice to the Treasurer and Finance Director of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from such investment and deposit shall be retained in the Bond Fund to be used for the purposes of such fund.

Deficiency. If ten days before any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner, the Fiscal Agent shall report to the Treasurer and Finance Director such fact. The City covenants to increase

the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

If on any Interest Payment Date the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent shall notify the Treasurer and Finance Director in writing of such fact, and the Treasurer or Finance Director shall notify CDIAC of such fact within 10 days of such Interest Payment Date. The Fiscal Agent has no obligation under the Agreement to provide notice or disclosure to the Bondowners of insufficient funds or anticipation of deficiency in the Bond Fund.

Certain Covenants

Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of the Agreement and all Supplemental Agreements and of the Bonds.

Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default under the Agreement, to the benefits of the Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Agreement.

Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Fund and to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund, the Reserve Fund and the Costs of Issuance Fund. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice, be subject to the inspection of the City and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

Compliance with Law; Completion of Project. The City will comply with all applicable provisions of the Act and the law in completing the acquisition and construction of the Project; provided that the City shall have no obligation to advance any funds to complete the Project in excess of the amounts available therefor in the Improvement Fund.

Private Activity Bond Limitation. The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Collection of Special Tax Revenues. The City shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes. On or within five (5) Business Days of each June 1, the Fiscal Agent shall provide the Treasurer and Finance Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund. The receipt of such notice by the Treasurer and Finance Director shall in no way affect the obligations of the Treasurer or Finance Director under the following two paragraphs. Upon receipt of such notice, the Treasurer shall communicate with the Finance Director to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The City shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance such that the computation of the levy is complete before the final date on which County Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured real property tax roll. Upon the completion of the computation of the amounts of the levy, the City shall prepare or cause to be prepared, and shall transmit to the Finance Director, such data as the County Auditor requires to include the levy of the Special Taxes on the next secured real property tax roll.

The City shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the rate and method of apportionment of the Special Taxes for the District and the Ordinance. In any event, the Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation. The City covenants to apply the Tax Escalation Factor provided for in the rate and method of apportionment in each Fiscal Year beginning in Fiscal Year 2015-16 and continuing for each Fiscal Year thereafter through Fiscal Year 2047-48.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate

amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. Notwithstanding the foregoing, the Special Taxes may be collected in such other manner as the City shall prescribe if necessary to pay the debt service on the Bonds.

Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Agreement.

No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Yield of the Bonds. In determining the yield of the Bonds to comply with the Agreement, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing, without regard to whether or not redemption moneys are received or Bonds are redeemed.

Investment of Funds

Deposit and Investment of Moneys in Funds. Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Fiscal Agent, shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out under the Agreement provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received an Officer's Certificate specifying a specific money market fund and, if no such an Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested and notify the Treasurer or Finance Director that it is doing so until further direction is received from the Treasurer or Finance Director. Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Treasurer or Finance Director shall be invested by the Treasurer or Finance Director in any lawful investments that the City may make, which by their terms mature prior to the date on which such moneys are required to be paid out under the Agreement. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of the Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

The Fiscal Agent, Treasurer or Finance Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent, the Treasurer or the Finance Director shall incur any liability for losses arising from any investments made pursuant to the Agreement. Any losses arising from any investments made pursuant to the Agreement shall be offset against interest earnings and profits retained in the same fund.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to the Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by the Agreement or the Code) at Fair Market Value. For purposes of any Fair Market Value determination under the Agreement, the Fiscal Agent shall be entitled to conclusively rely on an Officer's Certificate of the City and shall be fully protected in relying thereon. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued by the City at their present value (within the meaning of Section 148 of the Code).

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions in the Agreement for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer under the Agreement, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent under the Agreement.

The Fiscal Agent

Limited Liability of Fiscal Agent. The recitals of facts, covenants and agreements in the Agreement and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Agreement or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. The

Fiscal Agent has no liability regarding the use of the proceeds from the purchase of the Bonds deposited in funds held by the City.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of the Agreement, including all Officer's Certificates of the City meeting such requirements; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of the Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Agreement, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by the Agreement at the request or direction of any of the Owners pursuant to the Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent shall not be considered in breach of or in default in its obligations under the Agreement or progress in respect thereto in the event of unavoidable delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent.

The Fiscal Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable

authorization codes, passwords and/or authentication keys issued by the Fiscal Agent, or another method or system specified by the Fiscal Agent as available for use in connection with its services under the Agreement); provided, however, that the City shall provide to the Fiscal Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

The permissive right of the Fiscal Agent to do things enumerated in the Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any Officer's Certificate, notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties and given in accordance with the requirements hereof. The Fiscal Agent may execute any of the powers under the Agreement or perform any duties under the Agreement either directly or by or through agents or attorneys and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it under the Agreement. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be

full and complete authorization and protection in respect of any action taken or suffered by it under the Agreement in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Agreement, such matter (unless other evidence in respect thereof be in the Agreement specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of the Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Compensation, Indemnification. The City shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under the Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under the Agreement. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any costs, claims, expenses or liabilities, including, without limitation, fees and expenses of its attorneys which it may incur in the exercise and performance of its powers and duties under the Agreement which are not due to its negligence or willful misconduct. This obligation of the City shall survive resignation or removal of the Fiscal Agent under the Agreement and payment of the Bonds and discharge of the Agreement.

Amendments

Amendments Permitted. The Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Agreement. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Agreement), or reduce the percentage of Bonds required for the amendment hereof. No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

The Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any

Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in the Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power in the Agreement reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Agreement, or in regard to questions arising under the Agreement, as the City and the Fiscal Agent may deem necessary or desirable, and which shall not adversely affect the rights of the Owners of the Bonds;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations.

No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

Owners' Meetings. The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of said meeting.

Procedure for Amendment with Written Consent of Owners. The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of the Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by the Agreement, to take effect when and as provided. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required under the Agreement, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in the Agreement provided.

If consent of the Owners is required, such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in the Agreement) and a notice shall have been mailed as hereinafter provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by the Agreement. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise above specifically provided) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in the Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in the Agreement. Upon request, the City shall provide an Officer's Certificate to the Fiscal Agent listing those Bonds which are disqualified pursuant to the Agreement.

Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to the Agreement, the Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Agreement of the City and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced under the Agreement subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of the Agreement for any and all purposes.

Endorsement or Replacement of Bonds Issued After Amendments. The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in the Agreement shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Amendatory Endorsement of Bonds. The provisions of the Agreement shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Opinion of Counsel Regarding Supplemental Agreement. The Fiscal Agent shall be furnished, upon request, an opinion of counsel that any Supplemental Agreement entered into by the City and the Fiscal Agent complies with the provisions of the Agreement, and the Fiscal Agent may conclusively rely upon such opinion.

Defeasance and Discharge

If the City shall pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with (in the event that all of the Bonds are to be defeased) the amounts then on deposit in the funds and accounts provided for in the Agreement, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums, or;

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and (in the event that all of the Bonds are to be defeased) moneys then on deposit in the fund and accounts provided for in the Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in the Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in the Agreement and all other obligations of the City under the Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligations of the City related to certain tax matters and to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent pursuant to the Agreement; and thereafter Special Taxes shall not be payable to the Fiscal Agent. Notice of such election shall be filed with the Fiscal Agent.

Any funds thereafter held by the Fiscal Agent upon payments of all fees and expenses of the Fiscal Agent, which are not required for said purpose, shall be paid over to the City.

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APPENDIX G

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the 2018 Bonds, payment of principal, interest and other payments on the 2018 Bonds (herein, the "Securities") to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Securities (the "Issuer") nor the fiscal agent appointed with respect to the Securities (the "Agent") takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC") will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is

a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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